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**TAKE THE PLANT - SAVE THE PLANET**  
*The Struggle for Community Control and  
Plant Conversion at GM Oshawa*

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# TAKE THE PLANT

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## SAVE THE PLANET

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# Introduction

## **Realizing ‘Just Transitions’: The Struggle for Plant Conversion at GM Oshawa**

On November 26, 2018, General Motors announced a number of plant closures in North America, the largest of which was in Oshawa, Ontario. The Oshawa facility, once the largest auto complex on the continent, was to end all its assembly operations by the end of 2019.

The response of the federal government, which had used the preservation of jobs to justify giving GM billions in public funds during the financial crisis, was a tepid ‘disappointment’. The provincial government, which had been plastering the province the slogan ‘Ontario is open for business’ was left red-faced when, as its billboards were going up, GM announced the closing of one of the largest workplaces in the province. Both levels of government essentially closed their eyes and wished the issue away.

Nor did the autoworkers’ union, Unifor, escape its own share of discomfort. Less than two years earlier, its leadership had negotiated lower wages and pensions at GM for new (essentially younger) workers in spite of those workers doing exactly the same job as those beside them. This betrayal of union solidarity was sold to the members as a victory because of its promised retention of jobs. When the closure exposed the job ‘guarantees’ as a sham, the national president reacted with predictable bluster and launched a public relations campaign to shame the corporation into reversing its decision.

In the end, the union did solicit another job promise from the corporation but this time it was for only 300 jobs and they would only come at the end of 2020. Earlier, when the head of GM had announced the closure, she had pointedly emphasized that even with only 3000 GM workers left, the plant’s heavy ‘underutilization’ was a factor in it being shuttered. What then to make of the sustainability of the 300 prospective jobs that would leave 95% of the facility underutilized?

## **Toward an Alternative**

A small group of rank and file Oshawa workers and retirees understood that far more was needed; both logic and history suggested that appealing to GM to rethink their cold calculations was naïve. They joined with other community allies, including the Durham Labour Council and supporters



from the Toronto-based Socialist Project, to establish ‘Green Jobs Oshawa’. Its mandate was to explore and organize around other possibilities for the Oshawa facility.

Four perspectives drove their ambitious proposal. First, GM was the problem, not the solution. Second, expecting to compete in the market with China, Mexico or plants in the American south was no answer. It would only reproduce past pressures on wages and working conditions, past insecurities and past failures. Third, any alternative would need to introduce a product with special social significance. And fourth, the issue was not just jobs but retaining Canada’s manufacturing capacities.

In line with this outlook, Green Jobs Oshawa called on the federal government – or the municipal government with substantial financial and technical support from the feds – to take over the land and equipment idled by GM. The Oshawa facility could then be converted to assembling fleets of electric vehicles. The sale of these vehicles was to depend not on market competition, but a social plan based on direct government purchases of the products the government had invested in. The fleet vehicles involved would range from electric post office vans (as recommended earlier by the Canadian Union of Postal Workers) to hydro-electric vans, newly designed school buses, ambulances and police cars. With that base, the plant could also produce electric cars for individual consumers and, depending on how much space remained available, add other environmentally related products.

The message was that jobs, the environment, and the industrial capacities for conversion and restructuring are inseparable. From that perspective, saving Oshawa was not an end point but a beginning and an example to build on.

## **Frustration and Persistence**

Green Jobs Oshawa developed a website, distributed leaflets to workers, held educationals and public forums in Oshawa and Toronto, organized petitions, commissioned a widely respected professional feasibility study (see appendix) confirming its case, received sympathetic attention in the press and gave numerous media interviews. Yet the committee couldn’t generate the necessary level of support, starting with the workers themselves.

The workers in Oshawa were frustrated and angry, but anger doesn't necessarily translate into activism. Having experienced the steady drip-drip decline of the Oshawa complex, having recently suffered demoralizing defeats after defeats in bargaining, and now seeing the final end of vehicle assembly in the city, workers had shifted to survival mode. In that state of mind most workers, it seemed, had simply stopped even thinking about possibilities. Nor was it unusual for workers to guard against hope creeping into their consciousness; risking the pain of once more seeing hopes dashed made even hope something to willfully avoid.

Though workers contacted by Green Jobs Oshawa generally considered the proposals on conversion as sensible, this was trumped by their skepticism of 'sensible' driving economic and political decisions. Critical here was the role of the union. As frustrated as workers were with the union, they still looked to its structures and resources for leadership, especially given the radical nature of the alternative proposed. But with both the national and local leadership not interested in and even hostile to an alternative, it was no surprise that workers were lukewarm to committing to a fight for a long-shot alternative.

Important here as well was the limits of the environmental movement. Environmentalists have most impressively raised public awareness of the looming environmental catastrophe. Yet they have been far less successful in getting the mass of working people on side. Two inter-related problems stand out. First, the promise of a 'just transition' is well-meaning but unconvincing to workers; workers rightly ask how such a commitment could be met in a society driven by competition and private profits. Second, with the environmental movement generally absent from workers struggles, developing 'awareness' could only go so far.

## **Green Jobs Oshawa Lives On**

Measured by its ability to keep the Oshawa facility humming, Green Jobs Oshawa was not successful; today no more vehicles are being assembled in Oshawa. But measured by their work in placing a vital but largely ignored issue on the agenda – the steady loss of the productive capacity we will need to reconstitute the environment – brings a more encouraging conclusion.

Though the Oshawa facility is now quiet, the battle to revive it, with all its noise and productive bustle continues. The facility still has waiting assembly lines, a body shop, a paint shop, and 10 million square feet of space. In Oshawa and nearby there is no shortage of workers anxious to apply their too often underestimated skills, suppliers with flexible tooling

capacities, and young engineers leaving university anxious to apply their knowledge to developing socially useful products. Green Jobs Oshawa continues to send out material and speak at events, making connections and spreading the urgent discussion of possibilities.

This pamphlet provides background material on Oshawa and joins Green jobs Oshawa in encouraging workers elsewhere to prepare now for the threats to their jobs and productive capacity that will inevitably come.

- Workers – with the support of their union leadership where possible, on their own if that leadership is not sympathetic – should be setting up committees to consider the future of their workplaces and holding meetings to discuss the plant occupations, nationalizations and conversions in other cities facing major manufacturing shutdowns.

- The Canadian Labour Congress should be supporting and coordinating such initiatives with its own research and also joining with the environmental movement to take them further. A significant step would be to lobby for a National Conversion Agency with the authority and financial and technical resources to intervene when plant closures occur or seem imminent.

- Provincial federations of labour could focus on the environmental particularities of their own regions as, for example, the Alberta Federation of Labour has started to do in addressing how the inevitable transition away from oil could be economically and socially managed. This could include lobbying to establish local tech-enviro centers populated by the hundreds of young engineers mentioned above. Alongside coming up with possibilities for local conversion and development they could contribute to spreading the community understandings of what we face and what needs to be done.

- For private sector workers, the crucial fact is that environmental pressures will require transforming everything about how we live, work, travel, and use our leisure time. Such a massive and unprecedented undertaking (the conversions entering and exiting coming out of World War Two come closest) can, if done right, mean not a loss of jobs but a shortage of workers trying to meet society's 'regular' needs and the demands of environmental reconstruction.

- As for the public sector, the growing acceptance that environmental limits translate into limiting individual consumption in the developed countries leads to a greater emphasis on collective consumption. We are on the cusp of having to urgently redefine what we mean by ‘abundance’ and to place greater value on retrieving our time, leisure, social services (health, education), collective goods (public transit, libraries), and public spaces (sports, music, arts, parks) – a reorientation, that is, to the expansion of the public sector and public sector jobs.

- Finally, for environmentalists, truly addressing the scale of what must be done means moving from a vague anti-capitalism to an aggressive – and confident – call for democratic planning and its corollary of fundamentally challenging corporate property rights. And addressing how to implement such policies, requires bringing the mass of workers on side to both the environmental necessities and to the overcoming of capitalism. This can only be with actively supporting the defensive struggles of workers to the end of linking them, as Green Jobs Oshawa has tried to do, to those larger issues of conversion and democratic planning in the shaping of the world to come.

In short, the issue is not simply a matter of bringing the environmental movement and the labour movement together; each must be transformed if the sum is to be more than the currently limited parts. The environmental movement must raise itself to a new level by concretely engaging the working class and the labour movement must escape what for it has become an existential crisis. The threats and opportunities of the environmental crisis offer a chance for labour revival, but only if this incorporates a renewed approach to organizing, struggle, radical politics, and the maximization of informed membership participation. •

# Mission Statement of Green Jobs Oshawa

## *Green Jobs Oshawa*

Green Jobs Oshawa refuses to accept the massive loss of jobs and almost complete closure of the GM Oshawa facility. We demand that government intervene now and use public ownership to save jobs, to protect manufacturing capacity, and to kick-start the transition to a green economy. GM's plans mean the loss of over 5,000 jobs of workers directly employed by the production of cars and trucks. Only 300 will remain doing stamping and related parts work. Over 90% of the complex, with all the technology, robots and machinery related to vehicle assembly, will be idled, removed, or bulldozed.

There is a better option. The Oshawa facility has the tools and equipment to produce socially beneficial products. We must stop the decay in Canada's manufacturing base which harms all working people, our children, grandchildren, and our community. We must fight to keep good jobs in our community for the future.

The climate crisis demands that governments at all levels accelerate the transition from gas-powered vehicles to electric. This will create a demand for electric post office vans, and hydro vehicles, for public transit vehicles, and eventually for electric equipment and vehicles in construction, mining and agriculture. What brings us together is the determination to link all of the above by converting the Oshawa facility to a centre for the production of fleets of electric vehicles.

We want to build those vehicles.

We want to contribute to Canada's future productive potential.

We want to contribute to saving the planet.

We know this won't happen by leaving it to private corporations, which always put private profit ahead of public need. It will require governments to look at the social benefits – jobs, the environment, and the country's future productive capacity – and use public ownership to repurpose the Oshawa complex. Waiting for things to improve is no longer an alternative, it's a good part of how we got into this mess. We demand action now for Green Jobs in Oshawa. •

*This statement was originally published at [greenjobsoshawa.ca](http://greenjobsoshawa.ca)*

# **Unifor Settlement with GM – Footprint or Toe Tag?**

*Tony Leah*

Did Unifor President Jerry Dias make a deal to save the Oshawa plant, or did he give in and accept GM's determination to end vehicle production in Oshawa? Just before Christmas 2018, GM announced their intention to close Oshawa, meaning the loss of 5,000 direct jobs involved in the assembly of cars and trucks, with a much larger impact on the community of Oshawa – an overall loss of 20,000 jobs.

## **5,000 jobs, Not 2600**

GM claimed that 2,600 jobs were affected when they announced the closure, and the media has used that figure ever since. But GM knew that they were taking jobs away from 5,000 workers whose jobs are directly part of the assembly of vehicles in Oshawa. It has been GM's deliberate policy over the years to outsource as much of the work as possible to third-party supplier companies – to force wages and benefits down. Now GM will claim no responsibility for those workers when they leave town. Many of those outsourced jobs are right inside the Oshawa plant – building services trades, cleaners, workers who sequence and deliver parts, security, the tire room. Others are nearby – including workers who make foam and manufacture seats, and other parts suppliers. At one time all of those jobs were done by workers who were employed directly by GM, and had the same wages and benefits as other GM assembly workers. Now they make less than second tier assembly workers, have inferior benefits, and most have no pensions. And almost all of them are members of Unifor – but has Jerry done anything for them?

