

CAW STATEMENT
ON TRANSPORTATION

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Structural changes within our union have led us to a very direct concern with transportation. Partly through circumstances and partly through design, the CAW has emerged as the largest transportation union in the country. We now represent over 125,000 transportation workers who provide transportation services and manufacture transportation equipment: airline workers, rail workers, bus drivers, workers involved in the manufacture of cars, trucks, trailers, airplanes, buses, subway cars, inter-urban trains and locomotives.

Our concern with transportation does, of course, extend beyond this membership and union presence. Transportation shapes how we live. It affects the structure of our cities, the viability of communities and regions, the economic and social base

of our country. When we talk about a "Canadian Transportation Policy", we inevitably address issues central to the broader national agenda: national unity, regional equity, jobs, the environment.

Canada does not have a national transportation policy - at least not one that meets the needs of its citizens. This discussion paper sets out basic principles for such a policy and suggests certain directions. It represents a new focus for our union. The intent is to emerge with a perspective on transportation that is a base for internal educational work and around which we can mobilize, with other unions and community groups, to defeat the "anti-policy" of deregulation, cutbacks, and neglect.

The new diversity within our union naturally raises the question of potential conflicts over direction. For example, can workers in auto, aerospace, rail, or the airlines agree to any kind of common perspective on the future of public vs. private transit?

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"Unity within the labour movement was never automatic. It was always something that had to be built. As we expand our union, new issues will emerge and differences surface. The challenge is to retain the strengths of such diversity while developing the basis for a new unity."

Overcoming differences between workers has in fact always been at the core of what unions do. Unions were formed to overcome the competition between individual workers that companies encouraged and exploited. Within the auto industry, for example, workers were fragmented across facilities and across companies and potential conflicts existed between parts suppliers and the Big Three, within the Big Three, and even between different plants of the very same company. There still remain barriers within any one facility based on ethnic and gender divisions, and on discrimination against visible minorities.

The point is that unity within the labour movement was never automatic. It was always something that had to be built. As we expand our union, new issues will emerge and differences will certainly surface, some more difficult than others. The challenge is to retain the strengths of such diversity while developing the basis for

a new unity. The specific issue here is whether the different sections of our union can reach a broad agreement on the direction of a national transportation policy.

I am confident that with a full discussion of these issues through our local unions and CAW Canadian Council we can move toward this goal. The CAW Education Department can also assist with local union forums for leadership and membership.

In solidarity,



Robert White
President
CAW Canada

This statement is available to other unions and educational institutions upon request.

HISTORICAL
NOTE ON
CANADIAN
TRANSPORTATION

"The railroads are being dismantled, free trade with the United States has undermined the notion of a national industrial policy, and the country is falling apart."

It might be useful to begin with a brief comment on the role of transportation, particularly rail, in Canadian Confederation. The role of transportation is important in any economy, but has been particularly important in Canada because of our geography, population dispersion, climate, and the implications of trying to build and sustain a prosperous, independent nation beside a powerful and dominating neighbour.

Historically, the building of a national rail system along east-west lines was a conscious attempt to defeat the emerging north-south pull that meant integration into the United States. The promise of rail links was a critical component of overcoming the resistance of Nova Scotia and New Brunswick to Confederation, and British Columbia likewise made its later entry into Canada conditional on the extension of the railroad to the West Coast. The development of rail influenced the location and growth of Canadian cities. The needs of these cities, the demand for rails, cars and locomotives, and a national tariff policy to replace imports with domestic production, led to the development of a steel industry, other manufacturing, and new manufacturing skills.

Some people have remarked that our past is a tape that the Tories are now playing in reverse: the railroads are being dismantled, free trade with the United States has undermined the notion of a national industrial policy and the country is falling apart.

