

# CAW - AUTO BARGAINING UPDATE

**O**n Tuesday, February 17 over 400 CAW leaders from all GM, Ford and Chrysler locations met in a special strategy session to discuss the crisis in the auto industry. Since then the news has grown worse and the predictions even bleaker.

## MORE BAD NEWS

**T**he Big Three market share dropped to 47% in the US and 48% in Canada in 2008. And sales continue to plummet. In January Ford's U.S. sales were 40% lower than the year before, Chrysler was down 55% and GM fell by 49%.

Annual sales levels are now forecast to be well below the level that Ford told the US Congress it needed to avoid emergency aid. The dramatic loss in sales has crippled the Big Three. Ford last made a profit in 2005. In 2008 Ford chalked up an enormous loss of \$14.6 billion and GM recorded a staggering \$30.9 billion loss. (Chrysler no

longer publicly reports its profits and losses.)

In ten years Canada's automotive trade deficit has dramatically reversed from a surplus of \$15 billion to a 2008 deficit of \$14 billion. And for the first time in decades Canada recorded a trade deficit within NA.

## UNPRECEDENTED CRISIS

**T**here has never been a crisis this devastating. None of us have ever been in a situation like this.

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## But this is what we face:

- Governments who are insisting that we give things up and who want to use non-union transplants in the US as the new standard for auto wages, benefits and pensions.
- Companies, who are in a financial mess, on the verge of bankruptcy and who, left to their own preferences, would further reduce their operations in Canada.
- The UAW who has been forced to make more concessions as part of the US loan agreements.

We have never been forced into negotiations with all three of our employers in which we are required to trade off some of our hard won conditions in exchange for government aid to the industry.

## UPCOMING NEGOTIATIONS

**I**n the US, the UAW has finished their negotiations first with Ford and is now wrapping up with GM and Chrysler.

**CAW Big Three leadership has decided to open negotiations with GM and to start discussions this week.**

To guide the upcoming negotiations our bargaining committees have overwhelmingly endorsed a policy to limit the damage to our members, preserve as much of our contracts as possible, while working to protect our jobs and our industry.

First we have categorically rejected meeting the conditions of non-union transplants in the U.S. south. Instead we have argued that the relevant comparison is within the Big Three and between Canada and the U.S.

Second, we will come out of these forced negotiations holding on to as much as possible. While we are forced to give things up, to suspend some past gains, we will resist cutting our base wage rates or our basic pension levels. And we will resist forcing an unfair burden onto laid-off workers, retirees or future hires.

Third, government policy and corporate strategy caused the problem, collective bargaining isn't going to solve it. So we will continue to pressure governments to insist, as a condition of the loans, that Canada maintain its share of NA production. We will push governments to get tough on automotive trade imbalances and we will be strong advocates for a new NA auto pact to ensure investment and jobs in Canada.

## NEED FOR SOLIDARITY

**W**e are in uncertain times. The next 3-5 years will be hard. Without a major effort on our part they will be harder. The two critical ingredients in union strength—solidarity and collective action are what will get us through this period. We will stick together and look out for each other because that is what we do best. And together we will change these desperate times into more promising ones.

## CAW – Auto Bargaining Update

Endorsed by the CAW/Big Three Master Bargaining Committee and CAW local union and workplace leadership in the auto sector.

