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# Content Legislation

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# Content Legislation

## **Abstract**

This article is part of the collection of writings of Mike (Marshall) Westfall, retired autoworker from General Motors in Flint, Michigan (1964-1994) and activist critic of the auto industry restructuring that led to devastating job losses. It originally appeared online in *The Westfall Papers*.

[<http://michaelwestfall.tripod.com/id76.html>, accessed 12/14/2011]

## Content Legislation

*"EYE OPENER ARTICLE"  
September 21, 1984*

In 1974, the Japanese only had about 6.7% of the American auto market. In 1982 foreign car sales shot up to an amazing 27.8%. Some members of our government conveniently ignore the fact that 31 other consuming nations take major steps to keep the Japanese from flooding their markets.

The U.S. domestic bill (S.707) was designated to keep our U.S. based corporations from shipping our jobs overseas and to give incentives, in our country, to huge multinationals to build here. Why is it so wrong for manufactures that sell vehicles to Americans to use American workers to build a certain percentages of each vehicle?

The big three are expected to import literally hundreds of thousands of vehicles from South Korea, Mexico and Japan. They are also importing millions of major and minor components such as engines, transmissions, switches and wiring harnesses and with each shipment our country loses.

U.S. automotive unemployment is at 24.6% and the competition between the US worker and many of the foreign workers is not equal. The multinationals are exploiting many of their foreign workers with shamefully low wages and then using these workers as unfair competitive examples of how we are overpaid. The Brazilian hourly wage is about \$1.35, South Korea \$1.10, Taiwan \$1.37 and the Mexican autoworker makes about \$2.50 per hour.

Mike Westfall conducting his bi-weekly in-plant lunch meeting with his people.

The whole equation really boils down to an issue of power. With more and more wealth and power going to the multinationals the labor movement, which has taken workers from an exploited condition and brought them to a decent standard of living, is being asked to cut its own throat.

Because of the labor movement the past forty years have been good for working people when compared to any other time in history. Unions like the U.A.W. have won decent wages for their members and this has had a positive spin-off effect for other industries, which raised the standard of living, and quality of life for our entire country.

Social considerations have rarely entered into the equation with these multinationals, it is purely economic. In Mexico the auto companies can save \$53.00 per engine, \$38.00 per transmission \$0.56 per wiring harness when compared to U.S. labor.

Many of these developing countries were once looked at as being second-rate producers of cheap products. Today, Mexico for example, is working with cheap labor, cheap energy, a shrinking peso and Japanese and American know how to build a massive industry with its sight set on U.S. customers.

Mexico is now shipping one million engines a year to the U.S. and will soon be exporting 200,000 cars a year to us. General Motors, Ford, and Chrysler, just to name a few, are all very active in Mexico building major vehicles and component plants that will all displace American jobs. Chrysler now builds many K cars in Mexico, Ford is working on a major facility for future front wheel drive vehicles in Mexico. This fall General Motors will be building their "El Camino" and "Cabellero" in Mexico. Most of these vehicles will be exported to the U.S. and they are just small examples of what the American based multinational auto companies are doing on a world scale.

Every one billion dollars in imported parts translates into 25,000 fewer American jobs and the annual importation of Mexican auto parts alone runs at 1.4 billion. Since 1978 our domestic auto industries pay roll has fallen by 170,000 jobs. Many argue that without content legislation, imports will reach a staggering 50% of our market by 1990 and I predict you will see more foreign car names than American. Content legislation would create or preserve at least 200,000 auto jobs and 500,000 auto related jobs.

There are many economic arguments for content legislation, such as the high cost of social programs, necessary due to lost jobs, or loss of tax revenue by unemployed workers (\$50 billion in 1981& 1982 alone).

Some believe it would be difficult for the Japanese and other companies to open factories here for a variety of reasons, but it has been done successfully in the past. In 1981, Japan alone, had 272 companies operating 428 plants in 43 states which included 13 in Michigan.

Some argue that content legislation would trigger retaliation by the Japanese in other trade areas such as trade, computers, and aircraft, but Japan doesn't retaliate against France, which limits the Japanese share to under 3% of their auto market and they still trade with Australia, which has an 85% content requirement. Of the 31 countries that do have content rules many have protection that is written much stronger than that proposed by the U.S. bill.

Our government needs to give a firm response to this one-sided trade situation by passing and enforcing a realistic content bill. Our government has an obligation to the workers and citizens of this country to protect our basic premier industries, just like all other responsible nations do.

Walter Mondale said not long ago, " We've been running up the white flag when we should be running up the American Flag", "What do we want our kids to do? Sweep up around Japanese computers and spend a lifetime serving McDonalds hamburgers?"

The only alternative to facing this situation squarely is to do what many of the multi-nationals want us to do, which is absolutely nothing. This would give them the exclusive power to progressively reduce us all country by country to the lowest common denominator in the name of increased corporate profits.



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