This is true, but neither should we idealize our past. It was not, in fact, all bathed in glory. The building of the railroad included widespread corruption and the highest-level scandals. Much of the interest was in simply shipping out our resources by rail rather than in transforming this natural wealth into the greater long-term potentials of a manufacturing base. And the tributes to Canadian determination did not acknowledge then, and have forgotten now, the 17,000 Chinese workers who were brought here as manual labourers and the four thousand who died building "our" railroad.

The elite of that time, whatever its self-interest, did however have an interest in building the infrastructure of a country and in seeing that country develop into a nation. Can we, in the post free-trade era, say the same about the perspective of today's business elite?

PRINCIPLES
OF A NATIONAL
TRANSPORTATION
POLICY

A national transportation policy should be based on the following five principles:

1

Recognition of the central importance of transportation. This implies a corresponding national commitment to major investments in transportation.

2

The limits of leaving transportation decisions to the market. At the core of a transportation policy is the need to include a wide range of factors that market signals ignore and misrepresent.

3

Balance and integration of different transportation modes. Relying on "competition" undermines real choices and effectiveness.

4

Transportation services as a right of citizenship. Transportation policy must reinforce the goals of individual and regional access and equity.

5

Transportation policy must be part of the development and strengthening of our economic base.

THE CENTRAL
IMPORTANCE OF
TRANSPORTATION

1 Over one million Canadians work directly in providing transportation services. Transportation links families and friends, gets us to work and back, facilitates the shopping we must do, and affects the leisure choices we have. An average consumer spends about ten cents of every dollar on transportation services and transportation is a crucial determinant of their lives.

About 10%-15% of business expenditures go to transportation as companies link resources, inputs, labour, products and markets. Recent studies in the United States have emphasized the importance of a transportation infrastructure on the productive potential of the economy, and have pointed to the large economic costs of having allowed the severe deterioration in the American transportation system.

The transportation sector consumes about 30% of Canada's total

energy consumption and almost two-thirds of the petroleum we use. Transportation also accounts for 25%-35% of the various pollutants we spew into our atmosphere.

Policy decisions about transportation are decisions about the isolation or integration of communities and regions; about how and for whom our cities will evolve; about equity and opportunity; about energy consumption and the impact on the environment; about economic links and direct and indirect jobs; and - as we've seen from our own history - about the building or dismantling of Canada itself.

Recognizing this central importance of transportation to all aspects of our lives means acknowledging what other countries are increasingly recognizing: the need for a national commitment to investing significant resources in maintaining and developing the transportation system.

2 When these investments and decisions about the direction of our transportation system are made on the basis of market criteria, all kinds of factors - often the most important factors - are ignored or not accurately accounted for. We need a system of social accounting that goes beyond market signals if we want a rational transportation system. Amongst the issues that must be evaluated are:

a) How much subsidy does each mode get? For example, in comparing rail, air, and truck transport, how high are the subsidies given for airport construction and maintenance? How much is spent on highways and highway repairs that is not collected through licenses and gasoline paid by truckers? What are the relative levels of rail subsidies?

THE NEED
FOR SOCIAL
ACCOUNTING

- b) Different transport modes have a differential impact on the environment, on energy use, on regional equity, on accessibility, on safety. What seems efficient in terms of "price" may be extremely inefficient when all relevant costs and benefits are factored in.
- c) Different transport modes may have quite different spin-offs on the productive capacity of companies and on the creation of jobs. If, for example, a particular project also

provides valuable jobs in a community that would otherwise depend on UI, its higher "cost" may be worth the investment.

Because transportation is, in many ways, a public utility with sweeping implications for so many other aspects of our lives, it must be based on political decisions - decisions based on social criteria, decisions that are democratically accountable - rather than simply on markets.

BALANCE AND
PLANNING VS.
COMPETITION

3 There will naturally be some competition between the different modes of transport. But if private competition is the main determinant of our transport system, then our choices will be limited rather than expanded, and sensible opportunities will be lost.

Different modes of transportation have different strengths and weaknesses in terms of speed, flexibility, comfort, convenience, cost, the environment. There is room within the transportation system for a wide variety of modes and, when all the real costs and benefits are considered, for a public policy that encourages the co-existence of various modes: each has a role to play within a balanced system.

