

Jul 29, 2010

Contact: Bertrand Blaise

Remarks by President Barack Obama on the American Auto Industry and the American Economy, Jefferson North Assembly Plant, Detroit

THE PRESIDENT: Hello, Detroit! (Applause.)

Well, it is good to be here. Everybody, if you have a seat, have a seat. (Laughter.) It is good -- it's good to be back.

AUDIENCE: Yeah!

THE PRESIDENT: It's good to be back. First off, give it up -- give it up to Leah for that wonderful introduction. (Applause.)

We've got some special guests here that I want to acknowledge. First of all, your Secretary of Transportation, who has helped to make sure that we are guiding this process of rebuilding the American auto industry and is doing an outstanding job, from Peoria, Illinois, Secretary Ray LaHood. Give him a big round of applause. (Applause.)

Because of a funeral, she couldn't be here, but I want everybody to give a huge round of applause to one of the best governors in very tough times that exists anywhere in the country, Jennifer Granholm. She's doing a great job. (Applause.)

Your outstanding new mayor and close to my heart, NBA Hall of Famer, Dave Bing is in the house. (Applause.)

Two of the hardest working senators anywhere. And they are always thinking about Michigan and Michigan manufacturing, making stuff right here in the United States of America, Carl Levine and Debbie Stabenow. (Applause.)

Outstanding member of Congress, Representative Carolyn Cheeks Kilpatrick. (Applause.) UAW President Bob King is in the house. (Applause.) And Chrysler CEO Sergio Marchionne. (Applause.) Sergio is modest. He doesn't stand up. (Laughter.) But he's doing a great job.

So I just had a tour of this outstanding plant with Sergio and Pat Walsh, your plant manager; General Holiefield -- now, that's a name right there -- (Laughter.) General Holiefield, vice president of the UAW. (Applause.) Cynthia Holland, your local UAW president. (Applause.)

And it was great to see the work that you're doing and the cars that you're building. Especially when you consider the fact that just over a year ago, the future here seemed very much in doubt.

Now, before I make my remarks, I've got to disclose, I'm a little biased here because the first new car that I ever bought was a Grand Cherokee. (Applause.) First new car.

Up until that point I had had some old, beat up -- (laughter) -- used cars -- they were not state of the art. And I still remember walking into that showroom and driving out with that new car. It had that new car smell, and everything worked. (Laughter.)

I wasn't used to that. Had all these -- everything was electronic, and I had -- all my -- I'd had to roll up my windows up until that point. So I've got some good memories of that car. But I've got to tell you when I sat in this car, this is a better car. This is a state-of-the-art car. This is a world-class car right here. (Applause.)

Now, I want everybody to think about where we were. We were in the midst when I took office of a deep and painful recession that cost our economy about 8 million jobs -- 8 million jobs -- and took a terrible toll on communities like this one.

Our economy was shrinking about 6 percent per quarter. Now, this morning we learned that our economy grew by 2.4 percent in the second quarter of the year, so that means it's now been growing again for one full year. (Applause.)

Our economy is growing again instead of shrinking. That's a welcome sign compared to where we were. But we've got to keep on increasing that rate of growth and keep adding jobs so we can keep moving forward. And that's especially important for places like this.

In the 12 months before I took office, the American auto industry lost hundreds of thousands of jobs. Sales plunged 40 percent. Think about that. The industry looked like it was going over a cliff. As the financial crisis and the vicious recession collided with an industry that for too long had avoided hard choices and hadn't fully adapted to changing times, we finally reached the point where two of the Big Three -- Chrysler and GM -- were on the brink of liquidation.

And that left us with very few choices. One choice, one option was to keep the practice of giving billions of dollars of taxpayer money to the auto industry but not really forcing any accountability or change -- so you just keep on kicking the tough problems down the road year after year and hopefully seeing if you can get more and more money out of Washington.

A second option was to do nothing and risk allowing two of the Big Three to disintegrate. And that could have meant the end of an industry that, like no other industry, represents so much of what makes up the American spirit.

