

My name is Jim Reinitz. I am the President of the United Auto Workers Local 879. Most of our 800 members assemble the Ford Ranger truck. I am writing today to urge the defeat of the Columbia Free Trade Agreement as it written. I believe that the agreement should be modeled after the TRADE Act, which several of your Congressional colleagues are sponsoring.

I believe that the Columbia Free Trade Agreement is flawed in many ways. The trade agreement does not recognize the damage that it would do for both Columbia and the United States. The United States needs trade agreements that both would benefit equally our economy and Columbia's. We need agreements that will not lead to trade deficits, but trade surpluses for the United States. We need trade deals that would allow the middle class to grow through out the world, giving citizens of Columbia and the rest of the world purchasing power to buy American goods. This would help reduce the United States trade deficits.

I believe the United States can be an example in creating the middle class in Columbia. In America, the trade union movement did help workers achieve the middle class dream. These union jobs, helped give United States citizens the ability to purchase items made both in the U.S. and abroad.

Columbia's labor movement is trying to bring up labor standards in their country. They however are getting thwarted by their own government. The government is either failing to protect or conspiring to kill these labor leaders. When the government refuses to bring these labor leaders' murderers to justice, they claim these leaders are subversives and are a part of FARC. The majority of working people in the world would not agree that labor leaders are subversive when they are fighting for better pay and working conditions.

The United Nations International Labor Organization looks out for the workers of the world. The International Labor Organization has pointed out that Columbia is failing to meet the minimum standards regarding the right to organize and the right to collectively bargain. By Columbia failing to meet these minimum labor rights, the chances of reducing or eliminating the United States trade deficits are nil.

In a report called "Labor Rights Can Be Good Trade Policy: An Analysis of U.S. Trade with Less Industrialized Economies with Weak or Strong Labor Rights," by American Progress.org details why countries with labor rights help decrease our nations trade deficits.

In the report it details that:

- Between 2000 and 2007 , the gap between U.S. exports and U.S. imports widened faster for countries with limited or no labor rights than for countries with some or strong labor rights.
- The United States has also smaller trade deficits with countries that have better labor rights.
- U.S. exports tend to be larger when worker rights are stronger.
- Stronger labor rights are associated with smaller U.S. imports. U.S. imports grew faster from 2000 to 2007 for countries with limited or no labor rights than for countries with some or even strong labor rights.

If the Columbia labor leaders are allowed to organize their workers and push for higher wages, this would lead to a bigger middle class in their nation. With a stronger middle class, these people will have larger incomes and the ability to purchase items made in America.

Currently our trading system is set up to the advantage of those countries that don't have labor rights. The producers of Columbia can gain a trade advantage over US manufacturers by exploiting their workers. The only way many manufactures know how to make profits is to pay their workers lower wages. By having better labor standards and better pay, manufacturers must account for the true cost of their production in form of social turmoil due to the lower standards of living. Manufactures in both of our countries would have to compete on the quality of their product instead of how well they can unload their costs onto society

Can the Columbian businesses and manufactures working with labor unions learn to compete in the United States? The answer is yes. I belong to the United Auto Workers union. This union has had a history in working with our employers to create profitable businesses through productivity and quality gains.

Fred Zimmerman is a professor that teaches international management at St. Thomas University and has served on fourteen corporate boards. He is a frequent writer for the Twin Cities newspaper , Minneapolis Star Tribune. In a recent article "Boosting quality and productivity is not impossible", Professor Zimmerman points out in his work on

corporate boards that he has been able to meet many business leaders, and likewise in his lifetime he has met labor leaders. He notes that most highly regarded, forward looking business and labor leaders share many the same similarities. Both these business and labor leaders "similarities would include realistic understanding of the issues, a bias toward getting problems solved and a more appreciative view of the problems on the other side of the table." Professor Zimmerman interviewed a top-ranking executive from General Motors who stated that a UAW International labor leader had as much to do with the resurgence of the U.S. auto industry in the 1980's as anyone else in the industry.

In the article, it mentions Bob Killeen, a former UAW leader from the plant I work in, who gained local and national attention by encouraging union members to back both productivity and quality improvements so "our employers don't go broke." The current leadership of the St Paul Ford Assembly Plant still believes that productivity increases, quality improvements and cost containment help us keep our membership employed and keep Ford Motor Company profitable.

Can the Columbian business and manufacturing community work with labor unions and become profitable? Yes, by adopting some of the best practices that the U. S. companies and labor unions have been using. In the St. Paul Ford Twin Cities Assembly plant we have continued to push to become the best assembly plant we can, driving Ford Motor Company to profitability. As a Local Union we have worked with our plant management to help

We have agreed to give Ford Motor Company back some benefits and money to help regain profitability.

