

Quebec unions refuse to lift a finger to fight closure of Olymel meatpacking plant

Hugo Maltais, Louis Girard
11 May 2023

Olymel, one of Canada's largest meat processing companies, announced last month the closure of its pork processing plant in Vallée-Jonction, Quebec. Located in the province's Beauce region, the plant is the largest hog slaughterhouse in Quebec.

About 1,000 workers are affected by the closure, which will begin on September 15 with the elimination of the night shift and will be completed by December 22. This is a real catastrophe in a town with fewer than 2,000 inhabitants and whose economy is largely dependent on the operations of the Olymel plant.

According to Vallée-Jonction Mayor Patricia Drouin, for each job at Olymel, three indirect jobs are affected at other businesses in the town and its environs, including at pharmacies and convenience and grocery stores.

In a move designed to pit workers at its various plants against each other, Olymel leaked the information that it would be closing one of its four plants in the province the day before the official closure announcement without specifying which one. The next day, workers in Vallée-Jonction learned from the media that it was their plant that would be closed.

Neither the local union at the Vallée-Jonction plant (STOVJ), which is affiliated to the Confederation of National Trade Unions (CNTU), nor the CNTU itself, has called for a fight against the closure of the plant by appealing to workers at other Olymel plants and the entire meat processing industry. At a press conference, the company justified the closure of the Vallée-Jonction plant by invoking its high level of debt, the lack of manpower in the region and the obsolete state of the facilities, which it said would cost \$40 million to renovate.

While not saying so openly, Olymel clearly also wanted to punish the Vallée-Jonction workers for going

on strike in 2021 against management demands for further concessions—after a 40 percent wage cut imposed between 2007 and 2015. During the 2021 strike, the company threatened to cut 500 jobs and eliminate the evening shift.

Olymel is a major player in the meat processing industry that operates 35 plants across Canada where about 15,000 people work. It is a division of agri-food giant Sollio (formerly La Coop fédérée). After several very profitable years, the company posted a loss of \$71 million in 2021. In 2022, Sollio suffered a further loss of \$337 million despite sales of nearly \$9 billion.

These results led the company to close pork processing plants in Laval, Blainville and Saint-Hyacinthe in 2022—a loss of 300 jobs—and eliminate 177 management positions.

Olymel's high level of debt is primarily the result of its frantic quest for market share. In November 2022, an investigation by the Montreal daily *La Presse* revealed Sollio's precarious financial position was due to “costly strategic decisions,” including a series of transactions, between 2015 and 2021, whereby Olymel acquired almost all of its competitors in Quebec, increasing Sollio's debt from \$220 million to \$1 billion.

The \$40 million investment needed to modernize the Vallée-Jonction plant is also a poor excuse, given that Olymel and Sollio have obtained more than \$450 million from the Quebec government in recent years—a direct injection of \$300 million in 2019 and an additional \$150 million in 2021 through a government-controlled pension fund—to “strengthen its competitiveness.”

On social media, workers were quick to point out angrily that this public money could have been used to preserve their jobs. “Yet Olymel received \$150 million

from [Economy Minister Pierre] Fittzgibbon via Investment Quebec in 2021,” wrote one worker. Olymel President Yannick Gervais justified his plundering of public funds by invoking Quebec nationalism with these words: “Olymel is still 100 percent Quebec-owned.”

For its part, the Coalition Avenir Québec (CAQ) government, led by multi-millionaire former CEO François Legault, reassured the company that it would continue to support it at all costs. Economy Minister Pierre Fittzgibbon defended the \$150 million investment in 2021 as “the right thing to do,” dismissing the loss of 1,000 jobs as “unfortunate.”

In the final analysis, regardless of the immediate economic causes, the real reason for the closure of the Vallée-Jonction plant is the capitalist system itself. In the constant pursuit of profits without regard for the needs of the workers who make up the vast majority of the population and produce its wealth, corporations routinely carry out plant closures, wage cuts and mass layoffs.

In this relentless campaign to extract more and more profits from the workers, the ruling class can count on the complicity not only of the governments and political establishment, but also of the pro-capitalist unions to impose round after round of concessions on the rank-and-file workers they purportedly “represent.”

The example of the Vallée-Jonction plant is typical in this regard. During the 2021 strike, the local union (STOVJ) reached a first agreement in principle that abandoned the main demands of the workers for protective measures against the coronavirus pandemic, the right to choose one’s vacations, the restoration of the pension fund and a much-needed wage catch-up.

The agreement was rejected by 57 percent of the workers. The STOVJ and the CNTU responded by isolating the strikers and wearing them out, so as to push through, after four months on the picket lines, a new contract that maintains virtually all the concessions imposed by the company and the union since 2007.

Since the announcement of the plant closure, the unions have not lifted a finger to oppose it. STOVJ president Martin Maurice only laments the decision after all the concessions the union has made. “We are the most profitable and productive plant,” he pleaded, suggesting that the company should have targeted another plant.

The local union and the CNTU are insisting the only thing they can do is help workers to “redeploy” (find a new job, go back to school, start a business, etc.). They have also abandoned to their fate the 120 temporary foreign workers who have a closed work permit with Olymel. Temporary foreign workers with closed work permits are only allowed to remain in Canada so long as they maintain the job and employer specified on their permit. As a result, these workers now face the threat of imminent deportation unless they find another job.

As one of them told the *World Socialist Web Site*, “Whether it’s Olymel, or even the unions, immigrants are no longer their problem. They have only offered us three things. Either we accept the relocation, or we find another job on our own, or we go home. But as far as the unions are concerned, to be honest, there is not very much that they have done for us so far.”

The central concern of the unions is to prevent an independent mobilization of workers against the closure of the plant and in defense of everyone’s jobs. “Our priority is to ease the frustration and concern by setting up the redeployment committee to reassure our folks,” declared the local union president.

In opposition to this policy of capitulation, workers must form a rank-and-file committee, completely independent of the union apparatus, which will call on Olymel workers and workers from throughout the food processing industry, in Quebec and across Canada, to launch a common struggle against the closure of the Vallée-Jonction plant and for the defense of all jobs.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact