

GM Canada contract ratification ends 2020 negotiations at Detroit Three's Canadian operations

Carl Bronski

10 November 2020

Unifor announced Monday that 85 percent of those who voted accepted a new three-year contract with General Motors Canada. The agreement covers about 1,100 workers in St. Catharines, 360 workers in Oshawa (with another 175 on layoff), and 75 at the Woodstock, Ontario parts distribution center.

In a press release announcing ratification of the deal, Unifor President Jerry Dias praised the federal Liberal and Ontario Conservative governments for their “support.” The federal and provincial governments are providing well over a billion dollars in subsidies to the Detroit Three automakers—GM, Ford, and Fiat-Chrysler—as part of a union-supported restructuring of the Canadian auto industry aimed at ensuring its “global competitiveness.” The new deal will ensure that the industry continues to produce bumper profits for investors through intensified production, job-cutting, and a further erosion of workers’ rights and living standards.

“I want to thank both levels of government for supporting us,” declared Dias. “We went into bargaining in the middle of a pandemic, facing great uncertainty. Now we can proudly say these three contracts will breathe new life into Canada’s auto sector.”

Throughout the 2020 auto negotiations Unifor has functioned as nothing more than a cheap labour contractor, offering up current and future autoworkers to be ruthlessly exploited for the profit interests of the Detroit Three transnational auto giants.

The lavish government handouts and the incentives provided to automakers to retain a significant share of their North American production in the US and Canada under the renegotiated North American Free Trade Agreement (NAFTA) undoubtedly played a significant role in the investment pledges the Detroit Three have made to Unifor as part of the 2020 contract negotiations.

But their most important consideration was Unifor’s readiness to further enshrine and expand their use of two-tier and TPT (Temporary Part Time) workers, otherwise maintain real wages and benefits well below what they were before the 2008-9 auto industry “bailout,” and impose regressive work-rule changes.

The much-ballyhooed reopening of the Oshawa Assembly Plant in 2022, which GM has said will create up to 1,700 jobs, provides an example of this pro-corporate policy in microcosm.

There are only 175 workers from the shuttered Oshawa GM assembly operation who are currently marked as “on layoff” and therefore eligible for the projected new jobs. The rest of the 2,600

former assembly workers have either taken retirement or severance packages or are among the 300 workers who remain employed at the plant producing after-market parts.

Consequently, the vast majority of the expanded Oshawa workforce will be made up of second-tier new hires, who will have vastly inferior rights and face a lengthy eight-year “grow-in” period before they reach full pay.

There will also be a large contingent of TPT workers. They will be full-time in all but name yet have virtually no rights or prospect of obtaining permanent employment. Henceforth at least 15 percent of the Oshawa workforce will be made up of TPT workers, says the bargaining report issued by Unifor Local 222.

Unifor has also agreed to the introduction of an alternative work schedule (AWS) in Oshawa. This grants the plant’s management authority to organize shifts as they see fit, and eliminates overtime pay for most work on weekends or beyond the traditional 8-hour workday. The bargaining report notes, “(T)he company will have the ability to structure the shift’s start and end times to avoid high peak time utility costs.” It continues, “The company will maintain the ability to maximum run-time for optimal operating flexibility, inclusive of unpaid lunches (8.5-hour shifts).” In other words, autoworkers will be forced to endure anti-social shift patterns at considerable cost to their social and family lives, so as to further boost GM’s profits; and they will receive no paid meal breaks.

Buried in the union “highlights package” is an admission from Unifor that the company has in fact made “no future product commitment” to the Oshawa plant beyond 2025. GM, says the Unifor document, has committed to the reopened plant producing its hot-selling Chevy Silverado and GMC Sierra models for a “life-cycle” of at least three years, or what the union terms “well into the new Collective Agreement 2023.”

Even for those three years, GM has given no commitment to retaining a 1,700-strong workforce. The local agreement explicitly notes that new hires will be “laid off” if there is a “permanent reduction in (the work) force.”

Like GM, Ford Canada and FCA are calculating that they will reap major labour cost advantages thanks to their ability to flood their plants with low-paid new hires and TPTs. At Ford, Unifor also agreed to the introduction of the onerous Alternative Work Schedule, a concession it and the company hid from workers until after the contract ratification vote. (See: Canadian autoworkers’

union, Unifor, hid major concessions in “pattern” contract with Ford) Overtime payments for 10 hour shifts at Ford have already ended.

