Fordism: GM Canada
Fordism

• Economic system based around (assembly-line) mass-production of manufactured goods
  • Profits lie in economies of scale, large-production runs of repetitive standardised products.
  • Most labour is repetitive, semi-skilled
  • Key manufacturing companies tend to acquire, and absorb the competition (horizontal integration)
  • Tendency to acquire control over components, raw materials, even sales (vertical integration)
Fordism

- Mass production, assembly lines require
  - Standardized, interchangeable components
  - Chains of parts suppliers making components to precise dimensions with machine tools
Fordism

• Requires mass-consumption to absorb the mass-production.
  • Workers paid enough so they can buy the goods
  • Advertising to persuade consumers to buy
  • Planned obsolescence to stimulate demand without too much real product change
Fordism

• Requires a stable relationship between workers, companies and government
  • Stable regime of regulations, taxation
  • Workers unionize
  • Companies allowed to be comfortable near-monopolies
  • Produces jobs-for-life, stable manufacturing communities while it lasts
McLaughlin Family

• Immigrated to Canada from Belfast, Ireland, Victorian Era
• J J McLaughlin comes to Toronto, manufacturing druggist
• Launches “McLaughlin’s Belfast Ginger Ale with real Jamaican Ginger”.
• During US Prohibition, McLaughlin’s drink marketed as a champagne alternative
  • Renamed as “Canada Dry” “the champagne of ginger ales”
• McLaughlin family starts an Oshawa carriage & buggy builder 1876
McLaughlin, Oshawa

• By 1907, operates the largest carriage building business in Canada
• Needs to break into the auto market
• Gets a licence to put Buick drivetrains into McLaughlin bodies in Oshawa for 15 years (1907-1922)
  • Turns out McLaughlin-Buicks (1907-1943)
McLaughlin, Oshawa: Fordism

- McLaughlin plant adopts production-line system in Oshawa [in GM North Plant] 1907-
- Develops networks of suppliers
  - Stelco in Hamilton for steel
McLaughlin, Oshawa: Fordism

• 1908 McLaughlin and Durant (of Buick) start General Motors Holding Co
• 1915 McLaughlin acquires Chevrolet Canada, begins building Chevrolets in Oshawa
• 1918 McLaughlin & Chevrolet merged to form General Motors of Canada
Oshawa 1920s: Fordism

• Auto industry booms in Oshawa, 1920s
• Population expands from 4000 to 16000
• Incorporates as city 1924
General Motors of Canada: Fordism

• 1920s: GM Canada busy servicing the expansion of motoring in the 1920s
• GMAC created to help customers afford GM products
• By 1920, plants in Oshawa and Walkerville (Windsor).
• 1929 acquires McKinnon Dash & Metal, Ontario St, St Catharines
• 1931-1941 assembly plant in Regina SK (Pontiac, Buick, Oldsmobile).
Oshawa GM strike: Fordism

- Apr 1937 4,000 GM assembly line workers strike in Oshawa
- Workers seek higher wages, 8-hour workday, better working conditions, recognition of Union (UAW local 222).
- Ontario government brings in a scratch police-force of University students to control the strikers
  - Sons of Mitches
- Company capitulates after 2 weeks
- 1937 GM founds the Oshawa Generals hockey team
1939-45: Fordism

• GM plants turn out munitions, vehicles for the war effort
• Chevy trucks from Oshawa for Commonwealth forces
• Torpedos and shell casings from GM St Catharines
Post 1945: Fordism

- North America at the centre of the global economy
  - Aircraft, vehicles, electronics, consumer goods
  - Fordism working well
- GM booming on demand for vehicles
GM Windsor Lauzon Rd

Bustling New GM Trim Plant

NEW GM PLANT—General Motors of Canada has built a $20,000,000 automotive interior trim plant on Lauzon Rd. The most modern of its type in the world, the plant employs a staff of 1,750 and is an example of the kind of development which has been fostered by the Canada-United States Auto Agreement. The plant began operation early this summer and is in the heart of an east side location which holds much promise for more new industrial development.
General Motors of Canada: Fordism

- 1952 opens DELCo components plant in Scarborough
- 1954 opens engine plant St Catharines (Glendale)
- 1963 adds Windsor transmission plant
- 1964 opens assembly plant in Sainte-Thérèse, Quebec
- 1965 adds Oshawa truck assembly plant
- 1973 converts DELCo Scarborough components plant to van assembly plant (Chevrolet GMC)
GM Scarborough

No. 1 VAN
Scarborough Plant
GM
Oshawa
1987
GM Oshawa 1964
Post-Fordism

• From 1970s competition develops from European & Asian imports

• Computer & information technology, trade liberalization allows manufacturing to shift to lower-waged economies, to outsourcers

• Auto-Pact/FTA/NAFTA forces GM to compete with lower-waged areas of USA, Mexico

• GM technology slow to change
Post-Fordism

• Workers forced to face plant closures, layoffs, increased job insecurity
• Automation reduces workforce
• Just-in-time manufacturing eliminates parts stockpiles, integrates separate plants
• Increasing use of outsourced sub assemblies and components
• Prospect of self-driving and non-petroleum fuelled vehicles
New plants

• 1989 CAMI Ingersoll (Joint venture with Suzuki), from 2011 just GM
• Oshawa assembly plants consolidated to one giant Autoplex flexible assembly plant in 2008, 3500 jobs
  • Paints and assembles Chevy Equinox bodies shipped from CAMI etc
  • 10m sq ft of space
  • $1.3 Bn paint shop handles 27 different body types
• Handles any kind of car, light truck, SUV assembly
Closures of GM Canada plants

• 1993 Scarborough van plant 2800 jobs
• 2002 Sainte-Thérèse, Quebec
• 2004 GM North Plant, Oshawa (closed to create Autoplex)
• 2008 GM#1 plant sheds shifts (Chevrolet) 1000 jobs
• 2008 GM#2 plant closed, Oshawa (Pontiac, Buick) 2750 jobs
• 2008 St Catharines powertrain plant (Ontario St) 130 jobs
• 2009 Oshawa Truck Plant 2500 jobs
• 2010 Windsor transmission plant 1400 jobs
• 2010 St Catharines assembly plant (Ontario St) 350 jobs
Closures of GM Canada plants

• 2020: GM Oshawa to close. GM manufacturing for Canadian market shifts to US, Mexico
GM Windsor Transmission plant 2017
GM Canada today: Post Fordism

- Maintaining technological, production viability with generous government bailouts
- Current profits built around its more fuel-inefficient and environmentally-wasteful vehicles
- Has more pensioners than current employees
- Essentially a pension fund that makes cars