

AFL-CIO Leader: We're Ready To Do the Work

Bill Londrigan has been the president of the Kentucky AFL-CIO since 1999, representing 100,000 union members, including mineworkers, fire fighters, office workers, and many others. On May 11, a resolution was pre-filed in the Kentucky legislature (for next session), by Louisville/Jefferson County Representative Perry Clark (D), calling on legislators of the Commonwealth of Kentucky, to act for the purpose of, "Urging Congress To Take Emergency Actions To Save the Economy and the Auto Industry." Londrigan was interviewed for EIR on May 25 by Mary Jane Freeman, on his views of how to deal with the political and economic crisis in Kentucky and nationally.

EIR: In the last 48 hours, the Fitch rating agency has downgraded General Motors to junk bond status, making the crisis more urgent, in which over recent weeks, Standard & Poor's, Moody's, and other agencies have done this to GM, Ford, and their suppliers. The speculator markets are going wild, of course, but the critical issue is, what will happen to our auto and industrial capacity? In your state, Rep. Perry Clark introduced a resolution on what kind of action to take. What is the importance of that move, and what has to be done with that resolution before the legislature's return next January, with the situation getting worse week by week?

Londrigan: I think the main thing to do is to start informing folks about the resolution and working with the elected representatives to try and get more sponsors on it, and I think we'll be able to do that.

Two sessions ago, for instance, we had an anti-NAFTA resolution that went to the Kentucky House, and it was voted up 90 to 0. So, the feeling out here, and throughout the state, from the big cities to the little towns, is that we are losing jobs and our base of manufacturing is being eroded, and that something needs to be done about it. This anti-NAFTA resolution was a real indicator of people's dissatisfaction with our trade deals, such as NAFTA, FTAA, CAFTA, and the whole realm of those agreements. It showed that there was bipartisan support. Both Democrats and Republicans from all parts of the state signed on.

So this type of resolution as Perry Clark has introduced is quite similar in terms of the focus of it, which is to try to do something about the declining and diminishing number of manufacturing jobs in the state as well as in the country.

EIR: Does the Clark resolution call on your Congressional

leaders to act?

Londrigan: It has several aspects to it, urging different things to happen. It says, "the Congress is urged to intervene on behalf of the national and related interests to ensure that the productive potential of the automobile industry with its featured high-technology and machine tool capability be held together in place and intact."

EIR: How does that affect Kentucky?

Londrigan: Well, let me just tell you that aside from Detroit, Michigan, and other states known to have a large automobile industry, Kentucky is right up at the top. Primarily, we have Ford Motor Company here. So as Ford is having its debt downgraded, it will impact Kentucky at some point. In fact we have two of the largest automobile manufacturers here in the city of Louisville where they produce the Ford Explorers and that whole line. So we have massive numbers of people who will be affected.

EIR: I'm looking at a map of auto assembly plants in the United States. I see that there are five auto assembly plants in the state of Kentucky: two in Georgetown, two in Louisville, and one in Bowling Green. Are those all still open?

Londrigan: Yes, they are. We have the Toyota plant, which is obviously not being affected by these downgrades. Last time I looked at Toyota, it had several billion dollars of cash on hand. They are in no way near in any kind of trouble as far as their financing is concerned.

It is the American domestic, so-called domestic, producers that are being the most affected. In Bowling Green is the Corvette plant, where every Corvette that's ever been made is produced. So that is not a plant that produces huge numbers of vehicles, but it produces a certain amount each year for that particular market. But there are thousands of UAW members at that plant. The other two are Ford, which has two plants in Louisville which are very large.

EIR: What is the size of the Kentucky workforce in auto?

Londrigan: It is up around 10,000 or 15,000 in Louisville alone. Maybe upwards of 20,000. Just recently in Louisville, there is a shutdown going on now. They've closed production for a week or two, for them to clean out their inventories because the vehicles were not being moved fast enough. So they are feeling some of the impact now. This is especially true on the SUV production.

EIR: One auto worker we spoke to, who works at one of those Louisville Ford plants, said that it is likely that the plant is going on to a schedule of shifts two weeks on, two weeks off, possibly through the summer.

Londrigan: Yes, I think that is the case. Of course, because of some of the high gas prices, that is going to have an impact on those vehicles that use a lot of gas, such as the SUVs, which are produced quite heavily there in Louisville.



A Kentucky state resolution calls on state legislators to save the productive potential of the auto industry. Here, a Ford truck assembly plant in Dearborn, Mich.

EIR: Given that this downgrading process of Ford and GM over the last two months has gone at a much faster clip than anyone expected, including the financial pundits who were saying, “Oh not until Summer will this kind of thing happen,” is there a mechanism whereby if the financial sharks moved in to shut down and sell off the plants, as people like Kirk Kekorian are threatening to do, could the Kentucky legislature be convened in emergency session?

