

Canada Auto Union "Very Close" To Ford Deal

Rob Gillies, Associated Press

TORONTO (AP) — The Canadian Auto Workers union said it is "very close" to reaching a deal with Ford as a midnight strike deadline looms with all three of Detroit's automakers.

CAW spokeswoman Shannon Devine said Monday afternoon they are "nearly done" after talks went on until 6 a.m. and then picked up again around 8:30 a.m.

The union told its members it was optimistic strikes can be averted with the three U.S. automakers after the union decided to focus talks with Ford who they say recognizes that the union won't accept a permanent two-tier wage structure. The union said Ford emerged as most likely to reach an agreement ahead of a strike deadline looming Monday night and said a Ford deal could set a framework for an agreement with General Motors and Chrysler.

Its contracts with all three automakers expire at midnight Monday.

A strike at all three automakers would affect about 20,000 workers and about 16 percent of North American auto production. The CAW represents about 4,500 workers at Ford, 8,000 workers at GM and another 8,000 at Chrysler.

The union has focused talks in the past on one of the automakers with the idea of setting a template deal for all three. If the CAW reaches a deal with Ford it could extend the strike deadline for GM and Chrysler. After learning on Sunday that the union would focus talks on them, Ford said in a statement that it has a strong track record of working collaboratively with the CAW and that they are confident they can work together to ensure the future of their Canadian operations.

Chrysler declined to comment on the CAW saying it was close to a deal with Ford, but Chrysler earlier took issue with the CAW focusing their efforts on Ford.

"We at Chrysler are very concerned by the CAW decision to focus on reaching a tentative deal with Ford. These negotiations are pivotal in shaping the future of the automotive landscape in this country. While we respect Ford as a competitor, we do not think they are in the best position to take on this role given the significant reduction in their Canadian footprint in recent years," Chrysler said in a statement.

"Chrysler's goal in these negotiations is to develop an agreement that is conducive to long-term job security in Canada and we will continue to work with the CAW to get there," it said.

The auto companies say Canada is the most expensive place in the world to make cars and trucks, and they could move production south if the CAW doesn't cut costs.

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Wages are a key issue in the talks and the union is proposing that new employees earn less only when they are first hired and then take longer to reach the top end of the wage scale.

The automakers have been pushing for a permanent wage reduction for new employees, similar to a deal the companies reached in the U.S.

Canada's advantages in the past, a weaker Canadian dollar and government health care, have all but vanished. In addition, the United Auto Workers union in the U.S. has agreed to steeper concessions than the CAW, making U.S. labor costs cheaper.

The federal Canadian and Ontario province governments worked in tandem with the U.S. government on auto bailouts in 2009 to maintain Canada's share of North American auto production. Canada's share peaked at 3.2 million cars in 1999, about 17.4 percent of North American production. In 2011, Canada produced 2.1 million vehicles, or about 16 percent.

Ontario Premier Dalton McGuinty said Monday his government has every confidence that they will honor those agreements.

"I'm confident that people know what's at stake and they're going to find a way," he said.

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