## **From “Save the Plant” to “Keep a Footprint”**

Jerry Dias vowed to fight to keep the plant open. He hired an expensive public relations company, whose strategic brilliance included a “Tree of Hope,” and an ad on the Super Bowl broadcast, rather than relying on workers' actions. After several months, the “fight” became reduced to talks with GM to maintain a “footprint” and save “as many jobs as possible.”

Finally, on May 8, the deal was announced – only 300 jobs would be saved – that is only 6% of the 5,000 jobs left in Oshawa. And 300 is just 1.5% of the 20,000 jobs that were in Oshawa not too long ago. Those 300 jobs will

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be reserved for direct employees of GM. Senior GM workers will be offered retirement or severance incentives. Workers hired by GM since 2006 fare worse – they only get credit for time worked since 2016 to qualify for incentive packages. For the 2,500 workers at supplier companies the deal provides zero jobs, zero incentive packages, zero severance beyond the bare minimum provided by law. Yet, they are Unifor members too. They are workers too.

Here are some of my impressions of the deal and how it was announced.

## **The Jerry and Travis Show – the members are the last to know**

Jerry Dias did not meet with the workers affected by the plant closure to let them know what was in his deal with GM. Instead, he took part in a joint press conference with GM of Canada President Travis Hester on May 8 in downtown Toronto. The backdrop featured the logos of GM and Unifor as though the organizations were partners, and the whole set-up was clearly designed to try to rescue GM's damaged public image. Jerry was on a first-name basis with Hester, while the workers suffered the indignity of learning

about their fate by watching the press conference.



*Travis Hester and Unifor President Jerry Dias at the May 8 press conference.*

Holding the press conference far away from the workers, who would know how hollow the ‘victory’ was, served a very damaging purpose – it left the public with the false impression that the plant has been saved.

## **The Good Business Model**

During the Toronto press conference, Jerry praised GM for promising to keep 300 jobs in Oshawa, and said “I’m content that we have established what I believe to be a business plan for the long term.” The workers in Oshawa who are losing their jobs are a lot less content. When meetings were held with the members the next day, on May 9, Jerry Dias did not even bother to show up. That is really adding insult to injury.

## **The 300 Jobs – Now You See Them, Now You Don’t**

It wasn’t until the meetings on May 9 that we got more details about the 300 jobs. The jobs will be in the Oshawa Stamping Plant, a small part of the GM complex, and GM’s only commitment is to have the jobs in place by the end of the 2020 calendar year. Our leadership expressed faith “that most of them would start ... in the second half of the year.” Since vehicle production will be done in December, 2019, this means that people who apply for the 300 stamping jobs could be on layoff for 6 months or more before they start. I asked at the meeting if there was any guarantee that the jobs would last past the expiry of our contract – September 21, 2020. The short answer was “No” – there are no guarantees, of course. When the contract expires, everything has to be renegotiated. If GM announces next year that they have changed their mind, or that “conditions have changed,” there could be no jobs at all.

### **Why Should We Trust GM Now?**

The deal that has been reached depends on GM’s good will – which means it is worth nothing. GM has promised 300 jobs – but they have until the end of 2020 to deliver them. And that is after the expiry of Unifor’s collective agreement. Why should we take GM’s word now, when we have already seen what their promises in 2016 were worth? This deal provides very little for the 2,500 GM workers. It provides nothing for the 2,500 workers at supplier companies. Most importantly this deal provides nothing for the community – no jobs for the future, and the loss of important manufacturing capacity for Oshawa, Ontario and Canada. GM is already taking inventory of the equipment they are going to take out and relocate or sell.

### **Demand Public Ownership and a Green Transition**

The only realistic way to prevent the dismantling of the Oshawa complex, and the bulldozing of the plant buildings to make space for condos and big box stores, would be for governments to step in and save the manufacturing capacity, and repurpose the plant for electric vehicles, public transit, and renewable energy products. We desperately need that bold action by government anyway to meet the current climate crisis. What better place to start than in Oshawa? If we leave it up to GM, they will put their profits first, and the public interest last. We can’t accept that capitalist cold-hearted logic.



Vehicle Production: B – Body Shop, C – Chassis, D – Truck Frame Line, P – Paint, M - Stamping  
 Other: S – South Supplier Park, E – Power House, W – Waste Water, A – South Main Office

The aerial view shows that GM's plans will at best keep jobs in a small corner of the Oshawa manufacturing complex – the Stamping Plant (M) outlined in red. All of the automation, robots, technology and equipment used for the assembly of cars and trucks is in the buildings outlined in black – and they will all be empty.

We need to force governments to act now, or it will be too late. Can this be done? As veteran union activist Sid Ryan posted recently on Facebook:

“One of those alternatives was to push these governments to consider public ownership (nationalize) the Oshawa facility and to repurpose it. After all, the federal and Ontario governments had no problem pumping billions of dollars into GM during the 2008/09 financial disaster brought about by pure greed on Wall St. Why was it ok to hand over taxpayers money to wealthy corporations to enhance their profits in 2008/09 but not do so today to save workers jobs by nationalizing the plant? Furthermore, the federal government had no problem investing in repurposing the Oshawa plants during WWII to churn out military vehicles. Why not now invest in the plant and its workers to design and build electric vehicles, buses and rapid transit systems as just one option?”

The Canadian Union of Postal Workers has called for the replacement of the entire Canada Post vehicle fleet with electric vehicles assembled in Canada. That could be the ideal start for a publicly owned manufacturing centre in Oshawa, and the kickstart to a greatly needed Green New Deal. •

*Tony Leah is a retired autoworker and founding member of Green Jobs Oshawa.*



# GM Oshawa: Lowered Expectations, Unexplored Opportunities

*Sam Gindin*

Following an aggressive public relations campaign in which union officials questioned GM's loyalty to 'Canadian taxpayers', General Motors has apparently agreed to keep its Oshawa facility partially open. The official announcement has been made of a revised plan to retain 300 workers by investing \$170-million to stamp the cargo beds for pick-up trucks.

There are good reasons to be skeptical about this plan. But even if true, before a desperate workforce reluctantly accepts that 'some jobs, however few, are better than nothing', more ambitious thinking should be considered.

The Oshawa facility currently supports 5,700 – 6,000 jobs: GM directly employs 2,200 hourly workers and some 500 salaried workers, with other companies employing over 3,000 to supply components (some working right inside the Oshawa facility). The new proposal means cutting this total by upwards of 5,300 jobs.





## Thinking Bigger

A little over a generation ago, GM alone employed 23,000 hourly and office workers in the city. The steady decline to GM's current numbers was accompanied, each step of the way, by the consolation that 'well, at least some of the jobs remained'. The continuation of that fatalistic and dispiriting response will leave Oshawa – even if the promise of the stamping plant are true – at only 3 per cent of the earlier peak.

With this loss of jobs comes a damaging loss of productive capacity – the potential to apply workers' collective skills to make socially useful products. In the mid-1980s GM Oshawa was the largest auto complex in North America, with three assembly plants turning out some 750,000 vehicles annually while also manufacturing its own axles, batteries, and radiators.

Tony Leah, a maintenance welder in Oshawa, notes that if the plans for an expanded stamping plant come to pass, the expanded stamping capacity would still occupy only "a tiny piece of the remaining 9-10 million square foot Oshawa complex... all of the assembly process equipment, technology, and space – Body Plant, Chassis Plant, Paint Shop, Supplier Park – [will] remain empty."

The Unifor leadership deserves credit for pushing GM off its original 'non-negotiable' declaration that a complete closure was a done deal. Yet it also shows the limits of its overall strategy. The concessions made during the last round of bargaining were to no avail but contributed to weakening workers' confidence to resist. The enthusiasm for the security the new trade agreement with the USA and Mexico would bring was badly misplaced. The same goes for a campaign primarily focused on hiring a public relations firm and choosing the main tactic as boycotting GM vehicles from Mexico.

It was of course always a stretch to expect GM to reverse itself on so fundamental a strategic decision as ending vehicle assembly in Oshawa. This might well have been the case even with a massive mobilization of autoworkers and the community. That's why posing possibilities beyond GM was so critical. The union's refusal to explore broader opportunities, ones that reached beyond GM, reflected a disheartening failure of imagination, a failure that reinforced a steady lowering of expectations on the part of the union leadership, its members, and the community more generally.

The politicians have been worse. Provincially, the Doug Ford government – fresh from putting up billboards declaring Ontario 'open for business'



and frantic to get the negative reality of Oshawa out of the spotlight – meekly repeated GM’s mantra of Oshawa being ‘a done deal’. The Federal government, with which the union leadership claimed a special relationship, was only a few rhetorical steps behind in trying to dampen hopes.

Is a stamping plant really the best we can aspire to? After all the lamentations about Canada’s over-dependence on resources, and the recurrent task forces on developing a manufacturing base, how can we let those facilities we already have – like the Oshawa complex – fade away with so little resistance and popular outrage? And more directly: If the stamping plant does materialize, why would we give up on the rest of this massive complex?

## **A Tale of Conflicting Perspectives**

Let’s start with General Motors’ decision to leave. The Oshawa plant is split between cars and trucks. GM has been losing interest in producing cars in Canada and the USA because their profit margins are low. Better, from GM’s perspective, to build those cars – or when the transformation to electric vehicles occurs – in Mexico or China.

As for the highly profitable trucks, GM is trying to sell as many of these as it can before environmental limits put the brakes on such sales. But the model Oshawa got in exchange for concessions was an older one that some had already seen as having only a transitional lifespan of perhaps 18 months until the new models were geared up in other plants. In any case, for GM a half empty plant (i.e. after car production goes) is a liability. More profitable from where the corporation sits is rationalizing capacity across all its operations and reallocating Oshawa’s remaining production elsewhere.

According to business consultants, and readily confirmed by the corporation, the Oshawa facilities regularly ranked at or near the top of all of GM’s operations in terms of productivity and quality. In the end, however, this turned out to not matter all that much. There’s a lesson here of note for workers everywhere: there comes a point when we must think beyond putting all our hopes in private corporations with interests antagonistic to our own.

Where the union disappointed was in refusing to come to grips with the fact that GM was no longer the salvation for working people, and

inconsequently not exploring – even as a last resort – other options. It rested with GM's Oshawa retirees to pose the crucial question of a reorientation that went beyond appealing to GM.

The retirees noted the centrality of the accumulated sweat of workers to GM's accumulated profits. They pointed as well to the mind-numbing \$11-billion contribution the Canadian public made to keeping GM alive during the financial crisis. They especially took into consideration GM's loss of interest in the facility. This led to the straightforward moral and practical conclusion of placing the facility and its equipment in public hands, and the retirees passed a resolution to that effect. The hourly workers followed by passing a similar resolution at a subsequent membership meeting.

This response is to be commended, but those votes involved a small fraction of GM retirees and workers. And though the local leadership did not oppose the resolutions, neither did they give them any profile. No public statements were issued to broadcast the resolutions, and they weren't even reported on the local's website. The national union paid zero attention to the resolutions.

The dismissive reaction of the local and national leadership was no doubt made easier by the fact that in itself, 'nationalization' alone is not enough of an answer. Though the sentiment broke with the union's public relations response, enthusiasm is difficult to generate without a plan for what might follow. What needed elaboration was what a nationalized facility like that in Oshawa might actually produce.