Londrigan: I doubt it. I just wouldn’t see that being motivated, because the Governor would have to call the special session and I don’t think he’d be inclined to do that. He’s a Republican and a conservative and I just don’t see that happening.

EIR: What are the infrastructure projects that the state of Kentucky needs?

Londrigan: There are parts of the state where our basic infrastructure is still pretty poor, such as water, the basic amenity of water supply—drinking water. There are a lot of places where there needs to be upgrades of water systems.

EIR: What is the magnitude of the problem, or how many water systems in the state need repair? How many jobs would that create?

Londrigan: I don’t really know, off the top of my head. I’d have to look into that a little further. But there are a lot of rural areas that are under-served and that would be quite a bit. It’s hard to put my finger on how many jobs that would create, or how big a problem that is.

Our highway system here, like other places I’ve visited, is going further and further into disrepair. There seems to be very little action to fix the highways right now, which is the *only* method of transportation in this state.

EIR: Is that because there was rail and it is no longer there?

Londrigan: There was rail here, but it was very limited. It was mostly into the metropolitan area of Louisville. There was a resurgence of that, or an effort to bring that back into place a couple of years ago, and it came in and fell off again. *There is basically no rail service in Kentucky at all—no rail passenger service.*

Freight service is quite busy in the state. A lot of coal, for instance, is moved through the state and into other states via rail. So we have a big rail system for the transport of goods and commodities.

EIR: What about hospitals or schools? And the kinds of other infrastructure that need to be built?

Londrigan: Hospitals—like everywhere else, you have your concentration of health care in certain metropolitan areas and such, and a lot less in the rural areas. But generally speaking, I think we are in good shape there. In fact, Louisville is a very big hospital center. We have some of the biggest hospitals, and they’ve done heart transplants there for a long time; it’s pretty well renowned for that kind of stuff.

But of course, you know, again, you look at some of the rural areas, and the health-care issue is pressing, because there is lack of access to hospitals. People are forced to travel. We’ve got what are called the Appalachian regional hospitals in eastern Kentucky. You know, they are spread out quite widely geographically, and unless you are close to a significant sized city—Lexington or Bowling Green or Paducah—you pretty much don’t have great access to health care.

EIR: Power plants. What kind do you have in the state? Any nuclear?

Londrigan: No, coal. We have coal. And the main utility in Louisville, Louisville Gas and Electric, which is owned by the German conglomerate E.On, is planning a large power plant in Trimble County, Kentucky, a \$2.5 billion facility. A new coal-burning facility. The rest of them—you know, we have power plants all over the state, primarily because of the abundance of coal in the state. So we do have quite a bit of energy production here. A lot of it is now being wheeled and shipped out of the state, because we probably have overcapacity here.

EIR: Other infrastructure?

Londrigan: Education. Our education system here is kind of sliding backward. There were some major efforts since 1956, to really put a focus on improving the education system. And now, because of budgetary constraints brought on by Federal budgetary constraints, and state budgetary constraints, there's less emphasis on funding education. And there are education increases in tuition throughout the state—I believe it was a 20% increase in Western Kentucky University. I'd have to verify that, but there are several universities that are doing double-digit tuition increases. So that is not a good sign.

EIR: If you were in a mode, for retooling auto and related machine tool capacity to convert industry to start meeting infrastructure-building needs—this is the LaRouche approach, and the point of Clark's resolution—what kind of

skills training should be geared up? Do you have a training program?

Londrigan: We don't have one directly through our Federation, but our unions do. And you know, the UAW does. And of course, all the building trades have the apprenticeship programs and such. So, you know, we've got a ready supply of workers to do the construction. And there is a pretty well established, and pretty effective group of schools through the Kentucky college and technical system, that sometimes partners with different unions and employers for providing folks to do certain jobs.

We've got lots of machinists in our state, and a great number of millwrights who do a lot of the installation of conveyors and different industrial equipment. So we have the capabilities of doing the work, and doing the training at the same time, when that's called for. And if something changed and we were able to get back into things, and have the economy grow, our folks are ready to do the work.

EIR: What is the current unemployment level in your state?

Londrigan: It's just in the paper today. It's gone up. It is 5.6% in April, up from 5.3% in March—that's the official statistics. Of course, that gets us into the whole question of discouraged workers, and undercounting, and such. I would say that there is massive undercounting, and there always has been. There are parts of the state where there is well over double-digit unemployment, and there has been long-term structural unemployment in lots of counties.