Moreover, there are significant potentials in expanding available choices by overcoming antagonisms between private companies and initiating integrated services between modes. Integrated services means co-operation to establish inter-modal terminals (eg. bus-rail terminals, rapid rail from major airports like Toronto to traffic-congested city centres, expanding truck-rail freight interchanges). This would necessarily also include integration of computer reservation systems, baggage-handling, freight equipment, and new transportation research.

TRANSPORTATION
& CITIZENSHIP
RIGHTS

4 In Canada today, as the debate over our constitution continues, that debate must include a sense of the rights of citizenship - the minimum rights and opportunities that any Canadian should have. Access to transportation services, and therefore an equitable transportation system, is one dimension of such rights.

Canada is a regionally divided country. In the absence of public intervention in the marketplace to link these regions, to encourage travel, to remove some of the economic disadvantages of geographic isolation from markets, Canadian society will become even more fragmented and more unequal. The national base for being a country will be further eroded.

For many individual Canadians, private transportation by car is limited and dependence on public transportation a necessity. There are an estimated 3 million Canadians with disabilities; many senior citizens depend on public transit on a daily

basis (and on rail and bus for inter-city transit) and their share of the population is expected to double over the next 25 years; the numbers of low-income Canadians, many of whom do not have cars, is also growing. As these groups have emphasized, an inadequate transportation system is not only unfair to them, not only undermines their self-sufficiency, but it aggravates other aspects of their inequality - such as access to social life, making it more difficult to look for work, limiting the options for where they can work, creating barriers for training.

Citizenship is an individual and collective right. For it to be meaningful and for it to support a collective identity, we cannot leave key national institutions - like our transportation system - to private markets, profitability, and individual choices in the abstract.

5 As we argued earlier, the quality of the transportation system is an important input into a more productive and efficient economy. In addition, the importance of transportation, and the restoration and expansion of transportation services, provide the potential for modernizing and building the necessary equipment for this industry. This national base represents a solid base

for meeting international demands in both the developed and developing countries for transportation equipment.

Such equipment includes train cars, tracks, and locomotives; subway cars and buses; airplanes, engines and components; ships, trucks and cars; the computers, reservation systems, and airport equipment that coordinate transportation; the tooling, steel and other materials that go into manufac-

TRANSPORTATION
AND THE
ECONOMIC BASE

turing all this equipment. Because of past government intervention, Canada does in fact have a much larger transport equipment industry today (eg. UTDC, Bombardier, DeHavilland, Pratt & Whitney). This issue of jobs and developing our skills goes beyond just the total numbers but must also be sensitive to where the work is located: the productive capacity must be shared across all regions.

The auto industry is currently concentrated in Ontario and to a lesser extent in Quebec. This will not likely change. Aerospace is concentrated primarily in Ontario and Quebec but there has been growth in both Nova Scotia and the West. If this can be put in the context of growing opportunities (rather than fighting for scarcity) this trend should be supported. Rail cars and mass transit vehicles are produced in Quebec, Nova Scotia, and in northern Ontario, where other manufacturing jobs are scarce. Buses are more diversified, being built not only in Ontario, but also in Quebec and Manitoba. This too can be expanded to provide a vital base for these communities. The shipbuilding industry needs more support and any revival

would naturally help the economies of both coasts, particularly Newfoundland where unemployment "normally" runs at double the levels the rest of the country experiences only in bad times. Trucks are manufactured in Ontario and Quebec, but also to some extent in B.C. To the extent that we can produce more of the specialized transportation equipment we currently import (eg. for mining and logging), this should be done as part of diversifying communities and regions (like B.C., northern Ontario) that are now very resource dependent. It is because transportation is so particularly important to the Canadian economy that there is a logical case for Canada also being a leading manufacturer and developer of transportation services.

As a country facing extreme economic difficulties and limited choices, building on this transportation potential is something we absolutely must do.