What do Canadians need, and do the workers in Oshawa have the capacities and skills to produce such equipment and goods? If not, can those abilities be developed? And what role should all levels of government have in bringing those needs and capacities together?

## **Imagining a Credible Alternative**

If workers came together in a room and brainstormed about what they might produce with some external support, they would likely come up with a significant list, some suggestions being stronger than others. Why not make some of the things we currently import? Why can't we make some of the products that government and para-government institutions like schools and hospitals purchase? Could, for example, a part of the Oshawa facility make products needed by our aging population – could it make wheel chairs, wheel mobility scooters, disability ramps, home lifts, accessibility beds, oxygen treatment equipment?

The environmental crisis in particular holds out the promise of all kinds of potential jobs. If we are to prevent or at least limit the looming environmental catastrophe, it is clear that everything about how we work, live, travel, and transport goods will have to be transformed. Everything. This ranges across the accelerated production of wind turbines and solar panels; energy saving lighting, heat pumps, small motors and generators for energy transmission; energy efficient doors and windows as well as modified appliances for every home and office; electric cars and electric fleets of utility vehicles.

The last example – fleets of electric utility vehicles – seems the most obvious alternative for an assembly plant. Public vehicles will inevitably have to be electrified or run on renewable energy resources, and this means a growing market for electric post office vans for mail and package delivery (as suggested by the Canadian Union of Postal Workers), hydro vehicles doing maintenance and repair work, minibuses to supplement public transit, the electric scooters mentioned above for seniors and people with disabilities, and electrified vehicles in agriculture, mining, and construction.

With the stamping plant confined to a small part of the plant, the assembly of fleets of electric utility vehicles could occupy the main part of the plant. This might even give the stamping plant additional work making stampings for the fleets. Particularly important, it would mean that the life of the complex would not end if GM suddenly (but not surprisingly) decided that it would rather close the stamping plant and sell the larger facility to developers looking to build condos. If, with the fleet vehicles and the (rumoured) stamping plant excess capacity still remained, the unutilized subsections of the plant could focus on addressing the miscellaneous aging and environmental-related products cited above, or other products workers might come up with.

Much of the needed equipment and skills already exist in the Oshawa plant. The components sector, especially where GM work is being lost, has the ability and flexibility to shift to supporting parts for these vehicles. Further high-tech support could be brought together from the tool and die industry, metal fabricating, aerospace (propulsion systems, materials), the Waterloo computer corridor, and Canada's experienced engineering and construction firms (all the more so if scandal-ridden SNC-Lavalin were also made into a public enterprise!).

Moreover, an Oshawa complex converted to 'green production' and looking to the future might also include hiring hundreds of young engineers

working on-site to consider what other needs and capacities might be developed. This would have the added advantage of contributing to building a national planning capacity to convert other threatened closings – of which there will be many – as well as generating new technologies and products which could help alleviate the environmental crisis.

## **From Ideas to Implementation**

The indispensable condition for achieving the conversion of the GM Oshawa plant and keeping the jobs lies with the commitment of the Oshawa workers. No one else is as equipped to lead this fight and place an alternative on the agenda.

Moving to think bigger can be intimidating. But it seems criminal not to at least try and keep Oshawa alive. Furthermore, the history of the past few decades in auto and elsewhere convincingly shows that unless workers take a strong collective decision, things will keep getting worse.

If the workforce does organize itself around an alternative for the GM plant, the next step will be to rally other workers and potential allies. The recent teacher mobilizations in California provide an inspiration and a blueprint for building diversified community coalitions to limit corporate power and win support from the mayor and city council. With such support GM could be blocked from moving its equipment or selling the land (the build-out dates as of now seem to be the last quarter of this year), and the facility could instead be converted to a municipally-owned facility producing socially useful and environmentally-essential products.

This would clearly require substantial support from the provincial and federal governments to have their agencies purchase the Oshawa products and to fast-track the use of electric fleets. Both layers of government would also be critical to providing finance, developing needed skills, supporting a transport redevelopment agency to chart, facilitate, and monitor transport redesign, and developing a planning capacity that can address new closures next time they occur – and there will be no shortage of such ‘next times’ in auto and elsewhere.

Of course, Queen’s Park and Ottawa will not easily jump in. But facing a public campaign, the provincial government may be vulnerable to pressure given its promise of providing new manufacturing jobs and in the face of popular reaction to Ford’s massive cuts in jobs and services in health, education, and public transport. And the federal Liberals – weakened by the SNC-Lavalin scandal and with an election coming up – have offered a

lot of rhetoric on both the environment and defending workers but have fallen far short of dramatic action on both counts.

It is unlikely that any such massive project would go forward without a feasibility study to show that all this is not just pie-in-the-sky. The crucial point is that addressing ‘feasibility’ is not a technical issue but a matter of struggling over the most basic principles that should govern our society. It cannot mean asking how much profit the facility would generate in competition with Mexico, China – or the USA and Europe for that matter. We have seen where such criteria take us. Rather, it demands another set of questions:

- What are the wider social benefits of the products being produced (are the products socially useful; do they contribute to addressing the pressing environmental crisis)?
- Can this project provide well-paying jobs with dignity for working people?
- Can the workers involved do the job effectively and at high quality?
- Does the project develop the future capacity of Canada to respond to future economic and social restructuring?

## Conclusion

GM was bailed out on the assumption it would return the favour with sustained employment. It’s now the workers’ turn to be supported – in this case, however, with a social plan that benefits the entire community and not just a private corporation that can move on when the wind changes. But first the Oshawa autoworkers must take a stand. They will need to put their own stamp on the remarkable resistance that has flowered elsewhere. Something historic is happening around the world – sometimes with dark and negative undercurrents, but at its best, inspiring and hopeful. Frustrations are overflowing over the loss of control over daily life, the growing inequalities and shrinking democracy, the perpetual insecurity, and the narrowing of hope across generations.

Fighting back has no guarantees, only possibilities worth considering and trying. Will Oshawa join this world-wide rebellion and find their own constructive way to say a loud ‘No!’ to the unrelenting lowering of expectations followed by a louder ‘Yes!’ to once again raising and creating new possibilities? •

# The GM Strike and the Historical Convergence of Possibilities

*Sam Gindin*

On September 16, 2019, forty-six thousand defiant General Motors (GM) workers streamed out on strike. This eruption of long-festering worker anger and frustrations was directed not only at a corporation that had treated its workforce so shabbily, but also at the often-complicit role of their own union. The strike call came from the UAW's top officers, but it was clearly the rank-and-file who were in the lead. Nothing GM was ready to offer before the strike could have met the workers' goals, and a strike was virtually inevitable. The strike lasted six weeks, the longest at GM's US operations in half a century.

In taking on GM, autoworkers were driven by their own particular grievances. But they couldn't help but be emboldened by the wider upsurge of worker militancy in the US. In 2018, almost half a million American workers had participated in major strikes (i.e., strikes with 1000-plus workers) – the most such strikes since 1986 and a trend that continued into 2019. Moreover, as with the surprising empathy eight years earlier for Occupy's challenge to the '1%', the strikes touched an oppositional nerve among a significant portion of the public – a sense, not necessarily well-defined, that the union battles expressed the animus of 'the many' to the grotesque inequality that had come to characterize American society.

A recent Gallup Poll further documented the pro-union temper of the times, noting that "union approval is near a 50-year high." This mood was graphically captured in the presidential primaries as Democratic hopefuls clamored to present themselves as having the closest union ties and promising the most progressive labour legislation. Some of the candidates even moved beyond the usual anodyne laments for the disappearing 'middle class' and, following Bernie Sanders, dared to reference the 'working class' and emphasize the priority of empowering unions.

As it turned out, the GM strike ended on a mixed note. The ratification turnout, over 80%, was among the highest ever at the Big Three auto companies, but the workers weren't there to praise the negotiators. Only 57% of those attending voted for the agreement – a notably small proportion given that the option was to continue the long strike and to do so under an uninspiring union leadership further weakened by a



reprehensible scandal. The dissatisfaction with the outcome was clear even among those who reluctantly voted to end the strike.

This did not mean the strike was a failure. In contrast to the years of relative passivity, autoworkers took their main weapon, the strike, out of its shed and became actors in a larger struggle. The readiness to resist pushed talk of concessions aside. Instead of pessimistically asking themselves, 'What are we going to give up this time?,' autoworkers returned collective bargaining to a space for workers to make demands on the company. Battles elsewhere, including abroad, now took on a new hue and resonated more deeply. Picket line discussions shared stories and dreams. Supportive rap artists from the community joined picket lines to perform with 'lay rappers' from the assembly line. Monetary gains were minor, but the focus on ending tiered wages was a powerful signal to newer hires that solidarity still meant something to most autoworkers, a message crucial to building for future struggles. Class formation advanced a step.

Yet what did all this ultimately mean? Is anything fundamental likely to change in the union as a result of the strike? What lessons, for both workers and the socialist left, were suggested by the strike and what potentials did it open up? It's useful to begin such a discussion by revisiting the details of the GM settlement.

## **The Settlement: A Beginning, Not an End**

The strike revolved around three issues: getting back some of the income workers lost over the previous dozen years; ending the abomination of workers doing the same work but not getting the same pay; and reversing the announced closures of four plants as part of achieving some measure of job security.

The demands seemed reasonable. After all, even if we leave aside the tiered wages, the hourly wage of a traditional assembler was 10% lower in real terms going into bargaining than they were twelve years ago while GM, on the other hand, had taken in \$35-billion in after-tax profits in the past three years. And, as if to rub salt into the workers' wounds, GM was paying their top executive and point-person in the announced plant closures more each day than an assembler working 40 hours, day-in, day-out was paid in a year in wages plus 'profit-sharing'.

## Money

The new agreement included wage increases of 6% over the four-year life of the agreement (3% in each of the second and fourth years, up from the 2% offer before the strike) and the cost-of-living clause remained inoperative. At the very most, this would keep wages at par with inflation. It would not at all reverse the decline in real wages over the previous dozen years and might even increase them further.

Lump sums in the first and third year were intended, as in past agreements, to cushion disappointments with wage increases. The highly publicized signing bonus of \$11,000 (\$4500 for temps) allegedly offset the wages lost in the course of the strike, but the pre-strike offer had already been \$9,000, so the strike only gained an additional \$2000 – an amount that would only cover what workers lost in the first 8 or so days of the strike.

The profit-sharing plan – amounting to under 5% of GM's total after-tax profits – remained unchanged, other than the cap being lifted in case GM's profits continued to run at their recent high levels. There is, of course, nothing wrong with sharing profits – private sector bargaining is always about precisely that. But it is something else to accept a particular formula for profit-sharing as opposed to trying to shift the share of profits going to workers, and for the sharing to take the form of an annual lump sum rather than workers having input into it going, instead, to wage increases, better pensions, equalizing wages across the workplace, more paid time off, etc.

## No More Tiers

Once the union accepted two-tiers for the same job, it was no surprise that the corporation saw an opening for going further. Labor Notes columnist Jane Slaughter has pointed out that going into this agreement, the number of tiers had expanded to the point that there were at least 10 different wage rates for the exact same job. Though modifications were made in the status of temps and the time path to the top rate for second-tier workers, the structure of unequal pay for the same work remained in place.

Under the new agreement, a certain number of 'temps' – who generally work full time for years but are paid at less than half the full wage rate – will have a chance to become permanent workers. But once in, they are still only in the second (i.e., lower) tier and need to wait eight years to get the top rate. Nor is GM prevented from hiring new temps. As well, the

agreement includes an improvement for second-tier workers: those with four or more years of seniority will be brought up to the full rate instead of waiting eight years. But the tiers remain in place. Anyone hired under the new contract will still start at a lower wage and have to move through steps taking eight years to get the full wage. Moreover, neither the temps nor second-tier workers will ever move into a defined pension benefit plan.



