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**What's The Debate Over  
Auto Industry Bailout?  
Solidarity America  
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While members of Congress ponder the prospect of a U.S. economy without a domestic auto industry if there is no bailout, there is an underlying factor that has not been mentioned by very many of the pundits—American auto plants are unionized.

Not only are they unionized, but the union workers are some of the best paid skilled workers in the country. And their benefits are among the best and their pensions are second to none among wage-working women and men.

That's notwithstanding the slow erosion of the strength of their union, the United Auto Workers (UAW), over the past few decades, until it is now only a fraction of its former self. The UAW, historically, was in the forefront of the fight for better pay and benefits and was pretty much responsible for the creation of vibrant local economies and communities wherever their members lived.

It was a powerful union that was in the forefront of positive social change and was in a leadership position during the time of the civil rights movement of the 1960s. At the time, it was a union that other unions wanted to emulate.

But its future was tied to the fortunes of the auto industry. For the decades after World War II, when the auto industry was riding high and road-building and suburban housing developments seemed to provide an endless road to well-being for anyone remotely connected to the industry. All that has changed.

In the past few weeks, we've seen the parade of people from Corporate America with their hands out, asking for billions of dollars in bailout funds that only the Congress and the president can take from taxpayers and give over to the corporations that are "too big to fail."

We have heard chief executive officers (CEOs) ask for and receive about \$750 billion for banks, insurance companies, and other financial institutions. We don't know where all of that money went. There is some talk among economists that there is a lot more that already has been given away—and we're not sure how much or where *that* went.

Recently, we were treated to the appearance of CEOs from the Big Three auto companies, asking for \$25 billion to help them get through the current hard time. That's about 3 percent of the \$750 billion that has gone to the people who manipulate money for their living.

The difference? The money manipulators are friends of those in power and the auto industry executives (despite their profound public relations problem of arriving to testify in Washington in corporate jets) represent those who occupy some 3 million jobs in the domestic auto industry.

The auto bigwigs were forced to sit there and take the sharp criticism from members of Congress. It was reported at the time that it cost about \$20,000 to fly from Detroit to Washington on a private jet, compared with about \$600 for a round-trip commercial flight. And there were three of them at the hearing table.

Just this week, Ford's CEO, Alan R. Mulally, announced that he will work for \$1 a year, compared with his most recent annual salary of \$21 million. The company said it would sell its five corporate jets and that Mulally will drive a Ford hybrid sport utility vehicle to the next Congressional hearing.

No matter what one thinks about how the auto companies have behaved, no matter how much behind the curve they have been when it came to auto safety and fuel efficiency, it remains that the \$25 billion they are asking for will go toward saving 3 million well-paying jobs.

A number of politicians on various network and cable news shows have directly blamed the unions for the demise of the auto industry. They speak, of course, without a hint of understanding of what has caused the collapse of nearly everything, because they speak from ideology, not reason.

Some of these politicians are from southern states, where there are foreign car companies, busily turning out German, Japanese, or Korean vehicles, so they don't see the loss of Ford, General Motors, or Chrysler as much of a tragedy. Most, if not all of the foreign-owned auto firms are non-union. It's why they're in southern states (except for the Honda plant in Marysville, Ohio, where the plant seemed years ago to have sprung whole from the surrounding corn fields).

Their ideology is to shrink government to a shadow, privatize every function of government that is possible, and keep all workers from joining a union. It makes for a very compliant workforce.

While it's true that the non-union foreign car manufacturers pay better than the average wage in the area in which they put their factories, they are not union wages and benefits. If they become the dominant auto manufacturers, their downward pressure on wages in general will continue.

The UAW was in the forefront of the union movement for nearly a half-century and unionized workers were the backbone of the rise in living standards—especially in the two decades after World War II—and that rising standard lifted millions of families from every part of the country into what has become known as the middle class.

It is that class (which is in reality a working class), in states from Michigan to Texas, that is in trouble. In terms of industries that actually produce something, the auto industry has been second only to the housing industry as a driver of the economy. They produced things that would last more than a year or two.

Congress and the president can decide not to bail out the three American auto companies and leave the field to the foreign car companies, whose profits are sent back to their mother country, no matter how many jobs are created in the U.S. If that happens and the industry becomes non-union, the downward pressure on wages and benefits never will stop. Eventually, the U.S. will bottom out near the world wage for auto workers.

The enemies of unionized workers continue their manic efforts to thwart any movement by Americans to realize their democratic rights in the workplace by joining unions. It shows very clearly in this debate over a bailout of the Big Three, as opposed to the giveaway of at least \$750 billion to the financial interests, with virtually no accountability.


American workers—the people—are poised to be set down another notch toward the world wage, not just in auto, but in virtually every field. That's the way the global economy works.


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**BlackCommentator.com** Columnist, *John Funciello*, is a labor organizer and former union organizer. His union work started when he became a local president of The Newspaper Guild in the early 1970s. He was a reporter for 14 years for newspapers in New York State. In addition to labor work, he is organizing family farmers as they struggle to stay on the land under enormous pressure from factory food producers and land developers. Click [here](#) to contact Mr. Funciello.

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