- The Twin Cities Plant was one of the most productive plants. According to the Harbour Reports, a vehicle took an average of 20.77 hours of labor to roll through our assembly line, 3.5 hours faster than might be expected in comparison to other plants.
- The Twin Cities Assembly plant has continued to deliver a quality unit. One that has shown increased customer satisfaction, and increased quality year after year.
- We have worked with the company finding savings in the way we manufacture. Sometimes to increase profitability the UAW and Ford have looked for other cost savings inside our four walls

As the United States we should highlight our best practices in labor and management cooperation and encourage Columbia, and all our other trading partners, to adopt them. We then could have a trading model where we compete on quality and productivity and not on how little we pay people.

Again, I urge you not to pass the Columbia Free Trade Agreement as written but push for a trade agreement modeled after the TRADE Act. I thank you for your time on behalf of the 800 UAW members I represent.

Jim Reinitz
President
United Auto Workers Local 879

Boosting quality and productivity not impossible

FRED ZIMMERMAN

Much of the current debate on Minnesota's pressing fiscal budget problems often involves the practical imperative to find ways to do things better -- to improve quality and productivity simultaneously. This is difficult, but not impossible.

My purpose here is not to advance one position or another but to reflect on some of the individual character traits of leaders who have been effective in finding solutions to similar problems before.

After all, this is not the world's first need for adjustment. In the past, some of America's best companies such as Ford, Deere, Winnebago have successfully lived through difficult times in which revenue declined by 60, 70, and even 80 percent -- far more than Minnesota's current shortfall. Yet, these companies survived and became better.

My years in industry and as a long time corporate director have allowed me to know many business leaders. At the same time, I have had the privilege of knowing quite a wide variety of labor leaders. Though there are clearly variances in both groups, it has been encouraging to see the good spirit and competent foresight existing among the more highly regarded labor and management leaders. Indeed, there are often more similarities than differences. The similarities would include realistic understanding of the issues, a bias toward getting problems solved and a more appreciative view of the problems on the other side of the table.

A couple of decades ago, several high ranking auto executives and Douglas Fraser, the recently retired president of the United Auto Workers (UAW), spoke to our students at St. Thomas. We were pleased that everyone seemed to know one another -- and their problems.

Fraser was a very dignified speaker -- often sounding much like an Oxford don. On one occasion, he was approached after his speech by an attendee saying, "Sir, you don't sound much like a labor leader. I always thought a labor leader would be a cigar-smoking, fist-pounding person with a loud voice."

Fraser kindly replied: "My good man, you've just described Lee Iacocca," a long time personal friend of Fraser's.

On another occasion, I interviewed a top-ranking executive from General Motors who said in candor, "I think Don Ephlin [then No. 2 person at the UAW] had as much to do with the resurgence of the U.S. auto industry in the late 1980s as anyone in the industry."

Making adjustments

Minnesota has been blessed with some forward-looking union officials of its own. Bob Killeen of the UAW at the St. Paul Ford plant became a state and national leader encouraging union members to enthusiastically back both quality and productivity improvements "so our employers don't go broke." After retiring from Ford, Bob Killeen became co-director of the Minnesota Council on Quality.

Industry provided its own slate of capable executives who knew enough to see a coincidence of interest between management and labor: Donald Peterson, Philip Caldwell, and Lew Veraldi of Ford, Lee Iacocca and Robert Lutz of Chrysler, among others.

American industry survived the troubled early 1980s, and much of it is surviving today, due in part to practical cooperation in reducing the bad practices that did neither side any good.

These lessons should inform efforts to solve Minnesota's current budget dilemma.

We are all in this together. Adjustments need to be made. There will not be anywhere enough money to do everything as we did in the past. Enlightened leaders of labor and industry recognize that reality and they work together to reduce costs and improve quality simultaneously. Otherwise there is no future for anybody. It is very foolish for either side to claim immunity from improvement.

Education provides a good example of where cooperation is desperately needed. In spite of many dedicated teachers, the country's K-12 schools are a national embarrassment. More of the costs need to be directed to the classroom and away from time off and early retirements for employees and to less-effective administration. Yet the dedicated teachers I know would appreciate greater ability to control classroom discipline and the weeding out of teachers who are not serious about their jobs.

At the college level, it is not fair to the students to be increasing tuition at three times the rate of inflation while faculty members and staff spend so much time in unproductive non-essential activities. We have too much time off and we have too many meetings. Here, also, we could weed out some people. The lessons we are teaching in our classes have relevance to our own performance.

Greater efficiency and productivity are needed in other areas; regulation, permitting, economic development, health and human services, and more.

The labor and management leaders who have been memorable in the past would know what to do: understand the issues and work productively together to get the problems solved. I am hopeful this could still happen in Minnesota.