

**Remarks**  
**World Automotive Congress**  
**January 21, 2009**

Thank you for that kind introduction. It is a pleasure to share the stage with Ralph Gilles and I wanted to mention that I appreciate seeing the members from the CAW in attendance.

It's an honor to be here, on behalf of our UAW International Executive Board and the active and retired women and men of the UAW.

I'd like to thank Keith Crain and Automotive News for inviting our union to be part of this event.

The Automotive News World Congress is a vital forum, bringing people together to discuss the critical issues facing the automotive industry.

Now that the U.S. government has agreed to provide emergency bridge loans for domestic automakers, it's clear that there will be more public involvement in our industry than ever before.

UAW members are optimistic about working with the new Congress. And we are very optimistic about working with the new President of the United States.

President Barack Obama understands what the delegates to this Automotive Congress understand: He knows, and we know, that a strong manufacturing base, including a strong domestic auto industry, are vital to the future of the U.S. economy.

Regardless of how any of us voted in the last election, I think all of us in the auto industry are on the same page as President Obama when it comes to solving problems.

We've got to put partisan differences aside, and look for real solutions.

That's exactly what we did in November and December. Our industry and our communities came together as never before to stand up for American jobs, American workers and American families.

Republicans and Democrats; Ministers and CEOs; Dealers and Suppliers; Elected officials and community activists; and the active and retired members of our union.

We joined together to support a great industry.

An industry that supports millions of American jobs, tens of thousands of American companies, and hundreds of billions of dollars in tax revenue at all levels of government.

When you look at the numbers, the case for emergency bridge loans to help domestic automakers was overwhelming.

But our industry is about much more than numbers. It's about communities. It's about people. It's about people's lives.

It's about people. Like the auto dealer who has built a family business from the ground up.

Like the business man or woman who runs a parts supplier, struggling to survive in one of the most difficult economic environments you can imagine.

Like the men and women who work on the production line at supplier companies.

It's about people. All across America.

Our industry is about the mother or father who works in one of these parts plants, who has been laid off because of production cutbacks.

That parent now has to tell his or her son or daughter: Sorry, there's no money for college tuition. The money we were saving for your future had to be spent today to pay our rent. Our gas bill. Our grocery bill.

Our industry is about people. Like the 80-year old retiree, who left work long ago and is getting by on a very modest pension.

The average pension paid to a UAW retiree at GM, by the way, is about \$17,000 a year. But those who retired many years ago are living on much less.

There are tens of thousands of retirees and surviving spouses who receive less than \$8,000 a year, less than \$700 a month, in pension payments.

Right now, UAW bargaining teams are looking for every possible way to help our companies compete and grow for the future.

First and foremost in our minds are the people who are part of our industry.

Our goal is to build a path towards long term-viability.

That means an industry that builds top-quality, fuel-efficient cars and trucks

...an industry that continues to provide good jobs and good wages in our communities

...an industry that keeps the promises made to retired workers who gave a lifetime of labor to their employers.

Active and retired UAW members have already made considerable sacrifices so that our employers will be more competitive.

In 2007, our labor agreements with Chrysler, Ford and GM transformed the way our industry does business. Our achievements were widely acknowledged throughout the industry, and by the news media.

The extraordinary achievements of the men and women of the UAW were recognized by the Automotive News, Crain's Detroit Business, the Detroit News, WXYZ-TV 7 and Indiana University Kelly School of Business.

While our members appreciate the recognition we've received, we're well aware that at a time like this, we can't afford to rest on our laurels. We know that additional sacrifices may be required to get these companies back on track.

All stakeholders will have to participate, including management, board members, dealers, suppliers, secured and unsecured creditors, and our members.

Any attempt to single out one group to bear the brunt of the changes needed within our industry will fail, because no one group can solve the problem alone.

Our contracts with Chrysler, Ford and GM represent only 10 percent the cost of assembling of a vehicle. But most days, it seems like we get 110 percent of the attention.

Auto workers alone can't fix our industry.

Auto dealers can't do it alone, either. Neither can suppliers, nor shareholders, nor bondholders, nor any one group.

The way forward is for all of us to work together.

