

Ontario government writes off 2009 auto bailout loan to Chrysler

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The right-wing populist government of Ontario Conservative Premier Doug Ford announced last week that it will write off \$445 million in loans provided to Chrysler Corporation (now Fiat-Chrysler) as part of the 2009 federal-provincial auto bailout. The move follows a similar write-off of \$2.8 billion in General Motors and Fiat-Chrysler loan repayments announced by Justin Trudeau's federal Liberal government last year.

Overall, the federal Conservative and Ontario Liberal governments handed \$13.7 billion over to the auto bosses at General Motors and Chrysler, while extorting massive wage and benefit concessions from autoworkers. Although both federal and provincial record-keeping on repayments has been opaque, it is estimated that almost \$4 billion has been converted into outright gifts to the companies.

During the 2009 auto-sector bailouts in Canada and the United States, Chrysler was divided into an "Old Chrysler" that went into Chapter 11 bankruptcy and a more viable "New Chrysler" that eventually was merged with Italian-based Fiat in 2014. The new Fiat Chrysler Automobiles (FCA) reported profits of US\$4.3 billion in 2017 and US\$3.6 billion in 2018. GM has likewise raked in billions of dollars in profits over the past decade on the basis of the stepped-up exploitation of its workforce.

The fact that these auto giants have had billions of dollars in debt to taxpayers written off by Conservative and Liberal governments alike underscores that both parties are shameless servants of the financial oligarchy.

Elected to a majority government in June 2018, Ford immediately declared Ontario was "open for business." His government has mounted an all-out assault on worker rights, boosted police powers, stoked hostility to refugees, eviscerated regulatory mechanisms, slashed

education and healthcare funding, and is now preparing to criminalize working-class opposition, including threatened teacher strikes this fall.

In April, Ford boasted that his administration was dedicated to boosting corporate profits. "Our government is lowering taxes, lowering electricity rates and slashing red tape. There has never been a better time for auto manufacturers to invest in the province of Ontario," he declared.

Ford's gift to FCA comes on the heels of the company's announcement that the third shift at its Windsor Assembly Plant will be eliminated in October, with the permanent loss of 1,500 jobs. Trudeau's write-off last year of GM's outstanding loan obligations came within weeks of GM's notification that it will shutter its Oshawa complex later this year, with the loss of 2,300 assembly jobs and another 2,700 parts worker jobs.

Unifor President Jerry Dias has been predictably silent on the failure of the auto companies to repay their debts to the public purse. The Unifor president, who sits with the CEOs of the five leading auto manufacturers in Canada on the Canadian Automotive Partnership Council, has called on the federal and Ontario governments to provide the auto companies a full 50 percent of any new investment they make in their Canadian car plants. Such largesse only benefits the wealthy stockholders, while autoworkers continue to suffer round after round of wage, job, and benefit cuts, and a relentless drive to accelerate production.

In their response to the most recent layoff announcement in Windsor and last November's announcement of the closure of the Oshawa GM plant, Unifor officials claimed to have been blindsided by management. At an April press conference, Windsor Unifor Local 444 President Dave Cassidy downplayed

the layoffs, calling the cuts “strictly a business decision based on the Pacifica.” In Oshawa, after a few months of bluster and a foul nationalist campaign targeting Mexican workers, Dias and Unifor meekly accepted the decimation of the city’s auto workforce in exchange for a dubious promise of 300 post-sale parts-stamping jobs, little more than one tenth of the plant’s former workforce.

The 2009 bailout was imposed through the collusion of the Canadian Auto Workers (CAW)—which became Unifor in 2013—the bosses at Chrysler and General Motors, and the federal Conservative and Ontario Liberal governments. The CAW agreed to reopen the three-year concessions contracts the union had negotiated in spring 2008 and forced through sweeping new cuts in benefits and paid time off, work-rule changes, and other concessions, estimated to be the equivalent of more than \$20 per hour, per worker.

Going even further than the UAW bureaucrats in the United States, the CAW leadership insisted that in “fairness,” the contract at Ford should be reopened to grant it the same concessions as its competitors, even though it never asked for, let alone received, bailout funds.

The agreements struck in 2009 with the CAW reduced new-hire wages by \$4 per hour (to \$20 from \$24) and extended their time on the lower second-tier from six years to 10 years. Veteran workers had their wages and cost-of-living allowances frozen. Retirees lost their cost-of-living allowance (COLA).

The union granted still further concessions in the contracts it negotiated in the fall of 2012. These included enrolling newly-hired workers in a hybrid pension scheme that guarantees them no fixed pension amount and forcing them, for the first time ever in an autoworkers’ contract with the Detroit Three, to pay large pension premiums. More concessions followed in 2016.

For decades the CAW/Unifor has collaborated in the destruction of jobs and living standards in the name of saving “Canadian jobs.” The reality is that this policy has not saved a single job. Instead, the autoworkers’ union has overseen a more-than 50 percent reduction in the number of hourly workers at the Detroit Big Three automakers in Canada since 2001. Since the bailout money was dispensed in 2009, another 7,000 autoworkers (including the recent layoff

announcements) have lost their jobs at GM and Chrysler.

This fall will see the auto contracts for workers in the United States come up for renewal, and the United Auto Workers is preparing once again to ram through the sweeping concessions demanded by the auto bosses. Absent the waging of an independent struggle by autoworkers, organized independently of and in opposition to the rotten UAW bureaucracy, these concessions will roll across the border next year when the Canadian Detroit Three contracts come up for renewal.

Autoworkers in Canada and the United States must reject this artificial separation of their struggle along national lines. They must unite to organize rank-and-file factory committees, independent of Unifor and the UAW, to mount a counter-offensive against the auto bosses. These committees should issue an urgent appeal for a joint fightback by autoworkers in Canada, the United States, Mexico and internationally as part of a united fight to defend the jobs and living standards of all workers.

The fact that Ford and Trudeau hand billions to the auto bosses even as they throw thousands of workers in auto and related sectors onto the unemployment lines demonstrates that a political struggle is required to oppose the attacks on jobs and working conditions imposed by Unifor and the automakers. Rejecting Unifor’s reactionary political alliance with the big business Liberals, autoworkers must appeal to other sections of workers facing similar attacks to join a common struggle against the corporate lackeys Ford and Trudeau. Such a struggle must set as its goal the fight for a workers’ government committed to socialist policies, so that society’s vast resources can be deployed to secure decent-paying jobs for all, instead of using public funds to fatten the pockets of auto executives and the corporate elite.



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