All three deals Unifor has brokered with the Detroit Three provide the automakers with the power to renege on their investment promises essentially at will. GM, for example, says its commitments are “conditional on stable demand, business and market conditions; the ability to continue producing profitably; and the full execution of GMS (Global Manufacturing Systems),” i.e., its global production strategy. Similar contract language has enabled GM to close three of its Canadian plants, including the Oshawa Assembly Plant in 2019, over the past decade, despite previous “guarantees” they would remain open.

The Unifor-GM deal explicitly opens the door to further contract concessions. After outlining its investment plans for all three of the facilities covered by the agreement, the GM “investment and product commitment letter” states, “The parties understand that the expected conditions upon which these opportunities are based can change, potentially affecting the product allocation and/or employment levels. If any changes to the above are anticipated, the parties will discuss in advance.”

Unifor’s imposition of savage attacks on workers’ rights is the inevitable product of its nationalist and corporatist program, which insists that workers’ jobs and benefits must be subordinated to the automakers’ profits and investor returns. The union insists that autoworkers protect the competitive position of the transnational corporations operating in Canada and compete against workers in the US, Mexico and around the world for investments and products.

The pitting of autoworkers against each other has facilitated the whipsawing of wages and benefits back and forth across North America’s borders by the globally mobile automakers and contributed to the destruction of tens of thousands of auto jobs in Canada and the United States since the 1980s.

The latest bargaining round has seen both Unifor and the UAW intensify their promotion of Canadian and American nationalism. Unifor pressed for and succeeded in obtaining three-year agreements at all of the Detroit Three’s Canadian operations, instead of the usual four-year deals. This means the new contracts will expire in Sept. 2023, at the same time as those between the UAW and Detroit Three.

This was not done to unify workers across the borders for a common fight. On the contrary, Dias justified Unifor’s push for a common expiry date with the complaint that the UAW scooped up all the new product-placements before Unifor got to the bargaining table a year later. Opposed to a joint struggle of US and Canadian autoworkers, Unifor’s aim is to go head to head with the UAW in a bidding war, to determine which union apparatus can provide the automakers the most lucrative terms, in a race to the bottom at workers’ expense.

The UAW, for its part, has reacted with its own outburst of American nationalism to the news that GM is restarting truck production in Oshawa. “It’s a little disappointing they didn’t give us a chance at increasing our line speed vs. retooling another plant,” Eric Welter, the UAW Local 598 chairman at the Flint Truck plant, told the Detroit News. “It’s not a concern today or

tomorrow,” said Rich LeTourneau, UAW Local 2209 plant chairman in Fort Wayne, Indiana, “but ... (when) there has to be a volume reduction somewhere. Where does that hit?”

While Unifor proved able to impose savage attacks on autoworkers across the Detroit Three’s Canadian operations during the 2020 bargaining round, significant signs of opposition did emerge. These included substantial minorities voting ‘no’ in all three ratification votes, and the widespread readership among autoworkers achieved by articles and statements from the *WSWS Autoworker Newsletter*.

In opposition to the nationalist poison spewed by Unifor, the UAW and other unions, autoworkers are increasingly aware that they have to unite their struggle across borders to fight the transnational corporations. This was demonstrated in the courageous stand taken by the GM workers in Silao, Mexico who defied the corrupt CTM union and refused to accept added work during the 2019 GM strike in the US. Workers in the US and Canada expressed their solidarity with the Silao workers who were victimized for taking a stand.

The task now facing autoworkers is to translate this opposition into a conscious political struggle against the automakers’ insatiable drive for profit and their junior partners in Unifor. As the sweeping union-backed concessions come into force in the plants in the weeks and months ahead, the formation of rank-and-file action committees by autoworkers in every plant to fight for decent working conditions and a safe and healthy workplace will be posed with ever greater urgency. The struggle to establish such committees must decisively reject Unifor’s Canadian nationalism and subordination of workers’ jobs and livelihoods to corporate profits.

Instead, workers must base themselves on the understanding that they confront the same fundamental problems in every country and that what is required is an internationalist and socialist perspective to unify the struggles of autoworkers in Canada, the United States, Mexico and around the world. We urge workers to subscribe to the *WSWS Autoworker Newsletter* and to take up this fight.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact