

Hi neighbour!

We are your neighbours, unionized auto workers who work in auto assembly and supplier plants throughout Southern Ontario. Some of us are retirees who spent 30 years on the job. We are concerned about our jobs, our livelihoods and our pensions.

Our employers, GM, Ford, Chrysler and their suppliers are in terrible financial shape, victims of the current financial crisis (which has affected every auto company), gas price fluctuations, the viciously competitive environment of today's unregulated auto market and the refusal of these corporations to produce small, environmentally-friendly vehicles.

We have all heard that the decent wages, benefits and working conditions – earned by unionized auto workers over the decades – are somehow responsible for the current crisis. The US, Canadian and Ontario governments have agreed on a loan guarantee package, but one of the conditions, is that members of the UAW (in the US) and the CAW (in Canada), must reduce labour costs to match the non-union transplants (Toyota, Nissan and Honda), many of which are based in the US South.

We think this unfair and we are here to set the record straight.

- 1) Cost differences between the transplants and the Detroit Three have *nothing* to do with workers' wages and benefits
 - The non-union transplants in the US pay wage and benefit packages are comparable to those at the Detroit Three – in order to keep the union out. But health care and pension costs are lower in the transplants. That's because the transplants have been in operation for many years less than their competitors and their workforce is younger. They also have fewer retirees. The US has no public Medicare and employers pay for health insurance costs. Health care, benefits and pensions costs are all factored in to labour costs. Workers' wage, benefit workplace rights are not to blame for the cost differential.
- 2) Efforts to force Canadian autoworkers to match the cost structure of American-based transplant auto producers, through concessions to the US auto companies are politically unacceptable and hurt the interests of all Canadian working people.
 - The US Congress's demands for worker concessions to match the transplants have nothing to do with concerns about real costs. *No other country in the world, beside the US and Canada have demanded worker concessions as part of their aid packages to their auto industries.* This demand is an effort by the most conservative elements of the American Republican Party to strip away the gains that autoworkers have made over the decades, gains that have inspired and mobilized workers in all kinds of sectors of the economy. Just like the smashing of the Air Traffic Controllers union, PATCO, in the 1980's, which signalled a key defeat of the American trade union movement in the Reagan era, these conservatives seek the destruction of the union in the auto sector, so that it can weaken the efforts of all workers for better wages and benefits and some say in how the economy operates. The last collective agreement in the auto sector in the US saw a two-tier wage regime, with the lower tier receiving cuts of 50%. In the current context of ongoing economic stagnation, this will *deepen* the crisis.

The auto unions in North America have given up various kinds of concessions. It hasn't protected any jobs. Over the years, for example, the UAW in the US has agreed to speedups, outsourcing of work to non-union plants and cuts to benefits. At GM, regardless of concessions, there were 466,000 hourly workers in 1978 and by 2006 that was reduced to 112,000!

For all those in the workforce who are forced into low-paying, insecure jobs that provide few benefits, the possible defeat of the autoworkers can only weaken their ability to organize for improvements. The push to force autoworkers to give back important gains will weaken all working people in Canada.

Where does the US government get the right to demand that Canadian workers lower their wages and benefits in order for the auto industry to survive, anyway? In the 1980's, Canadian autoworkers refused demands from the US Congress to force extra concessions during the Chrysler bankruptcy. Why can't we make the same arguments today, even though free trade has weakened Canadian sovereignty? We also know that folks like Federal Tory cabinet ministers Clement and Flaherty have a history of supporting wage cuts and layoffs for workers, from their time in Mike Harris's Ontario government. Why should we listen to them?

- 3) GM, Ford, and Chrysler's survival are important for our communities, but the entire industry needs to be transformed in ways that support the jobs and livelihoods and improve the living conditions of Canadian working people.
 - A bankruptcy at one of the Detroit Three could lead to a dramatic loss of jobs in the sector, possibly millions in the US and Canada. This would be a catastrophe for our communities across Southern Ontario. But in order to prevent a repeat of the current impasse, we know that the auto industry in Canada needs to be changed:
 - The CAW has called for applying content rules for auto companies so that production and investment are adjusted to market share in all three individual NAFTA countries. As well, they have argued for government procurement of locally-manufactured goods.
 - Some call for regulation of overcapacity in the auto industry. That would mean regulating the amount of vehicles produced in North America.
 - Municipal or state ownership of excess plants and productive capacity – made redundant by the restructuring in the auto and manufacturing sector – so that that communities can decide to produce environmentally friendly forms of energy and transportation for their own needs. The unemployed should be organized to fight for these new enterprises and work there for decent wages, benefits and working conditions
 - Nationalization of the financial sector to fund them.
 - Demanding a dramatic environmental transformation of the auto sector, including moves away from petroleum fuel, smaller vehicles and full Extended Producer Responsibility.
 - Defence of the rights of those working in the auto sector
 - More socialized benefits, such as pharmacare, childcare and pension increases, which reduce dependence on employers' competitiveness.
 - Some call for nationalization of one or all of the auto companies.