

# Unifor's Detroit Three "pattern" pact and the ruling class assault on pensions

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Unifor, the Canadian autoworkers' union, is claiming that the sell-out contracts it has reached with GM and Chrysler and on which it now plans to "pattern" an agreement with Ford contain no concessions.

This is a barefaced lie. And not only because the Unifor pattern agreement provides paltry wage increases that ensure workers' real (inflation-adjusted) wages will continue to decline and because it further entrenches the hated two-tier system, under which new hires must work for a decade before earning the regular wage.

Under its "pattern" agreement, Unifor has accepted the elimination of any form of defined-benefit pension for future new hires at the Detroit Three's Canadian operations.

Henceforth, an ever-expanding sub-tier of autoworkers will have no guaranteed pension whatsoever.

Unifor President Jerry Dias, who blackmailed GM and Chrysler workers into ratifying the "pattern" with the threat of a cut-off of investment and job losses, has sought to minimize the significance of the union's concession on pensions.

But little more than a year ago, he was singing a very different tune—even warning that if Unifor was to cede to the Detroit Three's demands to eliminate defined-benefit pensions it would establish a dangerous precedent that would be exploited by employers across Canada.

"This is a huge fundamental issue for us as an organization," Dias told the *Globe and Mail* in April 2015. If the union was to cede to the Detroit Three on the defined-benefit pension issue, he explained, "all employers that have them" would push for their elimination.

Dias then added, "If you take a look at the

profitability of the [auto] industry today, there is no reason for them to ... request" eliminating defined-benefit pensions.

When the Unifor president said that giving up defined-benefit pension rights at the Detroit Three would inaugurate a broader assault on this right, he was, for once, not lying.

The deal he struck with GM at the last minute on September 19 so as to avert a strike has been universally hailed in the corporate press for providing a launching pad for an assault on workers' pension rights in both the private and public sectors.

In one typical, celebratory comment, entitled "Unifor gets it on pensions, why don't our public sector unions?", Aaron Wudrick of the Canadian Taxpayers Federation gloated, "Crucial to this deal was Unifor's willingness to agree that new employees would be put onto a defined-contribution pension plan. With any luck this move will rub off on their union brothers and sisters working in government."

In another comment, the neoconservative *National Post* crowed that the Unifor-GM deal was a "watershed moment," particularly because of the concession on pensions.

The basic right to a safe retirement was secured by generations of workers in auto and other industries in bitter struggle against the corporations and ruling elite. It is now being systematically gutted, with the trade unions collaborating in the destruction of pension guarantees while accepting wage and benefits cuts so as to provide big business investors with cheap labor and enhanced profits.

The record of Unifor and its predecessor, the CAW (Canadian Auto Workers), provides stark confirmation of this. In the 2012 Detroit Three contracts, the CAW made two major concessions in respect to the pensions

of new hires. First, that unlike higher seniority workers, they would have to co-finance their pensions through deductions from their weekly wages; and second, that they would be enrolled in a hybrid two-part pension plan, part of which would be defined-benefit and part defined-contribution.

At the time, these were presented as temporary concessions that would be rescinded when times got better.

However, the latest deal goes one step further, placing new hires in a wholly defined-contributions benefit scheme. As a result, new hires will have no guaranteed retirement income. Their pensions will be entirely reliant on the vagaries of the stock market.

Moreover, this concession effectively creates a three-tier workforce, with older workers enrolled in the traditional defined-benefit pension plan, recent new hires in the hybrid scheme, and future new hires in the still more regressive wholly defined-contribution pension plan.

Dias and the Unifor bureaucracy have claimed that this change—they dare not call it a concession—was necessary to secure jobs and investment.

This is the line that the CAW/Unifor and UAW have been peddling for years: that jobs can be “saved” by ensuring the auto bosses that cars can be made more cheaply in Canada than the US or, in the UAW’s case, vice versa.

While Dias is claiming to have won major new investments under the new contracts already approved at GM and Fiat-Chrysler, most of these are dependent on federal and provincial government cash handouts to the automakers that have yet to be finalized. This will entail further negotiations during which additional concessions will likely be demanded of workers.

While Dias and co. repeatedly tell workers that there is “no money” to fund adequate pensions and the corporate elite crows at the prospect of slashing employer obligations by billions, the corporate executives at the Detroit Three have never had it so good. Sergio Marchionne, the CEO of Fiat-Chrysler who was hailed by Dias for his “candour” during the contract talks, recently raked in a \$72 million bonus.

Unifor’s readiness to sacrifice workers’ rights to boost corporate “profitability” demonstrates that it has been transformed into an arm of corporate management and the state.

Wedded to a nationalist and pro-capitalist program, Unifor, the UAW and the unions as a whole have proven incapable in mounting any resistance to big business’ demands for ever lower labour costs so as to “compete” in an increasingly globalized economy. The CAW/Unifor in Canada and the UAW have instead divided workers along national lines, creating a race to the bottom in which pension rights, along with wages and benefits, have been slashed time and again.

Only if autoworkers break politically and organizationally from the Unifor bureaucracy and adopt a strategy to unite autoworkers in Canada with their brothers and sisters in the US, Mexico and beyond can pensions be defended. A secure and safe retirement must be a key demand fought for by the rank-and-file committees that workers at GM, Fiat-Chrysler and Ford must build to take forward their struggle. A counter-offensive by autoworkers to secure pension rights, and other social entitlements like a decent and secure job, major wage and benefit increases, and adequate leisure time would meet with broad support from workers on both sides of the Canada-US border.



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