The tiered structure GM was able to put in place in 2007 saved the corporation billions, and to boot, provided the company with a divided and weaker workforce. Only a union crusade, not a luke-warm demand among miscellaneous other demands, could have forced GM to give this up. It would, for example, have meant starting at least a year or two in advance to prepare the members for a war with the company, solidly win over the broad public in spite of a prolonged strike, and isolate General Motors. The absence of such preparations didn't just make it harder to eventually win; it sent the message to the company that the union wasn't all that serious in putting an end to tiered wages and would be satisfied with some face-saving tinkering. Which is what the workers in fact ended up with.

## Job Security

Without jobs there is nothing to bargain over. For unionized workers with 'decent' jobs, hanging on to them is their most important concern, yet also the most difficult to address through collective bargaining. While an end to tiered wages involved a return to the past and would affect the level of corporate profits, job security had no real precedent and challenged a sacred corporate property right, the right to restructure its operations as it saw fit.

The UAW record disastrously confirmed the limits of trying to solve the job security issue through bargaining. In the late 70s, GM had some 450,000 UAW members. In every agreement since then the bargaining highlights prominently announced the achievement of ‘job security’. Yet today that membership is down to 46,000 – an astounding decline of 90% of the workforce. In the last collective agreement (2015) GM promised to add 3,300 to the existing 52,500 jobs, bringing the workforce to near 56,000 jobs. By the end of that agreement the workforce instead numbered 10,000 lower.

If anything, prioritizing job security turned out to be a trap. Corporations successfully turned the issue into what workers were willing to give up to ‘buy’ jobs and even with that, there was no enforcement mechanism beyond the life of the collective agreement – or even within it. The union could win a ban on plant ‘closures’ but had no control over companies declaring them ‘idled’, ‘mothballed’, or having their products ‘unallocated’ until they could formally shut them down once the collective agreement expired.

The crime here wasn’t so much that the union didn’t deliver, but that as part of selling the agreements, the union leadership dishonestly and cynically promised something that experience showed couldn’t be delivered. Militancy might save a plant here and there, but in general, militancy was in this case not enough. Addressing job security demanded action far beyond the bargaining relationship. It demanded political intervention.

A counter-approach was put on the agenda in Canada by Green Jobs Oshawa, a group of autoworkers, retirees and community activists that came together after GM’s announcement in November, 2018, of the closing of the Oshawa facility – once the largest auto complex in North America – along with the four plants slated to be closed in the US. The Oshawa group grasped that any solution had to think beyond GM and they seized the opportunity of linking this to the environmental crisis.

GM had been telling the world that as a forward looking company, they were preparing to move to electric vehicles, but behind the scenes – as was recently seen in GM’s lobbying against California’s tougher environmental standards – GM was working to slow down the transition to electric vehicles. Moreover, GM and other auto companies were making no secrets about their intention, once environmental reality and popular pressures forced them to go electric, to, as likely as not, produce those

vehicles outside the US and Canada. And so direct government ownership of the facility (whether by the federal government or the municipality with government support) was the only practical option to keeping the productive capacity in the community.

Under public ownership, and oriented to social needs rather than private profits, the facility could be converted to environmentally-essential products – for which there will be plenty of demand since the looming environmental catastrophe will mean refurbishing virtually everything about how we live, work, travel, play.

As one of the group’s posters declared, “Take the Plant/Save the Planet.” Electric vehicles would be a logical place to start, and Green Jobs Oshawa commissioned a study to look at government procurement of electric fleets from various state agencies (post-office and hydro vans; shuttle buses and school buses; ambulances; municipal-run car sharing) to provide the basic market.

The study confirmed that the Oshawa facility had the equipment to produce other products, that the workers had the necessary skills and so did nearby suppliers, and the environmental crisis presented a unique opportunity to bring social needs and productive jobs together. (Autoworkers Caravan, a network of progressive auto-workers and retirees in the US, had long pointed to how rapidly and effectively the auto industry converted to war production in 1942 (when producing cars was made illegal) and then re-converting tanks, planes and other war materials back to cars in 1945 as an example of the technical feasibility of planned conversion.)



## **Limits and Possibilities**

The GM strike served as a reminder of two old lessons. Rank and file militancy is the foundation of working class struggles, yet it is not enough. And unions too – even the best of unions – though absolutely fundamental to workers having a more secure and all-round richer life, are by themselves insufficient.

Union members can and must push their unions to be better, but without a leadership completely on side with their aspirations – that is, bringing all of the union's assets, authority and creativity to the struggle – the ability of the rank and file to defeat a powerful enemy is limited, and the membership's confidence in sustaining the fight will lag. Fulfilling the potentials of unions demands transforming them, and transforming them can't happen without a new generation of worker activists guided by a radical respect for the rights and potentials of working people and ready to replace, not just push, the old guard.

And going further, though militant and class-conscious unions are a precondition for the defense of workers and for making gains, there are battles that cannot be won at the fragmented level of unions. Unions may influence, but they cannot determine the context in which they operate and struggle. They cannot block outsourcing or free trade; prevent corporations from holding back investment or moving elsewhere; guarantee affordable health care when workers lose their jobs, win the best education for their kid, maintain social services, nor can they implement a fair tax system to finance such programs; and collective bargaining cannot overcome the existential threat of environmental collapse. Something larger is needed.

There is, in this current moment, a unique potential in the US to pursue that 'something larger'. A unique confluence of historic possibilities holds out the hope, though certainly not the guarantee, of radical change.

### **1. The Possibility of Ending the Monopoly of Incumbents in the UAW**

For seven decades – ever since Walter Reuther consolidated his hold on the union at the end of the 1940s – those at the pinnacle of the UAW have hand-picked their successors. The likelihood of this continuing cannot be written off, but genuine prospects for an internal rebellion exist. While the top leadership has been discredited by its meek defense of workers and ugly scandals, the protracted strike saw the emergence of potential



challengers in the form of impressive new informal leaders. The revival from the dead of a private-sector union that was once so prominent, would substantially reinforce the weight of labour’s so far predominantly public-sector resurgence.

## 2. The Possibility of the Labour Movement Once Again Being a Social Force

The new wave of militancy in labour has been exhilarating. As we cheer this upsurge on, we must, however, not lose perspective. Union density hasn’t followed the new combativeness, and in fact, it fell slightly in 2018. Private sector unionization remains, stunningly, below where it was a century ago. Destructive anti-union legislation has been brought into formerly strong union states like Michigan and Wisconsin. And though the numbers on strike are large, they remain very heavily concentrated in a few sectors (the US Bureau of Labor classifies 90% of the strikers as being in the category of ‘education, health and social services’).

Avg Annual Major Strikes (1000+ Workers)				
US Bureau of Labor Statistics				
	Avg Annual 1947-1985	1986	Avg Annual 1987-2017	2018
STRIKES	273	69	25	20
WORKERS ON STRIKE ('000)	1,346	533	181	485
EMPLOYED WORKFORCE ('000)	66,284	99,500	127,215	149,074
DAYS LOST (millions)	22.8	11.1	3.7	2.8

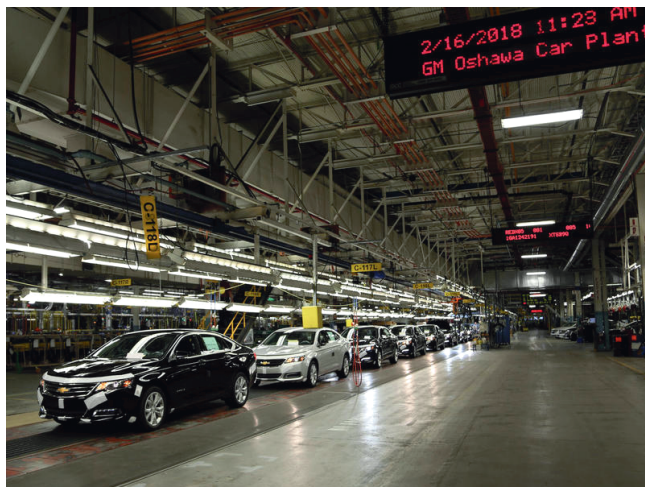
Numbers don’t, of course, tell the whole story, but some qualifications are needed to the narrative of 2018 having had the largest number of workers on strike since 1986. The average number of workers participating in strikes in the four decades before 1986 was 1.3 million each year – almost three times that of 2018, while overall days lost due to strikes in those earlier decades averaged 22.8 million each year or more than eight times the 2.8 million days lost in 2018 (and this is in the context of the smaller workforce in the earlier years). And then there is the sobering reality that the great militancy in those earlier years didn’t prevent corporations and the state from subsequently carrying out their attacks on, and defeat of, the labour movement.

This reminder of how much remains to be done is not to deny the significance of the labour movement getting its legs again. What is so decisive and critical is the exciting change in the movement from what it recently was, to its new energy and creativity.

### 3. The Possibility of a New Politics

Socialist speak is on the political agenda again. Though it is clearly rooted in a widespread and deeply felt dissatisfaction with the functioning of capitalism, it cannot yet be said that it represents any widespread challenge to capitalism itself. Nevertheless, after having been effectively eradicated from American politics since at least the Second World War, there is no underestimating the importance of a recovered space to raise issues of class, the demonstrated contradictions between aspirations for political democracy and an undemocratic economy, the failures of global capitalism, the potential for economic planning, etc.

What is especially notable here is that the new politics is emerging alongside the new labour militancy, bringing the potential of each to strengthen and sustain the other. Critical here is that ‘politics’ not be reduced to electoralism and policy platforms. Both of these are obviously relevant, but the challenge lies in building the power to implement new directions, and this depends on centrally organizing the working class, broadly defined, into a social force with the ambition, capacity and confidence to ‘transform the world’. The fact that sections of the Democratic Socialists of America are making it a priority of their political practice to support workers on picket lines and engage workers in a grounded way in strategic debates is especially encouraging.



## 4. The Radical Possibilities Inherent in the Threat of Environmental Collapse

Concern with the environment is not new in the same way as the above. But the extent to which it has risen to prominence now changes all strategic considerations. For example, in the case of Autoworkers, serious prospects for job security now lie (as we argued above) in moving beyond collective bargaining and dependence on ‘their’ companies and instead focusing on integrating their productive skills into the project of environmental conversion. As well, the labour movement more generally cannot fight for greater equality without putting much greater weight on the kind of consumption environmental limits allows us to sustain, an orientation that shifts the weight of consumption from private goods to collective public services (health, education, public transit, and public spaces involving arts, sports and culture).

In this regard, the ‘Green New Deal’ and commitment to a ‘just transition’ are impressive attempts to link up with the labour movement and identify the challenge of environmental change as an opportunity as well as a threat. Yet there is the danger that these well-meaning phrases are seen by working people as only abstract slogans that don’t seriously speak to how these promises can be delivered. Elaborating on environmental standards, and wonkish presentations on carbon taxes, incentives, and upping the ante on how much this will cost, do not answer the skepticism.

What is needed – though it demands a longer-term perspective than environmentalists would like (but can’t avoid) – is explicitly asserting, and carrying out the widest popular education campaign on the reality that we are past the stage of tinkering to achieve the change we so desperately need. We simply can’t address the environmental crisis without planning the restructuring of our economy and society, and you cannot plan what you don’t control. So environmental change must mean a politics that builds the social base, especially but not only in the working class, to take on in the most fundamental way the private (and undemocratic) power of corporations.

