

# Globalization Killing Auto, Industry: 'Let's End This Crap!' Says LaRouche

by Paul Gallagher

The drive by the Lyndon LaRouche Political Action Committee (LPAC) to pass Congressional legislation to save the American auto industry from shutdown, is Congress' chance to stop the globalization wrecking ball before it completely destroys the United States' remaining industrial power. LaRouche put his movement on "war-room" mobilization May 1, with a report that more than 65 major auto-sector plants, with over 75 million square feet of machine-tool capacity, were being shut down this year and next.

"What is needed, therefore, is the creation of a Federal Public Corporation, by Act of Congress. This action should adopt the elements of the automotive industry which are being discarded by the automobile corporations, and which fit the characteristics which I have identified," LaRouche wrote in his May 2 message to "economists, legislators, and labor."

The objective of the mobilization: to activate constituency demand and push Congress into an intervention to "retool" the 50% or more unutilized capacity of the auto industry for production of new national infrastructure, particularly high-speed rail corridors and new electricity grids centered on nuclear power.

"They're outsourcing this nation to death," LaRouche said on May 9, referring to the bankrupt international financial circles and banks controlling the biggest industrial corporations. "Globalization is destroying us. We're losing all of our machine-tool capabilities and ability to produce industrial infrastructure. Let auto be dismantled, and the United States becomes a Third World economic country. Let's end this crap!"

Unless LaRouche's action is taken—and leads to new monetary reforms fostering Federal production credits and clamping down on speculation—a global financial crash will strike by October at the latest. Speculative *hyperinflation*, centered on the wildly expanding bubble in the world's primary commodities markets this year—shows where the "Greenspan era" of financial bubbles is going to end, and fast.

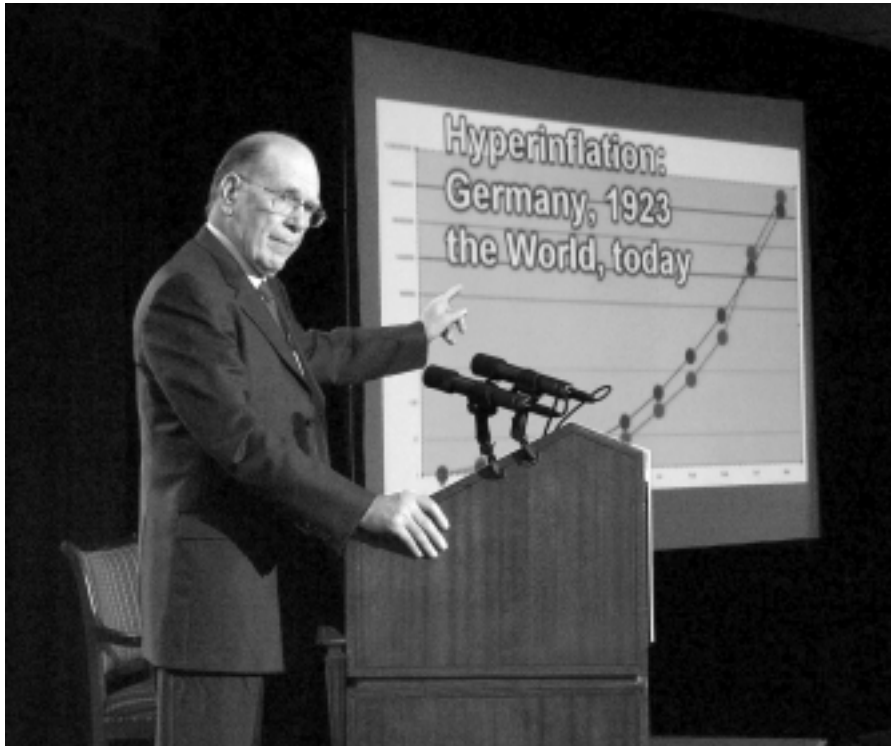
## The Emergency Actions

LaRouche's bold outline to lawmakers and unionists, "Emergency Legislation, Now!" is on the desks in Congress and being seriously considered already by half a dozen Con-

gressmen. On May 9 and 10, the Vermont and Rhode Island Houses of Representatives weighed in with memorials to Congress asking for the "retooling" legislation, joining Alabama, and a number of city councils in hard-hit auto areas, which had already done so. A DVD documentary, "Auto and World Economic Recovery," produced by LPAC, on how to produce new infrastructure with unutilized auto-plant capacity, is being watched and circulated in Democratic organizations, city councils, unions, and on Capitol Hill.