TRANSPORTATION ISSUES

In this section, we discuss the main issues in transportation sectors that include a significant CAW membership.



1. CARS

Over 80% of travel in Canada occurs in private automobiles (there are over 12 million cars on Canadian roads) and cars account for 90¢ of every transportation dollar spent in the country. This is due both to the advantages of cars in terms of convenience, comfort, flexibility, independence and to the underinvestment in public transportation, which has reduced the availability and attractiveness of alternatives to the car. The very success of the car has, however, created problems of traffic congestion, land use, accidents and fatalities, energy consumption, and pollution. This has led to a challenge to the dominance of auto transport and a call for changes in the role of the car in our society.

These concerns cannot be ignored. Autoworkers are also citizens, have families and live in communities. We care about the social impact of the car, about the air we breathe and the kind of world we leave for our children. We called on the companies to begin to develop light, energy efficient, non-polluting, and safe vehicles more than forty years ago (1948) but the companies rejected this advice with the argument that such decisions were none of our business and would remain profit and market driven. In the seventies (1976) we joined others in endorsing the need for more investment in public transit as a rational way to expand consumer options and better balance our transportation system.

"We care about the social impact of the car, about the air we breathe, and the kind of world we leave for our children. This means that cars must continue to be modified to address their impact on energy consumption and the environment."

The car will, under any scenario, still remain a dominant form of transportation in our society because of its advantages and because there are constraints to the inroads other forms of transportation can make due to our geography and the nature of our cities. This means that cars must continue to be modified to address their impact on energy consumption and the environment.

The record of the car companies in the decade after the first energy crisis (mid-seventies to mid-eighties) was very positive. Although they first claimed that dramatic changes were impossible and were grudgingly dragged into the changes, their investments and engineering skills led to a 90% decrease in major pollutants and a doubling of fuel efficiency. There have been job dislocations over this period, but the main factors have not been this energy-environmental adjustment but the impact of imports, transplants, technological change, workplace reorganization, changing relationships to suppliers, stagnant incomes and recessions. The actual

restructuring towards lighter cars, new engines, modified transmissions and anti-pollution equipment, has been achieved in a relatively stable way.

This process was stalled during the Reagan years with the rejection of deregulation (and the keeping of gas prices at by far the lowest level in the world). But with the scientifically-documented evidence that global warming is becoming worse, this shortsightedness will only mean that future changes will have to be more dramatic and adjustments more severe. We must support pressures on the auto industry to revive the trajectory which invested resources and engineering skills towards cars that use less fuel, pollute less, but do not sacrifice safety and quality. (The Japanese auto companies have confirmed such possibilities with the recent announcement of new engines with 20% better mileage and Detroit has just begun production of the first practical alternative to the heavy-polluting truck and bus diesel engines).¹

¹ Global warming refers to an increase in the earth's temperature with potentially disastrous effects on flooding, crops, fish stocks and forestry. The cause is similar to the greenhouse effect. Normally, the rays from the sun enter the earth's atmosphere and some of this energy then escapes back into space. Carbon dioxide in our atmosphere acts like a greenhouse, keeping more of the rays from leaving. But as more and

more carbon dioxide accumulates so that fewer rays leave, the temperature of the earth rises significantly enough to threaten normal temperature. Although other pollutants have been reduced and fuel efficiency improved, the amount of carbon dioxide generated by cars continues to rise because more people have cars and because suburbanization means they drive their cars further to work.

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Some negative impacts on workers might occur through such changes and one response would be to establish an "environmental adjustment fund" to assist displaced workers (income, training), or to help companies modify products or diversify. Since the environmental cause of adjustment is only one dimension of the impact on workers, we would instead argue that such programs be part of broader adjustment programs. Moreover, if any environmental adjustments occurred in the context of an overall jobs strategy, any negative consequences could be quite effectively minimized.

For example:

i) The share of the car market going to companies outside the Big Three and which have very low domestic content has increased to 40%. If this were phased down to 20%, the job gains would far surpass any losses due to a better balanced private-public transportation system.

