

# Congressional E-Hearing: A National Dialogue on Auto Sector Crisis

by Anita Gallagher

*The Democrats on the U.S. Congress House Committee on Education and the Workforce, under the leadership of Ranking Democrat George Miller (Calif.), have stepped into the exploding crisis in the American auto industry by setting up an E-Hearing for a national discussion on the auto crisis among auto workers, retirees, Democratic Congressional representatives, local elected officials, and the American citizenry.*

*The E-Hearing, titled: “The American Automobile Industry in Crisis: Threats to Middle-Class Jobs, Wages, Health Care, and Pensions,” is accepting testimony from Dec. 6 until through Dec. 15 from auto workers, retirees, and local elected officials. The Hearing can be accessed at <http://www.edworkforce.house.gov/democrats/autocrisis.html>. In the first 24 hours alone, 500 people e-mailed testimony, according to Committee staff.*

*With General Motors CEO Rick Wagoner’s Nov. 21 announcement of 30,000 layoffs, and the hoked-up filing of Chapter 11 bankruptcy by GM parts supplier Delphi’s CEO Steve Miller on Oct. 8—both of which threaten the pensions and health care, as well as the jobs of the auto workers—this is a clear emergency. Whole towns and sections of the U.S. economy will disappear if auto disappears.*

*But, there is an even more fundamental issue, which Democratic spokesman Lyndon LaRouche has emphasized. If the United States were to lose the machine-tool component of the auto industry, America would become a third world nation. “The modern machine-tool capability, in the labor force, is the crucial part of any modern economy. If you have not got an effective machine-tool capability, a large-scale capability, you do not have a modern economy! You’re a second-rate, or third rate economy.” LaRouche says, the auto industry should not produce more cars; rather, convert its machine tools—as it has done on many occasions in the past—to produce urgently needed infrastructure, like rail cars and nuclear plants.*

*The Hearings include an “empty chair” blank space reserved for the testimony of General Motors CEO Rick Wagoner, and Delphi CEO Steve Miller. The following are excerpts of some of the testimony posted as of Dec. 7:*

**Rep. George Miller of California:** This is a crisis in urgent need of Congress’s attention. . . . The rise of the auto industry made the modern American economy possible. The

hard work and commitment of the auto workforce set the standard for American productivity and American employment. For decades, auto workers have proven that, for working people, a decent standard of living and a share in the American Dream were possible. They fought for, and earned, family-supporting wages, affordable health care for those working and those retired, and a fair pension that guarantees a secure retirement in old age. These basic employment standards have long served as a benchmark for other workers and companies.

But all that is under serious threat now. . . . Congress should be paying attention. For far too long, this Congress has refused to hear the voices of working people. . . [W]e aim to give working people and their communities a voice in this Congress. . . .

**Rep. Dale Kildee of Michigan:** The recent bankruptcy announcement by the Delphi Corporation and the announcement that General Motors will be closing a number of plants across the country have sent shockwaves through an already struggling domestic manufacturing sector, which has lost roughly 3 million jobs since 2001.

These losses will add to the 45 million people currently without health insurance and the nearly 13 percent of Americans living in poverty. This is unacceptable. Congress must act to help our fellow Americans who are hurting. . . . Over 1 million Americans rely directly on the auto industry for their livelihoods, and millions more Americans are indirectly dependent. . . .

Our nation sorely lacks any semblance of an industrial policy, and without this we face the structural downsizing of our entire economy. . . . Eliminating tariffs and allowing companies to exploit foreign labor has destroyed entire American industries and has resulted in the highest American trade deficit ever, placing America at a huge economic disadvantage.

That is why I have sponsored H.R. 4407, legislation to place a moratorium on all free trade agreements negotiated by the United States. . . . Our current domestic trade policy encourages the closing down of American factories and mov-



ing them overseas. . . . This race to the bottom has real consequences. . . .

**Rep. Major Owens of New York:** This crisis threatens the American Dream for thousands of our hardest working citizens and their families. Delphi . . . wants to slash the current hourly wages of its workers in half, from \$27 an hour to \$10-\$12.50 an hour. . . .