Some Members of Congress see the protection and retooling of the half-utilized, shrinking auto industry, as LaRouche does, as the core of a package of urgently necessary legislation to rescue the U.S. industrial economy, and the General Welfare of its population. This includes, for example, an increase and reform of the armed forces' structure around a much larger and more capable Army Corps of Engineers for "nation-building at home"; legislation funding specific parts of a new national infrastructure like high-speed rail and new river-navigation systems; national Medicare-modelled universal health insurance legislation sponsored by Rep. John Conyers of Michigan; and bankruptcy reform legislation to block corporations from blatant "globalization by bankruptcy" swindles.

Globalization by bankruptcy is the exemplary crime of Delphi Corporation, whose Rothschild Bank-linked "new management" has taken the lead in provoking the current extreme crisis of globalization in auto. Delphi's pirate CEO Steve Miller fraudulently declared Delphi "bankrupt in the United States only," and is shutting down or selling off 80% of its U.S. capacity, while at the same time making profits from its much larger, outsourced global operations, which are "not bankrupt." Another of Delphi management's lunatic arguments in the bankruptcy court in New York, is that the judge should void all of its unions' contracts, except for their no-strike clauses, which should stay in effect! Not only the United Auto Workers' and Electrical Workers' attorneys opposed Delphi's crazed demands, but so also did the attorneys for Delphi stockholders, bondholders, and major customers—all charging that Delphi was dead set on provoking a national strike in the auto sector. The first two weeks of May saw Delphi management engaging in provocations in many



credit

*Lyndon H. LaRouche, Jr. addresses a Washington webcast on April 27, 2006, warning of the hyperinflationary bubble that could lead to a global crash by the end of September. He has placed his political movement on an emergency mobilization, to secure a policy breakthrough in the U.S. automotive sector.*

of its plants—union representatives were being fired or suspended on the slightest pretext—with the obvious intention of infuriating their workforce and provoking local, wildcat strikes which the unions were trying to avoid.

A corporation acting to scrap all its machine tools and the workers who can make them, or send them off to its low-wage workforces abroad, is destroying the United States, its economy and national security. Greed, and obscene belief in globalization, makes such corporations' managements insane; hanging out in the world's low-wage districts all the time gives them the clap, which rots out their brains.

### **The Machine-Tool Principle**

Many interviews with unionists and engineers in auto facilities around the country, by *EIR* news service staff, make clear those employees' conviction that the underutilized auto industry, with its extraordinary density of machine tools, "can build anything," and is capable of retooling rapidly on specific plants for railroad stock, for lock-and-dam construction, for elements of power plants, and so forth. But these machine tools are being put in storage, transported to outsourced auto production in Mexico or China, and even auctioned off cheap on websites, as the highly-skilled machine-tool workforce is losing its employment.

The shutdowns will cost 75,000 skilled industrial jobs directly; and through immediate radiating effects on smaller supply plants and machine-tool shops, 300,000 more. What is about to be shut represents, in automobile-industry terms, the capacity to build 2.5 million or more cars and light trucks a year. But in terms of urgent national economic investment, it represents a unique industrial capability to build the United States "a new national infrastructure" of transportation, power, and more.

And this is not the full measure of unutilized, "lost" capacity which could be restored. Since about 1985, five jobs have disappeared for every one which remains in a typical auto parts or supply plant; and two jobs have gone for every one that remains in a typical assembly or engine plant.

The tool-and-die centers of the auto sector are its centers of industrial creativity—"new-build" as some are called—where the machines and forms used by the rest of the industry are designed and built.

They are already razor-thin lines of

skills and capacity, in grave danger of disappearing entirely, outsourced to Asia.

Typical tool-and-die and metal shops are losing 50% or more of their workers. General Motors has five tool-and-die centers: the Mansfield Metal Center in Ohio; the Marion Metal Center in Indiana; Flint Tool and Die, Pontiac Metal Center, and Grand Rapids Metal Center, all in Michigan. Three of the five are being idled. Their employment—which makes possible the work of all 100,000 GM production employees nationwide—is falling this year from about 1,600 to just 1,275 workers now, and likely to 750 tool-and-die workers by July.

The clear threat now exists, that this creative core of the whole industry will completely disappear in the near term, with tooling completely outsourced to (typically) India, China, and Korea, and to small U.S. machine shops which often have to partner by computer with Indian or Chinese corporate operations. The loss to U.S. national industrial capabilities would be immense, all out of proportion to the numbers of employees involved. This is doubly dangerous because nearly the same degree of loss of machine tooling and product control by outsourcing, is occurring in the U.S. aerospace sector, the other remaining American fount of machine-tool capability, which has shrunk even faster than auto.