This industry has been the source of deep pride for generations of American workers whose imaginations led to some of the finest cars the world has ever known -- and whose sweat built a middle class that has held the dreams of millions of

our people.

I just met one of your co-workers on a line. He is third generation working at Chrysler. His grandfather worked at Chrysler. His father worked at Chrysler. And now he is on the line at Chrysler. And that could have all vanished.

Now, the worse thing about it is that if we had done nothing, not only were your jobs gone, but supplier jobs were gone and dealership jobs were gone, and the communities that depend on them would have been wiped out. And, by the way, when you talk to the CEO of Ford, he'll tell you that wouldn't have been good for Ford either, because a lot of those suppliers that they depend on might have gone out of business.

Independent estimates suggest that more than 1 million jobs could have been lost if Chrysler and GM had liquidated. And in the middle of a deep recession, that would have been a brutal, irreversible shock not just to Detroit, not just to the Midwest, but to our entire economy. So I refused to let that happen.

And we came up with a third way. What we said was, if you're willing to take the tough and painful steps necessary to make yourselves more competitive; if you're willing to pull together workers, management, suppliers, dealers, everybody to remake yourself for changing times then we'll stand by you and we'll invest in your future. Our strategy was to get this company and this industry back on its feet, taking a hands-off approach, saying you guys know the business, we don't. We're going to give you a chance, but we do know you've got to change.

Now, not surprisingly, a lot of folks were skeptical. You remember last year. A lot of folks were saying, well, this is stupid, we shouldn't be helping them. And I understood that. Look, this was a hard decision. I didn't want government to get into the auto business. I've got enough to do. (Laughter.) And the politics of it weren't good. Your delegation was supportive. But Debbie and Carl, and Carolyn and others, they'll tell you there are a lot of folks in Washington who said it couldn't be done.

But I believed that if each of us were willing to work and sacrifice in the short term -- workers, management, creditors, shareholders, retirees, communities -- it could mark a new beginning for a great American industry. And if we could summon that sense of teamwork and common purpose, we could once again see the best cars in the world designed, engineered, forged, and built right here in Detroit, right here in the Midwest, right here in the United States of America. (Applause.)

So I placed that faith in you and all of America's autoworkers, and you've vindicated that belief. The fact that we're standing in this magnificent factory today is a testament to the decisions we made and the sacrifices that you and countless stakeholders across this industry and this country were willing to make. So today, this industry is growing stronger. It's creating new jobs. It's manufacturing the fuel-efficient cars and trucks that will carry us toward an energy independent future. You are proving the naysayers wrong, all of you. (Applause.)

They thought it would be impossible for your company to make the kind of changes necessary to restore fiscal discipline and move towards viability. Today, for the first time since 2004, all three U.S. automakers are operating at a profit, the first time in six years. (Applause.)

Last year, sales plummeted and manufacturers and suppliers across the country were forced to idle plants and furlough workers. Today, Chrysler is responding to more demand than anticipated by keeping this plant and others running through the usual summer shutdown. The same goes for GM's plants. Sales have rebounded. Across the supply chain, plants that wouldn't exist without the sacrifices made across this industry are running at nearly full capacity.

Last year, many thought this industry would keep losing jobs, as it had for the better part of the past decade. Today, U.S. automakers have added 55,000 jobs since last June, the strongest job growth in more than 10 years in the auto industry. This plant just hired a new shift of 1,100 workers last week. (Applause.)

I met one of your co-workers on the line. He said, "Thank you, Mr. President, I needed to get out of the house." (Laughter.)

I said, "I know your wife really felt that way." (Laughter.) "I'm sure you were driving her crazy."

The Dundee Chrysler plant will begin production of an American-made, advanced technology, fuel-efficient engine this December. (Applause.) The Sterling Heights Chrysler plant that was scheduled to close after 2012 will stay open and add a second shift of 900 workers next year. (Applause.) And when a plant thrives, that doesn't just affect the new workers, that affects the entire community.

Now, it also helped that we took steps to stimulate demand, steps like Cash for Clunkers, which said that if you trade in your old car in for a new, more fuel-efficient model you'd get a rebate. That program was good for automakers. It was good for consumers. But you know what, it was also good for the environment. It was more successful than we ever imagined and it saved at least 100,000 jobs, giving dealerships sales numbers they hadn't had in years and communities an economic boost they wouldn't have otherwise seen.

