

## **End of the line as the last truck leaves GM's truck plant in Oshawa today, decades of big cars and big ambitions come to a close**

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Some time this morning, Bob Nesbitt, 67, will drive a black GMC Sierra crew cab off the assembly line at the General Motors of Canada Ltd.'s Oshawa Truck Plant. The final pickup truck rolling out of the plant will mark not only the end of an era in the city where GM Canada was born, but also the end of GM's decades-long run as the largest auto manufacturer in the country.

The Oshawa plant's closing is a key factor in the drop of GM Canada's vehicle production, taking it to considerably less than 17- to 20-per-cent level of overall General Motors production in North America - the threshold that Ottawa and Ontario have insisted GM Canada must meet in return for loans of \$6-billion (U.S.) or more.

The plant closing also means the elimination of 2,600 jobs, which when added to next year's shutdown of a transmission plant that employs 1,500 people in Windsor will push the company's head count well below 16,000.

"I've seen this before but that was always model change," said Mr. Nesbitt, who has worked at GM in Oshawa since 1964 and in the truck plant since 1971. "But that truck I take off [today], there won't be another one behind it." He has one of the plum jobs of the operation. For 20 years, he has been driving finished vehicles off the assembly line and to a holding area where they wait for delivery.

"It's a busy job and it's a good job, but it goes with seniority," he said, adding that he drives about 90 trucks off the line during a typical shift.

Today is his last day on the job as well.

Barney Kerr, a 53-year-old millwright, worked in the truck plant from 1986 until last October when he transferred to the neighbouring Oshawa car plant. One of the biggest changes, he said yesterday, is in the corporate culture.

"The boss was the boss back then," Mr. Kerr said of his early days, when it was his job to rebuild the paint guns that robots used to spray paint the GMC Sierra and Chevrolet Silverado models that rolled through the plant.

In more recent years, GM has made an effort to get employees more involved in decision making and quality. "GM knows they have to compete with the Japanese," Mr. Kerr said.

The change in the market has not escaped his notice either: "We worked 20 years with almost unlimited overtime." But overtime began drying up a few years ago and the sudden announcement last year that the truck plant was closing stunned workers. They were told an announcement was pending and thought it was the addition of a new product, perhaps another hybrid truck. Instead, it was the announcement of a permanent closing.

From 2004 through 2007, GM Canada cranked out more than 20 per cent of all the vehicles the auto maker produced in North America. In 2008, that fell to 17 per cent and is forecast to drop again this year to 14 per cent, says an analysis done by consulting firm AutomotiveCompass LLC.

"We see no way Canada can get to 20 per cent," said AutomotiveCompass president Bill Pochiluk. "We don't see them even reaching 15 per cent."

The forecast calls into question the federal and Ontario governments' commitment to lend GM Canada up to 20 per cent of the amount the U.S. government provides to its parent company. The most recent GM request is for about \$30-billion in loans from Washington.

The federal and Ontario governments have argued since the restructuring talks first began that Canada must retain its share of GM's North American auto production in return for any loans. They have used the 20-per-cent threshold, saying Canada's share of the bailout would be proportional to GM's production here, and have little appetite for lending money that exceeds that level.

"Obviously, that's where we started from," Ontario Economic Development Minister Michael Bryant said yesterday.

"That's the goal we want to achieve. We're only going to provide a contribution that's proportional to the footprint that's here in Ontario."

Federal Industry Minister Tony Clement has said Canada will provide assistance proportional to the production and investment that GM commits to keeping here.

Federal officials have not seen any indication from General Motors that it won't be able to meet the 17- to 20-per-cent Canadian production levels that were contained in the restructuring plan that the company put forward in March.

In fact, since then, GM has committed to closing more plants in the U.S. but has not announced further closures in Canada, one official said.

"We know what they plan to do in Canada, and what they will be doing in the States, and we expect that would keep us in the 17- to 20-per-cent ballpark," the official said. "We have not heard any other number."

Both the federal and Ontario governments have insisted that the loans will come with strings attached. But GM Canada has slashed jobs and closed plants in the past after receiving government funding. In return for \$435-million (Canadian) in federal and provincial funding in 2005, GM Canada committed to maintain an average of 16,000 employees in Ontario over the following nine years.

In 2002, GM Canada closed its plant in Ste-Thérèse, Que., after receiving \$220-million in interest-free loans from Ottawa and Quebec in 1987. David Paterson, GM Canada's vice-president of corporate affairs, refused to comment on current discussions with the governments.

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