We're confident we can be successful. After all, we succeeded in working together, against tough odds, to win emergency bridge loans for our industry.

It was unfortunate to see the way our industry became the center of a distorted national debate in the halls of Congress and on the public airwaves.

A lot of what the pundits and the politicians think they know about the auto industry just isn't true.

For example, how many times did we hear some version of this statement:

"Detroit is making cars nobody wants to buy."

In fact, Detroit is making cars that 6.3 million people want to buy.

6.3 million is the combined car and truck sales of Chrysler, Ford and GM in 2008, which was the worst year for auto sales since 1992. That represents 48 percent of total U.S. vehicle sales.

To be sure, that's a much smaller market share than was previously enjoyed by these companies; which is why each of them has fewer employees and fewer factories than in the past.

But the truth is that millions of Americans, every year, want to buy the vehicles produced by domestic automakers.

We intend to do what it takes to make sure that American consumers will still have that option for many years to come.

Another “fact” people seem to be quite sure of is that U.S. companies don’t produce “quality” vehicles.

The perception of poor quality is decades old, and it has little to do with the reality of the 21<sup>st</sup> century auto industry.

UAW members are making vehicles that are winning recommendations from Consumers Reports, quality and reliability awards from JD Powers, and top safety ratings from the U.S. government.

Another common misperception is that Chrysler, Ford and GM are in trouble because they build nothing but gas-guzzlers.

Again, the perception is far away from the facts. As those of us in the industry know it’s GM that offers consumers 20 different vehicles that get more than 30 miles per gallon, more than any other manufacturer.

It’s Ford who introduced the first-ever hybrid sports utility vehicle.

And it’s Chrysler that is the leader in neighborhood electric vehicles.

Domestic manufacturers combined are now offering consumers various ways to conserve fuel and save money, including a dozen models of hybrid cars and trucks, flex-fuel vehicles, advanced energy-saving transmissions, and clean diesel technologies.

It’s clear that in the future, consumers and government regulation will demand even cleaner and greener vehicles.

So any plan for long-term viability for domestic manufacturers has to build on current environmental accomplishments, and do even better in the future.

One area where our present accomplishments are quite impressive is the issue of productivity on the factory floor.

Time and again, we’ve heard that “union work rules” are dragging down the domestic auto industry. This perception has no basis in reality.

According to the Harbour Report, the industry standard for measuring productivity, the 10 most productive auto plants in North America, are all union plants.

Not some of them. Not a few of them.

All 10 of the most productive auto plants in North America are facilities where workers are members of the UAW or the Canadian Auto Workers.

The closer you look at the Harbour Report, the better it gets.

When plants are compared on an apples-to-apples basis, small cars vs. small cars, pickups vs. pickups, and so on, the data show that union plants are the most productive in eight out of nine vehicle segments.

For example, according to Harbour in 2007, UAW members at Chrysler's Belvidere, Illinois, plant required 17 hours to assemble a Dodge Caliber.

But it took nearly 25 hours to assemble the Toyota Matrix, a similar vehicle, at a non-union plant in Cambridge, Ontario.

UAW members at Ford's Kansas City plant can assemble a Ford F-150 in a little over 19 hours.

But it takes almost 32 hours to assemble a Toyota Tundra at a non-union plant in Princeton, Indiana.

If a union contract and union work rules were an obstacle to productivity, then our plants could not possibly win top rankings in category after category.

But we are winning.

We're proud that the efforts of our members to work safely, with an intense focus on quality and productivity, have been documented by independent analysis.

But let's be clear: While people use all sorts of so-called "facts" to criticize our union and our members, we don't think it is fair to use data from the Harbour Report to imply any criticism whatsoever of workers at Toyota or Honda or Nissan or any other foreign nameplate facility.

Those employees work hard every day, and they are dedicated to doing the best possible job they can for their company and their customers.

Nor does this data necessarily imply criticism of the management at foreign nameplate facilities.

When you look at the cars and trucks these companies produce, and at their long-term financial results, there's no question: They have a very impressive track record in a very competitive industry.

But it is just plain wrong to assert, as many people have, that Japanese and European companies represent some kind of state of perfection when it comes to auto manufacturing.

