Canadian Ford Workers Accept Contract

Rob Gillies, Associated Press

TORONTO (AP) — Canadian auto workers at Ford have voted to accept the new contract that their union leadership negotiated last week, the union said Sunday.

The Canadian Auto Workers union said 82 percent of its Ford members accepted the four-year deal. The union did not indicate how many of its 4,500 workers at Ford cast ballots.

The union leadership also reached an agreement with GM last week. GM workers are set to vote on the tentative agreement on Wednesday and Thursday.

Talks continue with Chrysler. The union wants Chrysler to match the deals they have reached with Ford and GM.

The Ford and GM contacts cut wages for new hires and freezes pay for current workers. But it also gives them lump-sum payments to cover inflation and for ratifying the deal.

Under the Ford and GM deals, the companies will pay new workers 60 percent of the current top wage of $33.89 Canadian dollars (US$34.74) an hour, according to the CAW. That would mean new workers would be paid around $20.33 Canadian ($20.84). They can move up the wage scale and reach the top wage in 10 years.

U.S. workers at the Detroit automakers approved a similar two-tier wage agreement five years ago, but in those agreements, workers don't automatically get the top wage after 10 years.

Ford said there will be significant cost-savings realized through the wage structure for new employees. Ford also said the deal creates more than 600 jobs in Canada over the life of the contract.

"By becoming more competitive in our labor costs, we are better positioned to support the growth of the Canadian economy and to provide new job opportunities," Stacey Allerton, vice president of Human Resources at Ford of Canada, said in a statement Sunday.

The auto companies had said Canada is the most expensive place in the world to make cars and trucks, and indicated they could move production south if the CAW didn't cut costs. The CAW represents about 21,000 auto workers in Canada and about 16 percent of auto production in North America.

Canada's advantages in the past — a weak Canadian dollar and government health care — have all but vanished compared with U.S. factories. 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. Going into the talks, the Detroit automakers were paying an estimated $60 to $62 an hour for labor and benefits in Canada, compared with $50 an hour at Chrysler, $56 at Ford and $58 at GM, according to the Center for Automotive Research, a nonprofit research group.

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.

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