Wilbur Ross Cartel Dumps Mineworkers' Health Care

On Oct. 1, 2004, then-bankrupt Horizon Natural Resources, the coal company based in Kentucky, West Virginia, and Illinois, was acquired by corporate scavenger Wilbur Ross's firm, WL Ross & Co. LLC, to form the International Coal Group. A day earlier, U.S. District Court Judge Henry R. Wilmot had lifted a stay on a decision by Horizon Natural Resources to terminate health-care benefits for nearly 5,000 Horizon retired and active miners. This cleared the way for a takeover by Ross, who acquired the principal operations of Horizon, while shedding an estimated \$1.47 billion in predecessor liabilities, especially all of the so-called "legacy" obligations (health-care and other benefits), a practice which Ross had already applied to the bankrupted U.S. steel industry.

At the time of Ross's Horizon takeover, business commentators proclaimed that the acquisition was a move by

Ross to do for coal what he did for steel. Since 2000, Ross had created the International Steel Group by selectively buying up bankrupt iron and steel companies for pennies on the dollar, stripping retirees of health-care benefits, virtually eliminating work rules, passing the cost of pensions on to the Federal government, and, finally in April this year, making a killing by selling off ISG altogether, to Mittal Steel, the British-based wing of the international commodity cartels.

On March 31, 2005, Ross's ICG Inc. announced plans to buy a controlling interest in two West Virginia-based coal companies, Anker Coal Group Inc. and CoalQuest Development LLC. The Ross press release on the acquisitions made reference to forming a company "essentially free of legacy liabilities" (health and pension benefits).

Wilbur Ross himself is an inside part of the Rothschild financial grouping, formerly serving in New York as top official for Rothschild's American operations. Now Kirk Kerkorian is circling over the U.S. auto sector, hoping to do what Ross has done to steel and coal.

—Patricia Salisbury

So your average is a state-wide average, of course, but in some areas of the state, you're looking at double-digit unemployment for a long time—five years at least. So you know, again there are pockets where there is a great deal of unemployment, and then the average is, of course, a significant number in and of itself.

And there's been no change really here; it's been fluctuating by only a tenth of a percent over the last few years here—between 5.3, 5.6, and 5.8%. So there's not been any real progress made.

EIR: Are there any “vision” projects on the drawing boards, in any state agencies, or privately? What would we want to do, if we could?

Londrigan: [Laughs] They have a lot of visions, but most of them are all cloudy! They've got no way of actually getting the vision accomplished, because of a lack of resources that we're facing now. It's just very difficult to fund the projects at this point, because of the budgetary problems that we've been facing.

In our last legislative session (you can go back to Perry and check with him on some of this stuff), they did a record amount of debt and bonding of projects in the budget. They have almost maxed out, as far as our ability to borrow money. So we're going back into our next legislative session facing an even greater problem than we had last session, because we've maxed out our bonding capabilities, and they're going to have to figure out where they're going to get new revenues from.

EIR: If you had your United States Senators in your office right now, what would you ask them to do? We've seen a new core of leadership come together in the last few days . . . and therefore, we have a potential to put together projects. . . .

Londrigan: Well, I've got two of them, of course. One of them is Mitch McConnell (R), and the other is Jim Bunning (R), and I would tell them both to jump out the window!

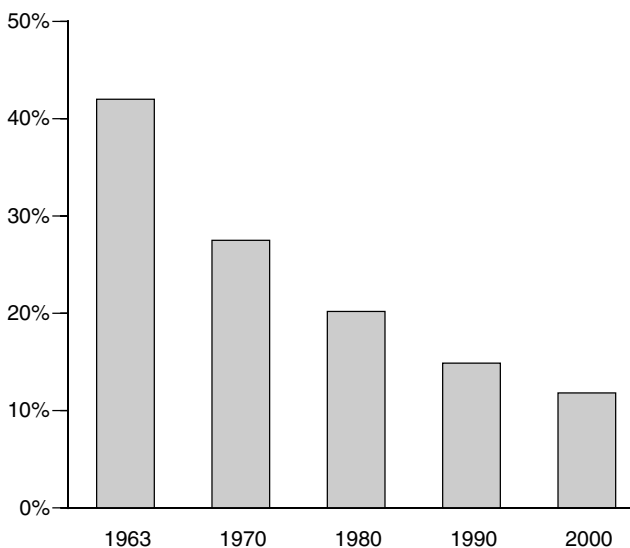
EIR: But let's say, you wanted to actually get them to do something, and you are telling them what you want, representing 100,000 people. . . .

Londrigan: All right. It's pretty simple: Fix the health-care problem. Do something about corporations that are dumping their pensions into the Pension Benefit Guaranty Corporation. Do something about the massive loss of jobs in this state. Do something about the education problem. Do something about any number of major issues that we're facing, instead of working in lockstep with this Administration, which is doing nothing about any of these issues.

EIR: How is the pension issue affecting the members in your state?

Londrigan: Of course, some folks in our state work for United Airlines. And they're getting shafted by this whole

Louisville: Manufacturing Workers as a Percentage of Labor Force



Source: U.S. Department of Labor; *Louisville Courier-Journal*, Dec. 31, 1999.

bankruptcy situation.