So there's no doubt that the auto industry is growing stronger. But, look, the hard truth is this industry lost a lot of jobs in recent years. Some of those jobs aren't coming back partly because automakers have become so much more efficient than they used to be. This is a lean, mean operation. And so there are people who have still lost their jobs, haven't been hired back and it wasn't their fault. Mistakes were made in managing the company that weren't theirs.

So that's why we still also got to make targeted investments to encourage new private sector manufacturing growth. We got to encourage clean energy. That's why we're taking steps to help communities revitalize and redevelop old, shuttered auto facilities, preparing them for new industries and new jobs and new opportunities.

I'll give you an example, those investments that we're making are helping to create an entire new advanced battery industry take root right here in Michigan. That industry was producing only 2 percent of the world's advanced batteries

last year, but by 2015, we expect to produce 40 percent of the advanced batteries that go into our cars. (Applause.) And we're going to do it right here in Michigan -- all across the Midwest.

Investments like those mean jobs for American workers to do what they've always done: build great products and sell them around the world.

So the bottom line is this -- we've got a long way to go, but we're beginning to see some of these tough decisions pay off. We are moving forward.

I want you to remember, though, if some folks had their way, none of this would have been happening. I just want to point that out. Right? I mean this -- this plant -- this plant and your jobs might not exist. There were leaders of the "just say no" crowd in Washington -- they were saying -- oh, standing by the auto industry would guarantee failure. One of them called it "the worst investment you could possibly make."

AUDIENCE: Boo!

THE PRESIDENT: They said -- they said we should just walk way and let those jobs go.

AUDIENCE: Boo!

THE PRESIDENT: I wish they were standing here today. (Applause.) I wish they could see what I'm seeing in this plant and talk to the workers who are here taking pride in building a world-class vehicle. I don't think they'd be willing to look you in the eye and say that you were a bad investment. They might just come around if they were standing here and admit that by standing by a great American industry and the good people who work for it, that we did the right thing. It's hard for them to say that. You know, they like admitting when I do the right thing. (Laughter.) But they might have had to admit it. And I want all of you to know, I will bet on the American worker any day of the week! (Applause.)

You know, when World War II hit Pearl Harbor, we didn't throw up our arms and said "boy, this is tough. I don't know what we're going to do." We rolled up our sleeves. We got to work. And it was workers just like you, right here in Detroit, who built an arsenal of democracy that propelled America to victory. It was workers like you that built this country into the greatest economic power the world has ever known; it workers like you that manufactured a miracle that was uniquely American.

We faced down impossible odds. We can rise to meet any challenge. As I was thinking about what to say today, an extraordinary story was brought to my attention.

I don't know if they're here, but I think some of you just know 14 of your fellow employees at the plant won the lottery. (Applause.) Where are they? That's one -- a couple of them right there? (Applause.) You know, lunch is on them, by the way. (Laughter.)

Now, the first assumption people might make is, you know after you win the lottery, you just kick back and you retire. Nobody'd fault folks for that. This is tough work. But most of them, they just want to keep on working. And I -- (Applause.) Is William Shanteau here? He's not? Well, he was one of the guys who bought one of the -- he bought the winning ticket, right? Turns out he used some of the winnings to buy his wife one of the Jeep Grand Cherokees that you build right here. (Applause.) He called it a sweet ride. (Laughter.) And he's going to pay for new American flags for his hometown because he loves his country. (Applause.)

And he's going to keep coming to work because he loves this plant, and he loves these workers, so don't bet against the American worker. Don't bet against the American people. We got more work to do. It's going to take some time to get back to where we need to be, but I have confidence in the American worker. I have confidence in you. I have confidence in this economy. We are coming back! (Applause.)

Thank you, everybody. Thank you. God bless you. And God bless the United States of America. (Applause.)

-###-

Additional information and news from Stellantis are available at: <https://media.stellantisnorthamerica.com>