- ii) Environmental changes also represent job opportunities. For example, as some auto jobs are lost, some Canadian companies are particularly well-placed and could be assisted by government to take advantage of certain developments in raw materials and alternative fuel systems because of our resource base (eg. new plastics, light-weight aluminum parts, new steels, conversion to natural gas as a potential fuel).
- iii) More generally, if there is more reduced work-time - such as everyone having an annual week of paid training - jobs are created and some job losses are avoided. (Replacing the workers with such a policy could generate or protect as many as 3,000 auto jobs).

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2. RAIL



Rail transportation, relative to other modes, uses less energy, pollutes less, and is safer. It has also played a role in consolidating national unity through the regional equity and accessibility it provided. In 1984, the Tories, using such arguments, promised to rebuild, revitalize, and generally undo the damage the Liberals had done to our rail system.

Yet in spite of continued federal rhetoric about fuel conservation, the environment, national unity, support for rural communities, better land use, and safety, they proceeded to systematically undermine Canada's national

rail system. Overall VIA rail services have been cut in half. Service in Newfoundland was eliminated a few years ago. Atlantic regional service is no more. In Montreal, where there were 480 weekly trains a century ago, now - with Canada's population five times as high - there are only 188.

Other countries have recognized the false economies of not investing in rail. In France, in Japan, and even in the United States, a new and logical interest in rail travel has emerged along with major investments.

Continued...

We must reverse our current direction and do it quickly to minimize the damage that is occurring:

- ▶ We should begin with a moratorium on the closure of any other lines.
- ▶ We have to invest in stock, and improve our rail beds. We should be building on our expertise in train manufacturing and support services by expanding our research and development and preparing for a greater role for mass transit.
- ▶ We should be moving ahead on a rapid-rail system in the Quebec-Windsor corridor. (Ironically, Bombardier sees a bright future in the excitement over rapid rail in the U.S. and abroad, but this Canadian company does not yet have such a project in its home base).
- ▶ Rail safety - a prime advantage of rail - must be maintained. As the companies give it lower priority in the face of competitive pressure, they risk losing this advantage. We must restore the number of safety inspectors, strengthen training, have more inspection points, increase the direct involvement of workers and appoint a union rep as one of the safety commissioners.
- ▶ We should be leading in the integration of various transport modes and expanding and improving consumer-business services.
- ▶ We need to have effective ways for unions, consumers and advocacy groups to articulate their concerns and suggestions about rail travel so that social accounting - an analysis of the real social costs and benefits of rail travel - can replace or at least modify the very inadequate accounting of the market.

While rail accounts for only about 1% of passenger travel, rail and truck together equally share 75% of freight shippings. There has been a great deal of publicity and sympathy for the plight of the independent truckers who are suffering from free trade, deregulation, and increased costs. This needs to be discussed in relation to the role of rail.

What makes the situation complex is two factors. First, some analysts have made a case for charging truckers more, rather than less, in gas and taxes. Truckers, they argue, are currently being subsidized through the highway system which is generally paid for by taxpayers. The trucking industry and the industries they service do not pay for their impact on road repair (one 80,000 lb. truck has the same impact on roads as 9,600 cars); congestion (Just-in-Time production has

put a great deal of inventory into the "warehouses on wheels"); or pollution (rail uses one-third to one-ninth the fuel that trucks use). These subsidies have effectively biased freight transport in favour of truckers and against the railways.

On the other hand, if Canadian truckers are actually charged for the true costs, they will lose out even more to American truckers. Canadian rail will continue to lose, Canadian truckers will be destroyed, and transportation services will not be organized any better.

There is room for both rail and truckers to survive. Trucks retain the advantages of flexibility on shorter hauls and there can be inter-modal cooperation on longer hauls. Also many truckers share the safety concerns of the dangerously large trucks that are being licensed in the U.S. and threaten to spread to Canada. But such cooperation is being frustrated by the pressures on truckers coming from deregulation and free trade.