And it is just plain wrong to assert that the only way for U.S. companies to succeed is to copy everything that has been done by Japanese and European manufacturers.

Obviously, there are lessons to be learned from the successes achieved by foreign nameplate operations here in the U.S.

But the data from the Harbour Report shows there is also something to be learned from our success on the factory floor.

The domestic auto industry is in trouble not because of our members, not because of our union and not because of our contracts.

The problem is not a lack of quality, or a failure to produce fuel-efficient vehicles.

The real problem is the most severe economic recession in decades, and a global credit crisis that has dried up funding for businesses and consumers.

That's an explanation, not an excuse.

The fact is, we have to deal with the environment we're in. And while we are hopeful that President Obama's economic program will lead to significant improvement in the performance of the U.S. economy, a broad-based recovery that will drive increased auto sales is months away at best.

We don't have months to wait. We have to deal with the problems our industry faces right now.

We fully expect that the restructuring process involving our union and other stakeholders will succeed, because all parties are committed to a successful long-term future for our industry.

We are working as hard as we can to address the problems that still exist within our industry. But we will be less than responsible if we do not work to address the external factors that are major part of the crisis facing the domestic auto industry.

First on the list: We have to fix our broken health care system. We can no longer afford to allow American companies to operate at a competitive disadvantage with overseas manufacturers.

That's why the UAW negotiated with Chrysler, Ford and GM to create the National Institute for Health Care Reform.

Every other industrial country provides universal health care insurance for its citizens, delivering quality care at a much lower cost.

It's not just the U.S. auto industry that suffers from this competitive disadvantage. It's every U.S. industry, every U.S. company and every working person.

Comprehensive health care reform would eliminate the national disgrace that leaves tens of millions of Americans without access to health care.

The right kind of reform will expand coverage and also improve the efficiency of our health care system, saving billions of dollars for Ford, GM, Chrysler and employers and industries throughout the United States.

Next, we must take bold action to fix our broken trading system. We can no longer afford to have the most open market in the world, while other countries use currency manipulation and non-tariff barriers to keep out U.S.-made products.

The overall U.S. merchandise trade deficit is projected at 845 billion for 2008; the deficit in automotive trade alone is expected to hit \$109 billion.

We have an automotive trade imbalance with every single one of our major trading partners: Japan, Germany, Korea, Canada, Mexico, even England, which has a relatively small auto industry.

We will never stabilize the U.S. auto industry or our economy, if we continue to buy more than we sell from every other industrialized nation. Let me be clear, the UAW is not opposed to fair trade, but it's time to recognize that so-called "free trade" is a fiction; every trading relationship is managed in one form or another.

Our trading partners manage their trade relationships to benefit their industries and their citizens. There's no reason we can't do the same, and still maintain a healthy exchange of goods and services across international borders.

Finally, as we go about the work of fixing our broken economy, it's crucial that we follow the course set by President Obama: a bottom-up stimulus program that is intended to put money in the hands of working people.

That includes construction and infrastructure projects that will put people to work right away, greater assistance to unemployed worker, and strong support for the right to organize and bargain collectively, so that workers have a chance to raise their standard of living.

For the past eight years, there has been a very deliberate policy at the federal level to suppress the right to bargain and to lower the wages of working families.

President Obama, who supports the Employee Free Choice Act, is exactly right to set a course in the opposite direction.

Putting money in the hands of working families will drive increased consumer spending power. It will drive increased auto sales. And it will drive a better and brighter future for our employers and for the millions of people who work in the U.S. auto industry.

Let me close by saying that like many of you, our members and our union have never seen anything like the difficulties we have faced in the past few months.

For several weeks, the prospects looked bleak for winning the emergency bridge loans we desperately needed from the federal government.

Despite some very determined opposition, we were able to succeed.

We succeeded because we joined together, in a broad coalition that reached across the entire United States.

We know full well that we are not out of the woods yet. We face very difficult challenges in the days, weeks and months ahead.

But looking back on what we have already accomplished, I feel confident in echoing the inspiring words of our new president:

Yes we can rebuild a great industry. And America will be stronger when we do.

Thank you again for inviting the UAW to be part of your program here today.

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