These historical openings can move us to action or intimidate and overwhelm us. What we need to clearly and honestly accept is the fact of the polarization of options. It’s been the refusal to think big that has contributed to getting us where we are today. We can either move to a bigger stage or accept the continuation of death by a thousand cuts. •

# Bringing SNC-Lavalin to Mind During an Uninspiring Federal Election

*Leo Panitch*

Who would have believed, just a few months before polling day, that the SNC-Lavalin scandal would scarcely have been registered so far as one of the key issues in the 2019 Federal election? This has nothing to do with the short memories of our politicians or the voters. Rather it depressingly speaks to the narrow range of political discourse and policy options in this country.

The extraordinary lengths to which the Prime Minister's Office went to prevent the prosecution of Montreal-based SNC-Lavalin certainly was related to protecting the jobs of those workers it employs in Quebec. But what makes Canada's largest construction company 'too big to fail' is, of course, much more than this. SNC-Lavalin's infrastructural engineering and productive capacities are unique not only in terms of their centrality to the mining and metallurgy as well as the oil and gas industries, but also to this country's ecological infrastructure – from transportation and hospitals to water and clean power.





The two corporations that merged in 1991 to comprise SNC-Lavalin were sustained through most of the twentieth century by municipal, provincial and federal government procurement and subsidies. Indeed, with this corporate concentration the dependence on the state over the following three decades became, if anything, even greater. This is why SNC-Lavalin is ‘too big to fail’ today.

## Public Ownership?

In the USA ‘too big to fail’ usually implies a demand for governments to break up concentrated corporate power into smaller competitive enterprises. But this can be counterproductive insofar as these smaller firms cannot sustain themselves, leading to a new round of corporate concentration or, even worse, the actual loss of crucial infrastructural capacity. This is one of the main reasons why so many respectably capitalist governments historically resorted to public ownership, not least in Canada from railways to hydro-electric power, and in fact much more.



The privatizations of recent decades have resulted in the loss of essential public capacities. This is especially serious in the face of the scale of the environmental crisis we face today. That the neoliberal mania is wearing off is clear from the way the deficit obsession that dominated previous federal elections now suddenly seems a thing of the past. Yet with the Liberals \$4.5-billion Trans Mountain pipeline nationalization, and the Conservatives astronomically more expensive pan-Canadian energy corridor proposal, it appears their only interest in public infrastructural capacities pertain to sustaining the very industry that is at the root of the climate crisis.

This is of course par for the course. The \$3-billion left unpaid by General Motors from the \$12-billion public bailout provided to it a decade ago could have covered all the costs entailed in implementing the Oshawa worker-environmental alliance plan to save the GM plant by taking it into public ownership and converting it into producing battery electric powered vehicles for Canada Post and other public fleets. That not even Unifor, let alone the NDP or the Green Party, has championed this plan only goes to show how bereft of big ideas are the foremost institutions that pass for the left in Canada today.

To really implement a Green New Deal of the scale required by the climate emergency would require developing the kind of public engineering and construction capacities that underpinned FDR's New Deal during the Great Depression. It is the merest illusion to imagine that this crisis can be addressed through regulatory and tax inducements rather than the acquisition and application in the public interest of precisely the kind of engineering and construction capacities that are concentrated in SNC-Lavalin – the too big to fail corporation that the Trudeau government turned itself into knots to keep from failing.

The half million Montrealers who joined the global student-led climate strike at the end of September 2019 probably comprised the largest proportion of the population of any city in the world. Yet during the leader's election debate staged in that city less than a week later no one connected the dots to raise the efficacy of turning SNC-Lavalin into a public utility. This marked, at least to this point, the most depressing moment of the entirely uninspiring election. •

*This article was first published by the Toronto Star at thestar.com*

# Take It Over: The Struggle for Green Production in Oshawa

*Linda McQuaig*

In November 2018, Detroit-based General Motors dealt a staggering blow to 2,700 Canadian workers when it announced plans leading to the closure of a key automotive assembly plant in Oshawa, Ontario. In its heyday decades earlier, GM Oshawa had been the largest auto complex in North America and had employed twenty-three thousand workers. But those numbers had been steadily reduced over the years, and now it was to be shut down – along with several GM plants in the United States – as part of the ongoing move by the automaker to relocate ever more of its production to low-wage Mexico.

Unifor, the union representing Canadian auto workers, protested vehemently and focused on trying to negotiate a less draconian deal with GM in order to save at least some of the jobs. Meanwhile, the Trudeau government in Ottawa and the Ford government in Toronto signalled their willingness to accept the closure of the plant without a fight.

One veteran of the auto industry calling for a more robust response from government has been Sam Gindin, who served from 1974 to 2000 as research director of the Canadian Auto Workers (Unifor's predecessor). Now an adjunct professor at York University, Gindin argues that giving up on Oshawa amounts to a "disheartening failure of [the] imagination." Instead, he suggests serious consideration be given to expropriating the GM Oshawa plant and turning it into a publicly owned facility that would produce some of the vast array of products that will be needed in the transition to green energy: wind turbines, solar panels, energy-saving lighting, motors, appliances, and electric vehicles.

## Transitioning to Green Energy

A fleet of electric utility vehicles seems the most obvious alternative for the Oshawa assembly plant, he notes. "Public vehicles will inevitably have to be electrified or run on renewable energy resources, and this means a growing market for electric post office vans for mail and package delivery (as suggested by the Canadian Union of Postal Workers), hydro vehicles doing maintenance and repair work, mini-buses to supplement public transit ... electrified vehicles in agriculture, mining and construction." Gindin points out that much of the needed equipment and



skills for such an ambitious “green production” project already exist in the Oshawa complex; additional high-tech expertise could be pulled in from the Waterloo computer corridor, as well as Canada’s experienced engineering, aerospace, and construction firms.

Of course, Gindin’s idea for producing public utility vehicles would require co-operation from the federal and provincial governments, and it is hard to imagine such co-operation from our current political leaders. And business leaders would no doubt dismiss the notion that the public sector could handle something as complicated as vehicle manufacturing.

In fact, as we’ve seen, Canadian public enterprise has an impressive history and has made its mark in fields that are at least as complicated as vehicle manufacturing. The creation of a public hydroelectric power system in Ontario – and later in other provinces – was a stunning achievement that served as a model for US president Franklin D. Roosevelt when he created highly successful public power systems, including the New York Power Authority, the Tennessee Valley Authority, the Rural Electrification Administration, and the Bonneville Power Administration. There was also Connaught Labs, the publicly owned Canadian drug company, which made remarkable contributions to the development of breakthrough vaccines and treatments for a wide range of deadly diseases. And the publicly owned CNR exhibited innovative business skills in creating a viable national rail network out of five bankrupt railway lines and in establishing, during the pioneering days of radio, a cross-country string of radio stations, which became the basis of the nationwide CBC broadcasting network.



And, as we've seen, some of Canada's most impressive public enterprises were created during the Second World War, when twenty-eight Crown corporations contributed enormously to Canada's war effort, manufacturing airplanes, weapons, and communications equipment. Crown corporation Victory Aircraft provided the foundation for the postwar Canadian subsidiary that developed the Avro Arrow, a state-of-the-art military fighter plane (discontinued by the Diefenbaker government for political, not technological, reasons). And Crown corporation Research Enterprises, teaming up during the war with Ottawa's National Research Council, produced highly innovative optical and communications equipment, including radar devices, binoculars, and radio sets – equipment with countless applications that could have been successfully developed for the postwar market if our political leaders hadn't succumbed to the notion that government shouldn't be involved in producing such things.

The rationale that the wartime emergency made government ownership acceptable could be resurrected today – with the substitution of the climate emergency. The possibility of producing electric utility vehicles at a nationalized GM Canada plant, or at another location for that matter, would open up truly exciting possibilities if we can get beyond our kneejerk rejection of government entering the marketplace.

As *Toronto Star* business columnist David Olive observed, Canadians know a lot about building cars; we've been manufacturing them in southern Ontario for more than a hundred years. It started in Oshawa in the 1890s when Sam McLaughlin, along with his father and brother, established McLaughlin Carriage Works, which produced horsedrawn sleighs and carriages. By 1908, the McLaughlins were producing car bodies for Buick Motor Company in Flint, Michigan. In 1918, their company was purchased by General Motors and incorporated as General Motors of Canada, with Sam McLaughlin serving as president of GM Canada and vice-president of the US parent company.

GM, along with Ford and Chrysler, built a substantial auto industry in Ontario, particularly after Canada and the United States signed the 1965 Auto Pact, which provided automakers access to the Canadian market on the condition that they locate a specified amount of their production here. Effectively, the pact required that, for every vehicle sold in Canada, one had to be produced here. This "domestic content requirement" worked extremely well for Canada, leading to the creation of hundreds of thousands of well-paying jobs in Canadian auto production and spinoff industries.

## Free Trade

In 1988, Brian Mulroney signed the Canada-US Free Trade Agreement (later adding Mexico in NAFTA), which eliminated most of the force of these domestic content requirements. The Auto Pact continued to formally exist until 2001 (when it was overruled by the World Trade Organization). But as soon as the ink was dry on NAFTA, the auto companies began planning their migration to Mexico. In 2019, GM is expected to produce one million vehicles in Mexico, while GM's Canadian production, with the closing of the Oshawa plant, is expected to fall to just two hundred thousand vehicles, about half of what it was producing here a decade ago.



Yet, even as GM has drastically cut its Canadian operations, Canadian taxpayers have contributed generously to keeping the company alive. When the 2008 financial crisis pushed the US automaker into bankruptcy, the Canadian and Ontario governments provided financial assistance worth more than ten billion dollars (including a 10 per cent ownership stake in the company) as part of the joint US-Canada financial rescue of GM.

Jim Stanford, former economist for Unifor, argues that the ownership stake gave Ottawa some real clout in dealing with GM. He points out that Ottawa could have held on to that stake and used it as leverage to pressure the company in the future to maintain production and jobs in Canada. This has worked elsewhere. France's 15 per cent interest in Renault and a German public ownership stake in Volkswagen have helped ensure that Renault and Volkswagen maintain high employment levels in France and Germany, Stanford says.

But the Harper government, with its strong ideological resistance to public ownership, made clear that it intended to be a purely passive investor in GM and that it would sell its stake as soon as possible. By 2015, the Harper government had sold off the last of Canada's shares, over the strenuous objections of Unifor.

This was a tremendous missed opportunity. Stanford recalls how much clout Canada had had when the rescue package was negotiated. He was in meetings where "the CEO of GM was basically on his knees begging for help from an assistant deputy minister of industry in Ottawa. That's not what normally happens." As part of the rescue package, Canada insisted that GM agree to maintain its Canadian production at the existing level of 16 per cent of the company's overall production. That production requirement – reminiscent of the Auto Pact – was good, Stanford says, except that the Canadian negotiators allowed it to expire by 2017.

So, in 2018, after the expiry of the production requirement and with no remaining Canadian government ownership stake in the company, GM felt free to shut down its major Canadian plant in Oshawa and move those jobs to Mexico, which is exactly what it did. Given the Harper government's failure to take advantage of the clout we had with GM, we have been left with a dwindling, uncertain presence in a once-booming Canadian industry.