We've got an almost equally egregious situation involving a company called Horizon Resources, which is a coal company, which the United Mine Workers have been fighting with. They have gone to bankruptcy, and not only have they jettisoned their pension obligations, but also their promised health-care benefits for retirees and people that work for Horizon.

The bankruptcy judge is giving them the ability to cut off all their health-care benefits. And unlike the pension situation where you have at least a backstop with the Pension Benefit Guaranty Corporation, there is absolutely no backstop whatsoever for these health-care benefits. Those people are out in the cold. And they have no coverage at all.

The mine workers have been very vocal about this, in fact, I've attended several of their protests in Lexington, Kentucky, where the bankruptcy court was holding their hearings. Cecil Roberts, President of the Mineworkers, was arrested, and several others were, during the protest over this whole issue. We had thousands of people coming into Lexington to protest against this. It's just another example of corporations forgetting about, or just negating their responsibilities, or reneging on what they promised.

And then the bankruptcy court, of course, takes the concerns of the bankers and other creditors way ahead of anything that concerns the workers.

EIR: The objective here is to make sure that we get the voice

of American leaders in labor, industry, and others, to say to the U.S. Senate, okay, now you have the nuclear option off the table. Let's get back to work. Roll up your sleeves. Here's what we need to get done.

Londrigan: Sure. In fact, I heard Senator Harkin say almost exactly what I said. His constituents are asking him what they're going to do about their health care. And what they're

going to do about job security. And what they're going to do about their pensions. And all the issues that are not being dealt with, not only by the Senate, but by this entire Administration.

And of course, the Senators that we have in this state will probably not pay any attention whatsoever to those issues.

Wisconsin Lawmaker: Use GM, Ford To Rebuild U.S.

State Representative Christine Sinicki, a Democrat from Milwaukee, issued the following statement on May 25. She represents Assembly District 20 in the Wisconsin State Legislature.

Our nation's automobile industry is now in a serious crisis. The recent downgrading of the credit rating of the premier automakers, General Motors and Ford, to "junk bond" status puts the question of the future of the auto industry in serious jeopardy.

The issue on the table is not that the automakers and their parts suppliers, such as Delphi and Visteon, are going to be headed into bankruptcy, but what kind of bankruptcy is now the real question facing us. It is particularly important for us here in Wisconsin, and in Milwaukee proper, as we have a significant number of auto plants within our jurisdiction, including the GM Assembly plant in Janesville, and other factories. The future livelihood of our citizens, their families, and our cities is now in the front seat.

We cannot let financial vultures like Kirk Kerkorian, who destroyed TWA Airlines years ago, decide the fate of GM, by cutting up and demolishing the productive elements of this critical institution.

Recently, economist Lyndon LaRouche issued a call for *Emergency Action by the U.S. Senate*, where he calls for urgent steps to save the machine tool capability and production apparatus of the nation's premier industry, the automobile industry. I concur with much of what he says, and wish to quote some of that here:

"The international complex of machine-tool physical production, as typified by the presently troubled General Motors and associated enterprises, is now at the verge of



not only financial bankruptcy, but also, the threatened physical dissolution of the machine tool and other essential physical economic elements of production.

"The role assigned to the U.S. Senate, of providing advice and consent to the Executive Branch is presently, the most appropriate instrument for setting into motion the indispensable steps of remedial action.

"Our constitutional system, of the power of the Executive acting in concert with the Senate and House of Representatives, can create vast masses of long-term credit for the immediate and long-term expansion of our national economy. The outpouring of debt-based long-term credit must be used to create expanded productive employment in basic economic infrastructure, manufacturing, and agriculture.

"We can convert sections of the automobile industry that now lie idle or underutilized to producing the infrastructure apparatus we desperately need. We can use the expertise of the machine tool sections of this industry to retool for a massive increase of domestic infrastructure projects, that have languished all these years.

"This kind of wartime style conversion of sections of the auto industry to infrastructure production, making, for example, rail systems, power systems, building and repairing schools, and other essential elements of our economy, can both save the auto industry and rebuild our cities and the state. We did this during World War II, when the auto industry built planes and tanks to win the war, and we can do this now to solve the massive unravelling our economy."

I call upon the Federal Government to take the lead in this bold enterprise. I specifically call upon my two senators and members of the Wisconsin Congressional delegation to take the lead in introducing emergency legislation to save the auto industry intact, most emphatically its productive capability.

As for the mostly useless debt accumulated over the years by GM and Ford, that now amounts to nearly \$500 billion, that is a matter for the bankruptcy courts to decide. We must save the manufacturing capability of these companies in their entirety, protect the pensions of the workforce, and their health care, and launch a great industrial recovery to rebuild our state and our nation.