Any improvement in these problems must include re-regulation and control on new licenses - there are far too many trucks on the road, which means excess capacity and cut-throat rates. It must include a challenge to the impact of free trade on this sector and sensitivity to the competitive pressures that truckers face (eg. tax breaks for the expensive equipment). Finally it must also recognize that a certain section of the transport industry could and should - from a social perspective - be better served by rail.

3. AIR



The airline industry is another example of the critical relationship between our geography, economic development, and the role of government. The early bush pilots that served northern communities were the base that evolved into Canada becoming a leader in both airline services and in building innovative aircraft that could serve regional communities with short runways.

Today the airline industry, which accounts for about 15% of Canadian intercity transportation (87% for trips in excess of 3200km/2000m) is in a mess. Each year, Canada's major airlines carry 21.3 million passengers and employ a direct workforce of 50,000. Indirectly, this accounts for hundreds of thousands of jobs in the travel industry. Many of these jobs,

both direct and indirect, are in high technology applications eg. centralized reservations systems. Ten percent of airline revenue is cargo-related - most of it high value-added.

In the United States, deregulation offered temporary gains, but these soon collapsed into a host of airline failures, gutted worker contracts, an erosion of service and safety, and the current chaos as a new monopolization by a few giant companies is emerging to overcome the new "competition". The Canadian government, with its open skies policy, seems determined to follow the United States even though there is no evidence of any great advantages, but a great deal of evidence that in addition to the negative experiences we have seen in the United States, Canada stands to lose decent jobs in many communities that desperately need

them. With such policies, and after the privatization of Air Canada and DeHavilland - the one fully-integrated aerospace company in Canada - we are in danger of losing both our major airline companies (Air Canada and Canadian) as well as a defining piece of our aerospace manufacturing capability.

If Canada cannot retain a strong presence in this transportation sector given our strong roots here, and if we cannot retain key high tech sectors

that emerged from this base, then we can hardly expect to magically create new sectors and new high tech jobs elsewhere.

The reality is
that we cannot give up on
such sectors - we must
build on them.

4. MASS TRANSIT

For many of the reasons we have discussed earlier - equity, access, land use, energy conservation, environmental protection - there is a strong case to be made for a better balance in our transportation system between private and public/mass transit.

Such a shift to subways, buses and Go Trains will be expensive in both the short run and the longer run as it not only means improved public transit - consumers won't choose it unless it comes close to matching cars in terms of convenience, reliability, and comfort as well as cost - but

significant success also means changes in the very nature of our cities. Our cities are now structured to favour private transportation.

Yet the reality is that mass transit (as well as rail and air) are subsidized in all countries because it is recognized that this is essential to developing that better balance between transportation modes and because the real costs of ignoring such balance is and will continue to grow.

SUMMARY
& CONCLUSION

“Transportation is not just a cost, it is an investment. And it is not just an investment in monetary returns, but an investment in building an equitable and productive society.”

In 1989, the Tories announced the formation of a Royal Commission to “inquire into and report upon a nationally integrated intercity passenger transportation system to meet the needs of Canada and Canadians in the 21st century and to ensure that transportation links among Canada’s regions and communities are maintained and improved” Before the commissioners were even comfortable in their seats, the government had announced the 50% cut in rail passenger service and its preference for “open skies” (free trade in airline transportation).

There must be a moratorium on the dangerous and irreversible damage Tory policies are doing to our transportation system. Transportation is not just another sector. More so than other sectors, its development and

direction cannot be left to competition and the market. Transportation is part of our social and economic infrastructure; it is a public utility that must be regulated, integrated, and planned. It represents a crucial potential for maintaining and strengthening Canada’s role as a manufacturer of transportation equipment.

Transportation is not just a cost, it is an investment. And it is not just an investment in monetary returns, but an investment in building an equitable and productive society.

Transportation issues will, therefore, play an important role in the future of our union.