

January 4, 2012

Right Honourable Stephen Harper
Prime Minister of Canada
House of Commons
OTTAWA, ON
K1A 0A6

Dear Prime Minister:

On behalf of 615,000 CUPE members across Canada, I write today to support the call by the Canadian Auto Workers on your government to disclose the terms and commitments made during the 2010 purchase of Electro-Motive by Caterpillar Inc., under the Investment Canada Act.

The acquisition of Electro-Motive is indeed subject to approval under the Investment Canada Act, as the Act requires consideration of a “net benefit” to Canada when approving foreign takeovers of Canadian companies. It is hard to imagine what the “net benefit” to Canada has been by allowing Caterpillar to purchase this company, particularly when one considers any financial incentives your government has provided to them. In fact, their actions point to a company that is preparing to leave Canada and consolidate operations in the United States.

Today we demand your government disclose the details of the Caterpillar Inc. deal. At the same time, there is an urgent need to review the application and effectiveness of the Investment Canada Act.

Originally the Act was introduced to protect Canadian resources and provide a policy instrument to the Canadian government for an industrial strategy. Today the application of this legislation is highly secretive, its criteria are loose with no consideration of the impact on jobs and local economies, and its enforcement seemingly non-existent. When one considers the actions of AbitibiBowater, US Steel, and now Caterpillar Inc., the Investment Canada Act seems to be doing anything but supporting the interests of working people in Canada.

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Your government's continued pursuit of free trade agreements at any price, and policies that allow the sell-off of Canadian companies with no regard to the interest of workers is simply not acceptable.

What is clear is that there is no cogent industrial strategy for Canada. There is no national labour force development strategy, and little commitment to worker training on the part of either employers or the federal government. As you know, Caterpillar locked out their workforce on January 1 and they are outrageously demanding a 50% rollback on wages, as well as the elimination of the pension plan, to name only two proposals. The locked-out workers at Caterpillar deserve answers, as do the people of Canada.

The only economic strategy of your government apparent to Canadians is to act solely in the interests of business and the wealthy. In two recent private sector labour disputes your government cited the economy as justification for intruding on workers' rights under the Canada Labour Code and denying their right to strike. So far this year we have two private sector employers (one in Quebec and one in Ontario) who have opted to lock out their employees, yet your government has been silent on these disputes.

I didn't accept your bogus arguments last year that negative effects on the Canadian economy would arise out of a short strike by either flight attendants or customer service agents at Air Canada. Nor do I accept your silence when two private sector companies decide to lock out their work forces in an attempt to force concessions. Ironically, the negative economic impact of the actions of AbitibiBowater, US Steel, and Caterpillar Inc. on communities across Canada is strikingly clear.

We fully recognize that both the Caterpillar and the Rio Tinto Alcan disputes fall under provincial labour codes. It is clear, however, that your government is not even-handed when it comes to industrial relations. You side with employers whether they are denying workers' rights in the collective bargaining process, or remaining silent when employers exercise their lock out options.

None of these comments should be construed as our seeking government intervention in the free collective bargaining process. We are simply pointing out that your government is one-sided when it comes to industrial relations matters, trampling on workers' legal rights in the name of economic stability, while at the same time foreign corporations are allowed to destroy local economies and the economic security of thousands of Canadian families. What Canadians want is fairness and an economic strategy that works in their interests.

In closing, we join CAW in calling upon your government to release the terms and conditions of your concurrence in the Caterpillar deal, and the terms of the incentives you granted this company to stabilize their presence in Canada.

Yours truly,

PAUL MOIST
National President

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cc: N. Turmel, Interim Leader, New Democratic Party; B. Rae, Interim Leader, Liberal Party; D. Paillé, Leader, Bloc Québécois;
K. Georgetti, President, Canadian Labour Congress; K. Lewenza, National President, Canadian Auto Workers