It's striking to think that we were veterans of the auto manufacturing industry by the 1960s, when Honda was just beginning its transition in Japan from making motorcycles to making cars. While Honda has gone on to produce some of the world's most popular cars, Canada is facing the end of auto making in Oshawa, amid fears about which of our remaining auto plants will be closed next.

Is it feasible to save the once-vibrant Oshawa complex and transform it into a publicly owned plant producing environmentally essential products, as part of a Green New Deal? Gindin notes that, during the Second World War, GM facilities were converted to produce military vehicles. And he suggests that the Oshawa plant be expropriated today without compensation, since Canadian taxpayers have already provided generous subsidies to GM. While he acknowledges that his plan is a long shot, he adds, "It seems criminal not to at least try."

## Bold, Out-of-the-Box Thinking

What is needed is some bold, out-of-the-box thinking – a willingness to consider innovation that is not just Wall-Street-designed, self-enriching financial innovation, but untapped made-in-Canada innovation aimed at building something the world needs. Given the fact that Canada’s historic auto-making centre is about to be shut down, we should at least give serious consideration to the possibility of creating a publicly owned company that could potentially start a transformative industry here. If that idea is ultimately rejected, the rejection should be based on something more than the notion that such a project is too ambitious for public enterprise and is best left to the private sector.

In truth, the very ambitiousness of the project seems to call out for public enterprise. For most of our history we’ve been mere “hewers of wood and drawers of water” and operators of branch plants. When we’ve risen above that, it’s usually been because we’ve created public enterprises that served a broader public purpose than what private interests were offering. We became the country we are today in part because, at key moments in our past, some visionary figures had bold, ambitious ideas of what was possible and weren’t deterred by the admonitions of the business elite.

Would Adam Beck have backed off from creating a public power system for Ontario, thinking that he couldn’t possibly match the skill set of those in business? Would Henry Thornton have decided not to transform bankrupt railway lines into the profitable, publicly owned Canadian National Railways on the grounds that railways belong exclusively in the hands of private, profiteering monopolists? Would Dr. John G. FitzGerald have decided not to take great personal risks experimenting in a makeshift lab in a horse barn, considering it better to leave the production of affordable, lifesaving medical treatments to the business world?

There may be a good reason not to turn the Oshawa plant into a green production facility, but let’s not succumb to the ill-informed notion that Canadians aren’t up to the task or that we don’t know how to do public enterprise in this country. •

*This excerpt is from Linda’s 2019 book The Sport and Prey of Capitalists.*



# Green Jobs Oshawa and a Just Transition

*Rebecca Keetch*

In November 2018, GM announced the closure of the Oshawa Assembly Plant. Workers in the community faced the crushing reality that their livelihood was being stolen. At a time of record profits, in the billions of dollars, GM showed a complete disregard for thousands of workers and their communities.

Out of this devastation Green Jobs Oshawa was born. Green Jobs Oshawa is a coalition of workers, environmentalists, academics, and community members. We recognized, in the midst of a climate crisis requiring immediate action and a community facing massive job loss and disruption, the need for a bold idea: bring the plant under democratic control through government ownership and build battery electric vehicles or other products that meet community need instead of corporate greed.

Green Jobs Oshawa recognizes we must take on both climate justice and social justice. The environmental movement and the labour movement must come together and demand with a united voice for a Worker's Green New Deal that fights the climate crisis and fights for workers and communities.





## Healthy, Resilient Communities

Not only do we need to move away from fossil fuels and wasteful consumption – from harm and devastation – but we must build healthy, resilient communities while creating a strong sustainable economy.

We must demand massive government investment in green energy, green technology, and electrification. The government must take action, such as the immediate electrification of government fleet vehicles and public transportation. This must include public ownership of key manufacturing and resource sectors.

The environmental movement and the labour movement must demand this transformation include just transitions for workers and communities.

### What Is a Just Transition?

A just transition means environmental justice, social justice, and economic justice. It means leaving no community or worker behind while creating a sustainable future. A Just transition is intentional. It is done with commitment and planning. It means properly funding strategies for success. A just transition is about respect. Respect for our planet, for the environment and respect for each other and the future.

We need to invest in people not profits, protect communities not corporations, and we need to think bigger than we ever have before. Public need must come before corporate greed. Corporations continue to show complete disregard for environmental and social devastation caused in the pursuit of profits and they won't stop if we don't demand change.

We need to change the system. This is the way to protect communities, provide decent jobs, and create a sustainable future for the planet. And Green Jobs Oshawa proposes a concrete example of something that could be done immediately if the political will is there. Make use of the Oshawa facility, electrify government fleet vehicles, and provide thousands of workers in the community with good jobs. •

*Rebecca Keetch was a GM worker and is an activist with Green Jobs Oshawa.*

*This article is a revised version of a speech given at the Fridays for Future Climate Strike, Toronto, 29 November 2019.*

# Why GM's Oshawa Assembly Line Shutdown is a Black Eye for Unifor's Jerry Dias

*Jennifer Wells*

On the saddest of sad days for General Motors Oshawa, Unifor president Jerry Dias posted an effortless video to Twitter.

“The final vehicle that rolls off the assembly line in Oshawa will be a horrible black eye for all levels of government and frankly for General Motors,” said Dias.

Frankly, I have a question: why is this not a horrible black eye for Jerry Dias?



The end of auto assembly on Wednesday was no doubt as brutal as Dias suggested it would be. The final loss of more than 2,000 jobs, down from the plant's heyday of more than 20,000 workers, closes the sorriest last chapter on bargaining that failed to secure production beyond that of outgoing vehicles, that then led the plant to unallocated status and ultimately to assembly-line shutdown. Holding on to a few hundred parts-stamping jobs, or looking ahead to a test track for autonomous vehicles, is hardly what I would call a win.

The loss is catastrophic.

The economic fallout felt first by the unemployed autoworkers – we feel dreadfully for them – will eventually roll through the community as money turns tight and businesses start to feel the effects of straitened household finances.

A century ago Oshawa was a first mover into auto manufacture. It was supposed to be merrily celebrating its centenary when GM CEO Mary Barra announced, in November of 2018, the closure of five plants. Dias said he would fight the decision to his last breath. There were Buy Canada commercials and advisories to be on the lookout for made-in-Mexico VIN numbers. Dias sounded like a man forged a generation ago.

**3HG CM826 3 3 A 004352**

**If the VIN on your GM vehicle starts with 3, it was made in Mexico.**

**Support Canadian jobs and #BoycottMexicoGM**

**UNIFOR**  
the Union | le syndicat

**SaveOshawaGM.ca**

*An example of an Advertisiement used during Unifor's Boycott Campaign.*

And now, silence. I wonder how the membership feels about Dias's leadership through all this.

On that video Dias insists that contrary to all the evidence, the last chapter for the Oshawa facility has not yet been written. He says he's now "razor focused" on 2020 bargaining. That as long as the "integrity" of the plant remains, "then there's always hope that we'll have another vehicle to assemble within that plant." The political kicker: "We haven't thrown in the towel. We're not Doug Ford."

Some might think that's a bit rich coming from the union leader who, in pattern bargaining with GM in the fall of 2016, threw in the towel on the defined benefit pension plan. Creating a two-tiered pension structure, with new hires stuck with far weaker defined contribution plans, was a necessary concession, Dias said then, if Oshawa was going to be assured a future in car and truck manufacture. Otherwise the plant would surely be shuttered, he said.

Well, look where that got him. While making an enormous concession on pensions, Dias did not win a next-generation vehicle for the plant. What he did get was a half-billion-dollar plant investment that was never more than a commitment to outgoing models as the automaker transitioned to next-generation assembly elsewhere.

Once upon a time Dias had a hand to play. Now, he doesn't.



Contrast that with GM's Detroit-Hamtramck facility. Follow that story from its slated-for-closure status to the 40-day UAW strike of last autumn to the automaker's agreed deal with the union that the plant be retooled for e-vehicles, including an electric pickup. Estimated investment: \$3-billion (US).

Last week, GM announced a \$1-billion investment in its Wentzville, Mo., plant, retooling production there for next generation mid-size pickups.

GM president Mark Reuss said in a press release that the investment

“is part of our comprehensive strategy to invest in growth areas and strengthen our US manufacturing base.”

Both Hamtramck and Wentzville are part of the UAW's hard-won contract with the automaker that it invest \$7.7-billion, and create 9,000 jobs, across the four years of the agreement.



Civic leaders have to remain hopeful that some future can be found for the Oshawa plant. I've written previously about Green Jobs Oshawa, which is lobbying for e-vehicle production at the plant, under public ownership.

The idea of a fleet of electric Canada Post vehicles is genius, partially because Germany has been super smart on this point.

Deutsche Post just charged ahead and developed and manufactured its own e-vehicles in house without waiting for automakers to meet their needs. The Deutsche DHL delivery scooters and e-bikes today make up the largest electric fleet in Germany. Its zero-emissions StreetScooters, which are light commercial vehicles in appearance not unlike Canada Post trucks, are due to be test marketed in the US next spring. Following that, a rollout is scheduled for China via a joint venture with Chery, a Chinese automobile manufacturer.

In the absence of such big, bold thinking – and federal government involvement – autoworkers will wait to see what Dias wins for Oshawa next round. Perhaps by then the union leader will have come around to the realization that the horrible black eye of which he speaks doesn't look so good on him either.

*This article was first published in the Toronto Star*

## Appendix

# **Feasibility Study for the Green Conversion of the GM Oshawa Facility:**

## ***Possibilities for Sustainable Community Wealth***

### **Summary Overview**

*Russ Christianson*

It is a tragic irony that General Motors (GM) chose its hundredth anniversary in Oshawa to announce the December 2019 closure of its Oshawa assembly plant. This means the loss of over 15,000 jobs in Ontario: 2,200 GM assembly jobs, 300 salaried positions, 500 temporary contract positions, 1,000 inside and 1,000 outside supplier jobs, and a related 10,400 multiplier jobs. The closure of Oshawa's assembly plant is estimated to decrease Ontario's GDP by \$4-billion per year until 2030, also reducing federal and provincial revenues by about \$1-billion a year.

Over the months following the November 26, 2018 plant closure announcement, GM and Unifor (formerly the Canadian Auto Workers' union) negotiated the Oshawa Transformation Agreement (May 2019) that promises:

- 300 stamping and parts assembly jobs and a \$170-million investment.
- Donating the 87-acre McLaughlin Bay Reserve to the City of Oshawa.
- A 55-acre test track for autonomous vehicles.

It has yet to be seen, whether GM will keep its promise. But even if they do, it will still mean losing over 13,000 jobs and a major hit to the economy.

This preliminary feasibility study offers an alternative. The Government of Canada can provide the leadership to acquire the GM Oshawa assembly plant and repurpose the production to building battery electric vehicles (BEVs). There is a strong business case for this alternative, based on a triple bottom line analysis that considers the economic, social and environmental benefits:



- A public investment estimated at \$1.4 to \$1.9-billion to acquire and retool the Oshawa assembly plant for BEV production, and potentially manufacturing other products.
- Manufacturing and selling an estimated 150,000 BEVs in the first five years of production, for total sales of \$5.8-billion.
- Estimated government procurement of one quarter of the BEVs produced in the first four years, representing about 23,000 vehicles with an estimated value of \$900-million.
- Reaching a breakeven point in year 4, and making a modest profit in year 5.
- Creating over 13,000 jobs: up to 2,900 manufacturing-related (including 600 parts supplier jobs) and over 10,000 multiplier jobs.
- Decreasing CO2 emissions by 400,000 metric tonnes by year 5.

