

Auto Reconversion Can Lead the Way To U.S. Recovery

by EIR Staff

In Spring 2005, economist/statesman Lyndon LaRouche publicly warned the U.S. Senate to prepare now to avoid the consequences of the forthcoming likely bankruptcy of General Motors Corporation. Not only the losses of jobs and homes, and effective bankruptcies of cities and counties, even states; worse, without the machine-tool design capability centered in the automotive (and aerospace) industry, the United States will be condemned to virtual “Third World” status for at least a generation. This, amidst a world depression crisis which, like that of the 1930s, cannot be mastered except with the help of American world leadership.

Instead, LaRouche proposed that the Senate prepare to handle the automotive crisis through arrangements for “strategic bankruptcy,” under which the Federal government would assert the overriding vital national interest that the automotive labor force and plant continue to be employed in place, especially its critical machine-tool sector, through which highly skilled labor creates employment for hundreds of times their numbers of skilled, semi-skilled, and unskilled labor.

Let us face the fact that demand for private automobiles will not grow to absorb the industry’s full productive capacity at any time in the near future, LaRouche said. As during the period of the pre-war buildup and World War II, so today there are urgent, unpostponable national missions—now peacetime missions—for which the capabilities unique to our automotive industry are irreplaceable. Back then, the industry converted at breakneck speed to produce planes, tanks, and guns, at rates never before imagined, in place of automobiles. Today, our urgent mission is on the terrain of public, or publicly regulated infrastructure.

Time To End Illusions

Unfortunately, the U.S. Senate failed to respond to this question last Spring, under the comfortable illusion that a bankruptcy of General Motors was unthinkable. Others did respond, though, including mayors and other local government officials, and United Autoworkers locals, some of which brought several hundred



Korea Hydro & Nuclear Power Co., Ltd.

The Yongwang nuclear power complex in South Korea: An example of the large-scale nuclear facilities that are vital in the 21st Century, and which American auto plants could be retooled to produce.

of their union members to lobby Congress with the LaRouche Youth Movement on Dec. 17. And key handfuls of autoworkers in several states are in discussion with *EIR* about the nitty-gritty of forthcoming reconversion.

Now, of course, with the onset of Winter, everything looks different. Not only is a General Motors bankruptcy no longer unthinkable; it is being discussed daily in the trade and business press, and is widely advocated by certain predatory financier representatives as a means of foisting the industry's losses onto the backs of workers, retirees, and their families and neighbors.

More immediately, House Minority Leader Nancy Pelosi's (D-Calif.) Harvard speech of Dec. 2 (see *EIR*, Dec. 16), pledging the party to the banner of John Kennedy's Apollo Moon-landing program and New Frontier, proves that both the House and Senate Democrats are now positioned to approach the crisis in the spirit of Franklin D. Roosevelt and Kennedy.

In a memorandum further specifying how to deal with this crisis, which we append below, LaRouche explains the approach required to bringing the U.S. economy back up above breakeven, and into an actual recovery. To a large degree, this drive will be led by a retooling of auto and machine-tool capacity for large infrastructure projects, especially nuclear and rail.

Nuclear and Rail

We include in this section a stimulating and deservedly optimistic foretaste, by Marsha Freeman, of the sorts of advances which will be required to provide massive, safe, cheap,

nuclear energy to an energy-starved United States and for "Third World" development. After pulling together the plans for modernization from within the nuclear industry and related government agencies, Marsha proceeds, for the benefit of our collaborators in and around the automotive industry, to list some hundreds of components of every nuclear plant, which are likely candidates for true mass production in reconverted parts of the auto sector.

It should be understood that the key physical bottleneck which will immediately hinder the revival of the steel-based industrial economy centered in the U.S. Midwest, is lack of cheap, fast, and reliable rail transport. Earlier this year, Richard Freeman and Hal Cooper published a study on the requirements for upgrade of the heart of the U.S. rail system, in two phases, to electrified high-speed rail moving freight at about 100 mph, and then later to magnetically levitated rail, at upwards of 300 mph (*EIR*, June 10, 2005). They charted first the double-tracking and electrification of 26,000 route-miles, and then onwards to a total of 42,000 route-miles, the heart of the network, which carry 65% of our freight and 70% of our intercity passengers, although constituting only 29% of our total rail mileage.

The chart on page 14 shows estimated bill-of-materials requirements for 5,000 miles of rail lines radiating from Chicago through the industrial Midwest, and then extends the results to the full 42,000 miles of the upgrade (not shown). Our special interest here, again, is the role of the machine-tool design factor of today's auto industry, in permitting mass production of large parts of these infrastructural requirements. For the most part, this has never been attempted before.