What is happening to Delphi workers, who are UAW members, is happening to GM workers, too. Mind you, these draconian wage, benefit, and pension cuts are NOT being proposed for the Delphi and GM executives. Just the opposite is being planned. Delphi wants to reward 600 of its executives with an additional \$400 million. Letting auto industry executives get much richer at the same time that the middle class dream is being withdrawn from hard-working autoworkers is not simply unjust. It's un-American. . . .

**Rep. Tim Ryan of Ohio:** . . . The widespread effects of the Delphi bankruptcy are going to be felt around the country and will affect tens of thousands of workers and their families. It is time that Congress and the Bush Administration wake up to the harmful results of our current trade initiatives and renew our loyalty to the American worker by putting in place a pro-manufacturing trade policy. . . .

**Rep. Emanuel Cleaver, II of Missouri:** . . . [O]ur middle class has been put on the "Endangered Species" list!

. . . First, employees and their families are taking pay cuts, giving up health care benefits and basic care, and their pension benefits are being pirated in order to keep facilities open. After the pay and benefit cuts, American workers are still losing their jobs because plants and facilities across the nation are being closed, even after workers have given up their health care and retirement benefits.

There are now 1.4 million more unemployed workers than in January 2001. The cost of health insurance has risen nearly 60%, and yet over the same period of time, wages have increased only by 12%. Our federal minimum wage is an unlivable \$5.15 an hour. Delphi employees only make \$10.51 an hour, so a full-time worker would make \$20,231.75 before taxes. . . . America was built by manufacturing. Together, we must work together to keep jobs, benefits, and programs that ensure health care and the ability to live. . . .

**Gov. Jennifer Granholm of Michigan:** . . . Delphi counts 15,000 Michigan employees in its base, and GM's recent announcement means that thousands of additional jobs—direct and indirect—are at risk. All told, our workers, retirees, hundreds of auto suppliers, and the automakers themselves could lose billions of dollars in wages, benefits, and profits in the next few years. . . .

I have also asked President Bush to meet with automotive sector business and labor leaders, as well as with senior

elected officials, to implement federal policies that address this vital sector of the national economy. I hoped that the President would respond by offering to work with our automakers, their suppliers, and millions of workers. Instead, on December 5th, while traveling with the President, his top economic advisor said no specific federal attention is needed for the severe problems facing this sector, and we can leave American automobile manufacturers behind, while telling thousands of displaced workers that "the overall economy is strong." My message to the President is this: "We need you to stand up for our manufacturing employers, not turn your back on them and their workers."

. . . I urge all members of Congress to examine the impacts of America's manufacturing competitiveness on the families and communities you represent, and join with other concerned Members to support near-term actions that will protect working families, while allowing our manufacturers to compete—and win—in the global marketplace.

**Ron Gettelfinger, president, United Auto Workers, and Richard Shoemaker, vice-president and director, General Motors Department:** The crisis in the auto industry is much bigger than any one company, or even one industry. It represents a crossroads for our economy and our country. What's at stake is the kind of future we will choose for America and its working families. . . .

The U.S. automotive manufacturing model is broken. . . .

With fair trade and a level playing field, American companies and workers can compete in a global economy—not on the basis of poverty-level wages, but on our productivity, quality, and capacity for innovation. . . .

Congress should require that all trade agreements have strong, enforceable workers rights protections. This will prevent a race to the bottom. . . .

**Bruce McAttee of DeWitt, Michigan:** First, let me say that I am a UAW International Rep, but I am also a GM employee who still relies on GM for the majority of my pension.

The pension problem in America is shameful, but not half as shameful as [the] complacency and ignorance involved in allowing slow, deliberate, dismantling of an entire class of people. We live in a country where workers are at risk of losing their jobs and the pensions they've counted on in their so-called "Golden Years," while corporate executives run companies into the ground and take huge severance packages.

When I look at the difference between the attitude of Americans six years ago and now, I see one word that explains it, "Hope." Young people today don't have much. Hope made this country great. It's time we restore it.