## **GM Bailout and Fallout**

The Oshawa assembly plant closure gives the impression that GM may be on the financial ropes again. Ten years ago, GM received a bail out of almost \$50-billion (USD) from the United States government and close to \$11-billion (CAD) from the Canadian and Ontario governments. About a quarter of this money, \$11-billion in the USA and \$3-billion in Canada was not paid back. But, today, GM is doing well financially. In 2018, it made close to \$11-billion (USD) in before-tax profit on global sales of \$147-billion, and its enterprise value has almost doubled in four years, from \$77-billion to \$138-billion (USD). While GM was announcing the closure of four U.S. assembly plants and the Oshawa plant – eliminating 14,700 assembly-related jobs in the process – Mary Barra, the GM Chairman and CEO, was about to receive a \$29-million (CAD) compensation package for 2018.

At the height of Ontario's auto industry in the mid-1980s, 23,000 people worked at GM Oshawa. With successive “free trade” agreements finally eliminating the Auto Pact, GM has been shifting its production to Mexico and China. And, from GM's point of view, the reason is simple: GM pays \$1.30 to \$4.00 (CAD) an hour to its Mexican assembly workers, and \$6.80 (CAD) an hour in China. In comparison, the wage range for assembly workers in GM Oshawa is \$14 per hour (Ontario's current minimum wage) to \$35 per hour (with no increase since 2007), which is similar to Ontario's median full-time employment income of \$68,628 (\$33 per hour equivalent).

Beyond the statistics and the lost pay cheques for workers, the emotional toll on laid off workers, their families, and communities is devastating. “It shatters people’s sense of belonging and identity. The human cost of job loss can be enormous, leading to depression, failing marriages or health, and even suicide.”

## **Triple Bottom Line Evaluation**

Can the extremely underutilized GM Oshawa facility be converted to economically, socially and environmentally useful production? This is not a traditional feasibility study that only considers the financial return on investment and whether such an operation can match the global market competition from China, Mexico, South Korea or the United States. Rather, it is based on a triple bottom line evaluation, including:

1. An economic analysis of current and emerging market needs, capital investment required, skills and equipment available at the GM facility and in the community, and the potential new products that could be manufactured.
2. Social needs in the Oshawa community for well-paid, dignified work that builds on the city’s hundred-year tradition of auto assembly.
3. How production at the plant can address the defining issue of our times, climate catastrophe, and identify ways to build Canada’s productive capacity to manufacture the products we will need in the future.

Humanity is at a turning point, and a majority of us realize it, particularly younger people. They are facing a very different world in the coming decades with climate catastrophe, growing wealth inequality, and the erosion of democratic institutions and processes. Climate scientists unanimously agree that human-caused climate change from burning fossil fuels will escalate in the coming years, and unless we take decisive action by 2030, our children and grandchildren will face a very unstable world.

“Business as usual” is no longer working. Canadians need to find a way to collectively re-build our domestic manufacturing capabilities while moving as quickly as possible towards a zero-carbon economy. A recent poll found that 65 per cent of Canadians feel that “Canada is not doing enough to fight climate change, and 20 per cent would buy an electric car” to help decrease greenhouse gas emissions. This triple bottom line prefeasibility study shows how we can make a difference, starting with the Oshawa assembly plant.

## Electric Vehicles and Financial Forecasts

Electric vehicles are seen as the future of transportation. GM and other transnational auto companies had already invested \$90-billion in electric vehicle and battery production by early 2018. China is the largest market, currently, for electric vehicles (55% global market share of the 2-million EVs sold in 2018) and this is where the global auto companies are investing their-billions, including GM. GM has no plans to build electric vehicles in Canada, even though the Oshawa assembly plant and work force are an ideal fit.

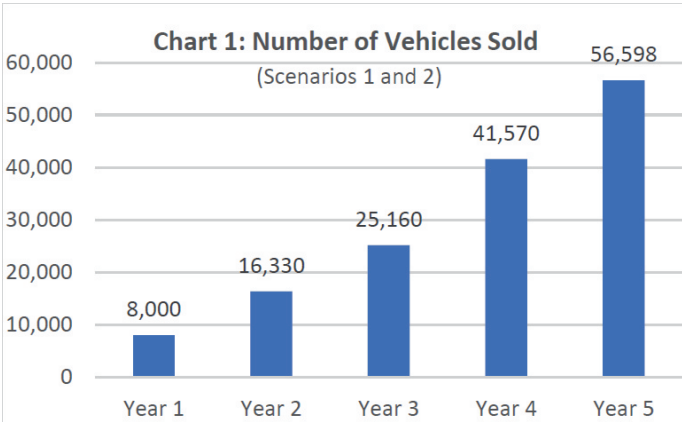
The estimated value of the GM Oshawa assembly plant, given its soon to be mothballed production and resulting hit to cash flow, is in the range of \$1.3 to \$1.6-billion. This is about half of the \$3-billion that has been left unpaid by GM from the 2009 bailout it received from the governments of Canada and Ontario, and it is one-third of the \$4.8-billion purchase price that the government of Canada recently paid for Kinder Morgan's Trans Mountain pipeline. The investment required to retrofit the plant to assemble battery electric vehicles (BEVs) on three or more assembly lines is estimated at \$400 to \$600-million. In 2016, close to \$1-billion in federal government grants and loans were given to fifty private companies for manufacturing, cleantech, innovation, agriculture, mining and telecom, including Fiat-Chrysler (FCA) that received \$86-million. In order to repurpose the Oshawa assembly plant to manufacture battery electric vehicles, the Government of Canada will need to provide a lead investor role.

The two financial scenarios developed for this preliminary feasibility study are based on original equipment manufacturing (OEM) financial benchmarks for start-up/small, medium and large auto manufacturers. The financial forecasts are conservative and have a reasonable growth curve in sales revenue based on government procurement of BEV light duty delivery vans, a BEV car and SUV, and other potential vehicles, such as ambulances. The estimated vehicle fleet prices used for these financial forecasts are within the range of current prices for comparable BEVs.

Chart 1 shows the forecasted number of battery electric vehicles that could be manufactured and sold from the repurposed Oshawa assembly plant. Starting in year 1, government procurement (federal, Ontario and the twenty largest municipal/regional governments in Ontario) takes all of the vehicles produced. This helps the new assembly line start up and work out the production kinks. In year two, sales more than double, as sales open up to municipal car-sharing services (as an integrated part of public transit), company fleets and private individuals. By year four, with sales

exceeding 40,000 BEVs, Scenario 1 reaches its break-even point and Scenario 2 recognizes a small operating profit (\$2.4-million). By the end of year 5, the forecasts show that BEVs will represent 30 to 40 per cent of these governments’ total fleets, except for Canada Post, which (like the U.S. Postal Service) is expected to replace the majority of their delivery fleet vehicles with BEVs.

Over the first five years of operation, the sales revenue forecasts grow from \$340-million to about \$2.2-billion. This is a much more conservative growth curve compared to other start-up BEV companies like Tesla (which doubled its global sales in 2018 to \$28-billion CAD) , and because of the focus on public ownership and procurement, the creation of good jobs, and decreasing climate change gases, the public enterprise will not be solely driven by maximizing profits and shareholders’ wealth.



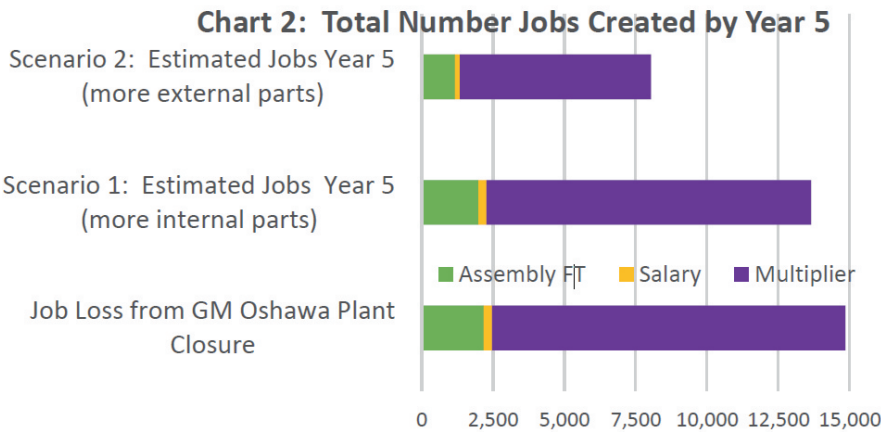
The gross margin (the difference between sales and the cost of goods manufactured) is conservatively forecasted at 14.3 to 14.5 per cent of sales in year 1, growing to 16.3 to 16.5 per cent in year 5. The auto industry OEM

gross margin benchmarks are in the range of 16 per cent (Ford) to 22 per cent (Honda), and 2018 operating profits range from -1.8 (Tesla) to 9.8 (Honda) per cent (as a per centage of sales revenue). Our financial scenarios show an operating loss each year for the first three years. Scenario 1 has a forecasted break even in year 4, increasing to 0.6% operating income (as a per centage of revenue) in year 5. Scenario 2 – with fewer assembly workers building parts in-house – has a small operating profit of \$2.4-million (0.1% of revenue) in year 4, increasing to 0.7% in year 5. These preliminary financial models show that it is financially viable to repurpose the Oshawa assembly plant to build battery electric vehicles.

## Job Creation

The estimated number of jobs created includes assembly jobs, salaried positions, parts suppliers and other multiplier jobs. Auto manufacturing has an economic/job multiplier in the range of five to nine. These forecasts use an economic/job multiplier of five, and use the assembly jobs and salaried positions as the base. Supplier jobs are included in the multiplier.

Chart 2 shows the estimated total number of jobs created as the Oshawa BEV assembly plant scales up by year 5. Starting in year 1 with 325 full-time assembly jobs in Scenario 1 and 200 in Scenario 2, the full-time BEV assembly jobs grow to 1,990 and 1,170 respectively in year 5. Salary positions grow from 50 (Scenario 1) and 30 (Scenario 2) to 290 and 170 respectively, and supplier jobs grow from 100 to 600 in Scenario 1, and 160 to 940 in Scenario 2. The multiplier jobs grow from 1,880 (year 1) to 11,370 (year 5) in Scenario 1, and from 1,140 to 6,700 in Scenario 2. In total, Scenario 1 estimates the creation of 13,600 jobs and Scenario 2 forecasts over 8,000 by year 5. This is in direct contrast to the loss of 5,000 full-time assembly-related jobs (including 2,000 parts supplier jobs) and 12,400 multiplier jobs with GM's Oshawa plant closure in December 2019.



GM and Unifor have negotiated an agreement to create 300 jobs in the paint and stamping plant in 2020. It would be ideal to find a way to maintain these jobs as well, by having GM contract the new publicly owned enterprise, consistent with the GM-Unifor 2016 collective bargaining agreement that promised a “secure future for all locations”.

## Democratic, Public Ownership

These financial scenarios, for repurposing the GM Oshawa plant from internal combustion engine (ICE) vehicles to battery electric vehicles (BEVs), will require the commitment and investment of various governments, with the federal government taking the lead. Public or state-owned enterprises play an important role in most economies. In 2018, they accounted for over 20 per cent of the world's largest enterprises, compared to ten years ago with only one or two public enterprises in the top echelon. In Canada, the federal government owns 45 public enterprises (Crown Corporations) with assets of over \$1-trillion (which grew by 37 per cent since 2013-2014), annual revenue of \$92-billion, and annual net income of \$56-billion (2017-2018). The top two public enterprises are the Canada Pension Plan and Public Sector Pension, with 53 per cent of the total assets of all federal Crown Corporations. In addition, provincial and municipal governments own hundreds of enterprises, with total assets exceeding the federal crown corporations.

