

Canadian GM Workers Accept Contract

Rob Gillies, Associated Press

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

The Canadian Auto Workers union said 73 percent of its GM members accepted the four-year deal. The union said about half of the 5,500 workers at GM Canada cast ballots.

The union leadership also reached an agreement with Ford last week and Chrysler this week. Ford workers voted in favor of their deal last weekend and Chrysler workers are set to vote on their tentative agreement this weekend.

GM and Chrysler matched the deal the union reached with Ford.

The contracts cut wages for new hires and freeze pay for current workers. But the contracts also give them lump-sum payments to cover inflation and for ratifying the deal.

The deals with the three Detroit automakers avoided strikes and the possibility production will move to the United States in the next four years.

David Wenner, a General Director at GM, said Thursday they would work with the union over the next four years to enhance the competitiveness of the Canadian operations.

The auto companies had said Canada was the most expensive place in the world to make cars and trucks, and warned 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.

Under the agreement new workers will receive 60 percent of the current top wage of \$33.89 Canadian dollars (US\$34.74). That would mean new workers would be paid around CA\$20.33 (\$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.

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,

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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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