

Canadian Auto Workers (CAW) and the Big 3 Auto Makers Support Medicare

General Motors, Ford and DaimlerChrysler have all signed the following letter together with the Canadian Auto Workers urging that Canada's national health care system be "preserved and renewed."

The September 12, 2002 press conference can be viewed on the internet at:
http://www.caw.ca/campaigns&issues/ongoingcampaigns/save_medicare.asp

Joint Letter on Publicly Funded Health Care

Sept.12, 2002

Canada's publicly funded health care system provides essential and affordable health care services for all Canadians, regardless of their income. Publicly funded health care also enhances Canada's economic performance in several important ways.

The auto industry is Canada's most important export industry; it directly employs over 150,000 Canadians in high-wage jobs, supports hundreds of thousands of other spin-off jobs, produces \$90 billion worth of shipments per year, and generates billions of dollars in tax revenues for all levels of government in Canada. The success of this industry has been crucial to Canada's economic progress over the past decade. Canada's health care system has been an important ingredient in the auto industry's performance.

Workers in the auto industry, and in the many manufacturing and service industries which supply automakers, benefit directly from access to public health care services. Thanks to this system, they are healthier and more productive. Employers in the auto industry, meanwhile, enjoy significant total labour cost savings because most health care services are supplied through public programs (rather than through private insurance plans.)

The public health care system significantly reduces total labour costs for automobile manufacturing firms, compared to the cost of equivalent private insurance services purchased by U.S.-based automakers; these health insurance savings can amount to several dollars per hour of labour worked. Publicly funded health care thus accounts for a significant portion of Canada's overall labour cost advantage in auto assembly, versus the U.S., which in turn has been a significant factor in maintaining and attracting new auto investment to Canada.

Canada's publicly funded health care system is now facing demographic, technological, and fiscal pressures. The erosion of publicly funded health care - through measures such as the delisting of currently-covered services, the imposition of user fees, the failure of the public system to keep up with the changing nature of health care, and new costs such as prescription drugs and home-care, - will impose significant costs on automotive employers and undermine the attractiveness of Canada as a site for new automotive investment.

For both employers and workers in the auto industry, it is vitally important that the publicly funded health care system be preserved and renewed, on the existing principles of universality, accessibility, portability, comprehensiveness, and public administration. The system needs a secure multi-year funding base from government, and must be expanded to cover an updated range of services (including prescription drugs and home care services) that reflects both the evolving nature of medical science and the emerging needs of our population.

To this end, General Motors, Ford and DailmerChrysler and CAW-Canada jointly urge the federal and provincial governments to take appropriate actions to preserve the public health care system, secure its funding base, and modernize the range of services which it covers. In addition to reinforcing the quality and accessibility of health care for Canadians, these measures would also help to ensure the long-run success of Canada's auto industry.