For this preliminary feasibility study, we consider democratic, public ownership to include governments, auto workers and community



members. The legal structure of the organization can take many forms, including a crown corporation. In any case, the organization will need to use a board matrix to ensure representation from government, auto workers, community members, people with the experience and skills required for the business, and a diverse mix of people (gender and ethnicity).



Scenario 1 estimates an initial public investment of \$1.7 to \$1.9-billion, and considers the negotiation of a full-scale purchase of the GM Oshawa assembly plant. This preliminary study provides an estimated enterprise value of \$1.3-billion for the Oshawa assembly plant, and \$400 to \$600-million to retool the plant for BEVs. The GM assembly plant includes the land (702 acres or 284 hectares), buildings (about 10-million square feet) and equipment for the auto and truck lines, the body shop, the paint shop, and the auto warehouse and parking lots (for finished vehicle inventory and employee parking). Examples of other large auto assembly plants that have been purchased (or are under negotiation) for electric vehicle production (including some start-up companies):

- In August 2019, Indian auto maker Mahindra (a finalist for the US Postal Service 180,000 BEV contract worth \$6.3-billion USD) signed a “non-binding letter of intent” to buy GM’s former 364-acre Flint Michigan site, that once employed 27,000 assembly workers. The plan calls for a 1.2-million square foot factory, employing up to 2,000 people over the first five years. Mahindra will be looking for government incentives like the ones recently granted to Fiat Chrysler Automobiles: \$223-million to convert an engine plant into a Jeep assembly line (a total investment of \$1.6-billion USD).
- In July 2019, the former CEO of electric light truck maker Workhorse, announced the formation of Lordstown Motors Corporation to purchase the recently closed GM plant in Lordstown, Ohio. This new joint venture with Workhorse plans to repurpose the plant for battery electric commercial pick-ups and possibly the new US Postal Service delivery trucks. The new company is attempting to raise \$300-million (USD) to do so.
- In January 2017, Rivian, a start-up BEV pick-up and SUV builder, announced the purchase of the mothballed 2.4-million square foot Mitsubishi Motors plant (and contents) in Normal, Illinois for \$16-million (USD). Rivian received over \$50-million in tax credits from the municipal and state governments, contingent on the company investing \$175-million (USD) in the plant, and meeting employment targets. In February 2019, Amazon announced an investment of \$700-million, and in April 2019, Ford invested \$500-million in Rivian.
- On May 20, 2010, Tesla Motors and Toyota announced a partnership to work on electric vehicle development, which included Tesla’s partial purchase (210 of 370 acres) of the former NUMMI GM Toyota joint venture (which had employed 4,700 people) for \$42-million (USD), mainly consisting of the factory building (5.3-million square feet), and paid an additional \$17-million (USD) for equipment. Tesla also bought

a Schuler SMG hydraulic stamping press, worth \$50-million, for \$6-million, including shipping costs from Detroit. Tesla started with 850 assembly workers in 2011, growing to 3,000 in 2013, 6,000 in 2016, and 10,000 by 2018. Tesla received \$465-million (USD) in federal government loans, and \$35-million in tax breaks from California.

Scenario 2 is more modest, with an estimated capital cost in the range of \$1.2 to \$1.4-billion (an estimated enterprise value of \$800-million plus the \$400 to \$600-million required to retool the plant to assemble BEVs). This scenario will require negotiating the purchase of the Oshawa assembly plant (auto and truck lines) and shared use of the body shop, paint shop, and auto warehousing and parking lots.

Neither scenario includes the purchase of GM's Canadian Technology Centre or test track. Instead, the new publicly owned organization will build a state-of-the-art Transportation-Environment Center that will employ engineers, technicians and skilled trades people who will research future product needs, build and test prototypes, and help re-invigorate Canada's manufacturing capabilities.

By paying a good wage to auto workers – this study proposes the existing GM Oshawa tier 1 wage of \$35 per hour for assembly workers – it will be possible to gain the workers' commitment by investing in their jobs through shared-ownership of the new organization. The scenarios in this study will require leadership and mobilization of the workers and the broader community to persuade our governments to try a new model of democratic, public ownership. Governments will need to negotiate alongside the workers and community to gain public ownership of the GM



Oshawa plant. The financial forecasts include a start-up investment of \$10,000 from each of the workers combined with community investment for a total of \$37.5-million in Scenario 1, and Scenario 2 estimates \$25-million in investment from workers and the community.

## **Environmental Impact**

Transportation is the second largest source of greenhouse gas (GHG) emissions in Canada, accounting for a quarter of our total emissions, and almost half of these come from cars and light trucks (including SUVs). In Canada's light vehicle market, four pick-up trucks filled four of the top five sales positions in 2018. The market share for all light trucks sold in Canada was 70 per cent in 2018, up from 68.6 per cent in 2017. These vehicles have a much higher profit margin for the manufacturers (15 to 20 per cent) than cars (3 per cent), and are not the types of energy conserving vehicles that need to be produced, given that the average pick-up truck uses 14 litres of fuel per 100 km (17 miles per US gallon), and emits more than 4.71 metric tonnes of CO<sub>2</sub> per year per vehicle. This is the reason that the Government of Canada recently announced targets for sales of zero-emission vehicles: 10 per cent of new light-duty vehicle sales to be zero-emission vehicles by 2025, 30 per cent by 2030, and 100 per cent by 2040. And in May 2019, the new \$300-million federal purchase incentive program was opened to encourage more Canadians to buy zero-emission vehicles.

The calculation of greenhouse gas (GHG) emission reductions from moving to BEV from ICE cars and light trucks, depends on the efficiency of the gasoline engine, the weight of the vehicle, the distances travelled, and the source of electricity generation. The US Environmental Protection Agency provides calculators for GHG Emissions, including ICE cars and light trucks. Since closing the last coal fired electrical generating station in Ontario in 2014, over 93 per cent of Ontario's electricity generated comes from non-greenhouse gas emitting resources (nuclear, hydro, wind and solar). The GHG emission reductions in this study are substantial, growing from a 35,000 metric tonne CO<sub>2</sub> reduction in year 2 (the first full year of BEV operation), with compounding growth each year to a total of 400,000 metric tonnes by the end of year 5.

## Conclusion

This preliminary feasibility study uses a triple bottom line approach to evaluate whether the GM Oshawa assembly plant could be repurposed to manufacture BEVs and other potential products that will help Canadians meet their needs while also decreasing greenhouse gas emissions.

The study began with a financial analysis of how the Oshawa assembly plant could be used to manufacture BEVs for government procurement to help the federal, provincial and municipal government vehicle fleets meet their climate change commitments. From a financial point of view, using original equipment manufacturing (OEM) benchmarks, the study shows that the new operation could reach a financial break-even by year 4 and make a small profit by year five. This would require an estimated capital investment of \$1.2 to \$1.9-billion by governments to purchase the Oshawa plant and retool it for BEVs.

From a social point of view, rather than accepting the loss of over 5,000 assembly-related jobs at GM Oshawa, and an additional 10,000 multiplier jobs, this study shows that public investment and procurement can kick-start the new BEV assembly plant to create an estimated 2,300 to 2,900 manufacturing-related jobs and an additional 5,700 to 10,700 multiplier jobs, for a total of eight to thirteen thousand jobs by year 5.

Regarding the environmental impact of the shift to battery electric vehicles from internal combustion engines, greenhouse gas emissions are estimated to decrease in a compounding manner from 35,000 metric tonnes of CO<sub>2</sub> after the first year on the road, to an estimated total of 400,000 metric tonnes by the end of year 5.

A number of GM Oshawa workers were interviewed regarding their point of view on repurposing the assembly plant to manufacture battery electric vehicles. They agreed that the plant has the equipment and layout required for assembling BEVs, and in the words of one worker:

“There’s no doubt in my mind that we can do this . . . that in 2019 we can build anything we like if there was the money or will behind it.”

And given the climate crisis, another worker commented:

**“This is a perfect opportunity to say this idle plant can now be used for the new technology, electric vehicles, solar panels, wind turbines, and other products.”**

*A full version of the feasibility study can be found at [greenjobsoshawa.ca](http://greenjobsoshawa.ca)*



This pamphlet is dedicated to the struggles  
of Green Jobs Oshawa.

Their foresight and commitment to their fellow workers, to  
democratizing economic restructuring, and to concretely  
addressing the environmental crisis has made so valuable  
a contribution to placing the issue of planning for  
factory conversions on the public agenda.

Visit Green Jobs Oshawa at [greenjobsoshawa.ca](http://greenjobsoshawa.ca) to learn  
more about their important work and to find out how  
you can help in the fight for a just transition.



**GREEN JOBS**  
**Oshawa**





## Further Suggested Reading

Visit the Green Jobs Oshawa website for more information about the campaign and to sign the petition.

[greenjobsoshawa.ca](http://greenjobsoshawa.ca)

The full version of the Preliminary Feasibility Study of the GM Oshawa Facility can be found at:

[greenjobsoshawa.ca/feasibility](http://greenjobsoshawa.ca/feasibility)

Linda McQuaig: ***The Sport and Prey of Capitalists: How the Rich Are Stealing Canada's Public Wealth***

Toronto 2019 Dundurn Press

***Ottawa needs to show climate leadership, not just talk about it.***

[thestar.com/opinion/contributors/2019/09/25/ottawa-needs-to-show-climate-leadership-not-just-talk-about-it](http://thestar.com/opinion/contributors/2019/09/25/ottawa-needs-to-show-climate-leadership-not-just-talk-about-it)

Jennifer Wells: ***Would it be crazy to nationalize the Oshawa General Motors plant and use it to make electric vehicles for Canada Post?***

[thestar.com/business/opinion/2019/09/21/how-the-climate-crisis-can-drive-the-future-of-gms-plant-in-oshawa](http://thestar.com/business/opinion/2019/09/21/how-the-climate-crisis-can-drive-the-future-of-gms-plant-in-oshawa)

***GM clearly has big plans – but they don't include Oshawa.***

[thestar.com/business/opinion/2019/05/10/gm-clearly-has-big-plans-but-they-dont-include-oshawa](http://thestar.com/business/opinion/2019/05/10/gm-clearly-has-big-plans-but-they-dont-include-oshawa)

***Why Ottawa should buy the Oshawa General Motors plant, and do it now.***

[thestar.com/business/opinion/2019/09/17/why-ottawa-should-buy-the-oshawa-general-motors-plant-and-do-it-now](http://thestar.com/business/opinion/2019/09/17/why-ottawa-should-buy-the-oshawa-general-motors-plant-and-do-it-now)

Sam Gindin: ***GM Oshawa: Making Hope Possible***

[socialistproject.ca/2018/12/gm-oshawa-making-hope-possible/](http://socialistproject.ca/2018/12/gm-oshawa-making-hope-possible/)

Additional readings on plant conversions, just transitions, a green new deal and other topics of interest can be found at [socialistproject.ca](http://socialistproject.ca)

## Notes

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# **SOCIALIST PROJECT**

Based in Toronto, the Socialist Project works to generate and promote Left activism education and organizing. Our membership includes activists, students, workers educators and others interested in Socialist politics in Canada.

## **CONTACT US**

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