

CAW - Canada / General Motors

BARGAINING REPORT

Highlights of the Tentative Restructuring Agreement between CAW-Canada and General Motors

Production and Skilled Trades

HIGHLIGHTS

- No cuts to base wages
- No cuts to pensions
- Maintained the Supplementary Unemployment Benefit program
- All previous restructuring agreements maintained



DEFENDING OUR MEMBERS THROUGH AN INCREDIBLE CRISIS

Dear Brothers and Sisters;

The meltdown of North America's auto industry is an economic catastrophe – absolutely unprecedented in our economic history. The global economy is in recession. But the auto industry is in a Great Depression. The Big Three have already shrunk in half since 2000, and there's more to come.

Is this the workers' fault? Not at all. We've all experienced the finger-pointing at auto workers. It's always easy to blame workers and their union. Politicians do it all the time.

But that blame-game is 100% wrong. Each CAW member on the auto assembly line produces \$300,000 of GDP per year. Our wages and benefits are justified by the high productivity of our work. And our wages are lower than auto wages in other countries (like Japan, Germany, and the U.S.).

It's not just CAW members who are suffering through the meltdown. Counting spin-offs, every CAW assembly job supports 7.5 jobs in total. Our communities rise and fall with the auto industry. We all have a stake in saving this industry.

The true cause of the immediate crisis is the global financial meltdown. That wasn't our fault. It was the speculators, and the government regulators who were asleep at the switch.

And the true cause of the deeper problems in our auto industry is globalization. Our governments failed to implement fair trade (not free trade). Canada and the U.S. tolerate what other governments reject: a one-way flood of imports, with no exports going back the other way, that's been destroying the foundation of North American industry for a decade. Now we're at the breaking point.

Elected CAW workplace representatives from GM, Ford, and Chrysler agreed to emergency bargaining. But not because we can somehow save the industry through cost cuts. Don't believe that for a moment. We could work for free all year, and it would extend GM's life for 5 working days. Our wages and benefits account for 7% of the cost of making a car – yet we're getting 99% of the blame.

We entered this bargaining for two specific reasons. First, we must retain a cost advantage versus the Big Three's U.S. plants, to fight to retain our investments and jobs. Second, the federal government (led by Industry Minister Tony Clement and Finance Minister Jim Flaherty) demanded CAW cuts, or they would reject the industry's request for emergency aid – in which case GM Canada would collapse.

continued on back cover

