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Congress of the United States
House of Representatives
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The Honorable George W. Bush
President
The White House
Washington, DC 20500

Dear Mr. President:

I am disappointed and distressed by several recent comments you and your advisors have made regarding our nation's auto manufacturing sector.

The latest comment came in a February 9 *Wall Street Journal* article wherein a senior administration official is quoted as saying "The American car industry needs to focus on producing cars that Americans want to buy. It's hard to make the case that the currency issues play even a minimal role, especially with the Japanese, who haven't intervened in currency markets in nearly two years now."

Previously, Assistant to the President for Economic Policy and National Economic Council Director Allen Hubbard said about the industry: "They don't need a bailout. All they need is time to restructure, and we're confident they'll be successful. Obviously, GM has some big challenges right now, primarily because they make automobiles that are less fuel-efficient... It is unfortunate that GM is going to be laying off [employees] at the same time Toyota and other companies are expanding in the U.S. The important thing is that the overall economy is strong."

I wish I could believe that these comments were anomalous, but clearly the tone is set at the top as evinced by your own recent interviews wherein you suggested that the industry needs to develop "a product that's relevant," and admonished General Motors, saying it is "going to have to learn to compete."

In my 50 years of public service, I've never seen an Administration of either party that has actively and publicly put down American products, companies and workers the way this Administration has done with our auto manufacturers. How can they hope to sell more cars when the number one spokesman for their competitors is the White House?

It is deeply disturbing to hear your administration berating domestic auto companies while they are doing all they can to regain their global leadership. On the contrary, it is a testament to their competence and determination that these companies are succeeding at all, given the unfair advantages enjoyed by their foreign competitors and the constant nay-saying by an Administration that should be their biggest booster.

As I am sure you are aware, over 6 million American jobs are dependent on the auto industry. In my home state of Michigan – the heart of the automotive sector – auto industry dependent jobs make up almost 22 percent of the state's workforce. I know these people personally – they are decent, hard-

working, devoted Americans who still believe in an honest day's work for an honest day's wages – a belief that stems from the son of a farmer in Dearborn named Henry Ford.

Henry Ford believed that cars were not just for rich people and envisioned an affordable, reliable car that working-class Americans could afford – “a car for the great multitude.” He understood that he could make a profit while paying his employees – including women – a fair wage and providing them with healthcare, retirement benefits and vacation time. Despite widespread skepticism, he offered his workers double what other manufacturers were paying *and* reduced their hours. And much to everyone's surprise, Ford Motor Company became an immediate success. The model created by Ford that American workers, when treated fairly, are the most efficient in the world, has held for the past century.

The American auto industry is not being hurt, as the Administration suggests, because of the vehicles it is producing. Contrary to the statements of your chief economic advisor, American manufacturers lead the industry for fuel economy in nearly every vehicle segment. Our automakers face healthcare and pension costs which foreign automakers do not. These problems are only compounded by the Administration's failure to prosecute unfair trade practices by our competitors, counteract currency manipulation by Japan and China, and relieve the crushing burden of health care costs.

Nor do these problems exist because American workers are getting paid too much. Foreign automakers only recently started manufacturing their products in the US, and therefore are not burdened with retiree healthcare and pension costs. American automakers spend approximately \$1500 per car for health care; General Motors spends more money on health care per car than they do on steel. This is not surprising, considering that the US is the only industrialized nation that does not provide some form of national health care. Each year the healthcare costs for American companies grow as older retirees need more care and current workers leave to enjoy their own retirements. Rather than helping to relieve some of this burden, the Administration's only policy has been neglect.

This Administration's neglect does not end with health care; rather, it carries over into enforcing a fair international trade regime. From 1995 until 2000 – the first five years that the WTO was in existence – the Clinton Administration brought 68 separate trade enforcement action to the WTO. Since 2001, this Administration has filed only 12 cases – fewer than competitors such as Korea, Japan, and the European Union.

This relaxed attitude toward defending our trade prerogatives extends into your denial that foreign competitors are engaging in unfair manipulation of international exchange rates to drive up the prices of American exports while driving down the prices of foreign imports. According to the Automotive Trade Policy Council, a modestly devalued Yen of 110 to the dollar adds \$4,000 to the price of a typical sedan and \$10,000 to an SUV. Toyota Motor Corp., Nissan Motor Co. and Honda Motor Co. all announced recently that depreciation of the yen boosted their earnings in the last quarter. Yet the Administration continues to do nothing to remedy unfair currency manipulation by countries such as Japan and China.

As you correctly stated a few weeks ago, no one has asked for a bailout. In fact, a bailout will not address the long-term problems the industry is facing. The auto industry has gone through hard times before and prevailed. The simple truth is, when American companies are permitted to compete on a level playing field, they win. All they are asking is for your Administration to give them that chance.

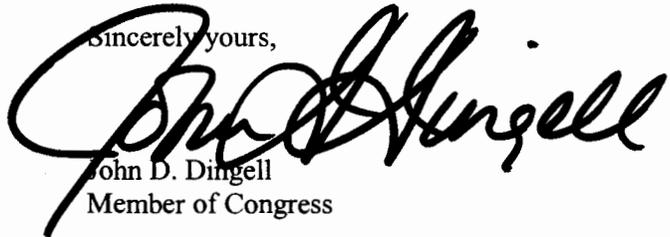
Mr. President, we owe the auto industry a debt of gratitude for the contributions it has made to this country and I am troubled by what I see as the Administration's complete disregard for this escalating crisis. The industry is anxious to restore its competitive edge, but they cannot do it alone. It is the Administration's responsibility to assure fair treatment for American products in the global marketplace.

When our competitors subsidize their exports through manipulative trade policies, the playing field is not level. When quotas, tariffs, and restrictive laws minimize the entry of American cars and trucks, the playing field is not level. When the United States follows WTO guidelines and the Europeans, Japanese, Chinese, and Koreans ignore them, the playing field is not level.

I hope that you will take immediate steps to help the auto industry – and the American economy – succeed. I look forward to hearing your thoughts on this matter.

With every good wish,

Sincerely yours,

A handwritten signature in black ink, appearing to read "John D. Dingell". The signature is fluid and cursive, with a large initial "J" and "D".

John D. Dingell
Member of Congress