

OBAMA ADMINISTRATION FINALLY BRAGS ABOUT JOBS CREATED IN AUTO BAILOUT

✖ The Obama Administration was gung ho to brag about the GM IPO last year. But if I'm not mistaken, this is the first time the White House has bragged nationally about jobs created thanks to the auto bailout (Ron Bloom, who got promoted into an official Assistant to the President role at the beginning of the year, wrote this).

Today brings word of more good news for the American auto industry. GM announced that it would hire 4,200 workers at seventeen of its plants around the country.

President Obama took office amidst the worst recession in a generation and nowhere was this devastation [sic] felt harder than in the American auto industry and the communities it has supported for decades. In the year before GM and Chrysler filed for bankruptcy, the auto industry shed over 400,000 jobs.

Facing this situation head on, the President made a bold and, at the time, politically unpopular choice: Despite calls from critics to simply let these companies – and the entire American auto industry – crumble, he refused to allow these companies to fail. Had the Administration failed to intervene, conservative estimates suggest that it would have cost at least an additional one million jobs and devastated vast parts of our nation's industrial

heartland.

But at the same time, the President did not provide unconditional support. He insisted that the companies and their stakeholders make tough choices and undertake massive restructurings requiring huge sacrifices from all of their stakeholders.

Because of this “tough love,” the American auto industry is now positioned to grow and prosper as the economy recovers. Since GM and Chrysler emerged from bankruptcy in June 2009 the auto industry has added 115,000 jobs – the fastest pace of job growth in the auto industry since 1998. Last year, for the first time in 16 years, the Detroit Three actually gained market share compared to their foreign counterparts.

And these companies are not just making cars and trucks – they’re making the kind of fuel efficient cars and trucks that will power us to energy independence, protect consumers against rising gas prices, and ensure America wins the future.

Some of the workers GM is hiring and re-hiring in today’s announcement will be at work producing larger-than-initially-planned quantities of the widely acclaimed Chevy Volt. And just last month, Ford – which didn’t receive government assistance but which supported our aid to GM and Chrysler and has said publicly that it would not have survived if the rest of the American auto industry had been allowed to collapse – reported its best first-quarter profit in more than a decade thanks in large part to its new fuel-efficient vehicles.

In the wake of an historic recession, there is no doubt that much work

remains. And we will not rest until every American who is looking for work can find a job. But today's announcement is another positive sign – including more than 2 million private sector jobs created over the past 14 months – that we're seeing across the country.

The comparative silence about the success of the bailout in the terms that really matter to actual people—jobs—not only confirms Main Street suspicions about the White House viewing the economy solely through the lens of the banksters, but it also leads beltway folks like John Dickerson to wonder out loud whether there is anything a President can do to fix the economy (Dickerson must have skipped those weeks when his American history class covered the New Deal).

The effects of the too-small stimulus, though real, are a lot harder to see. But aside from the decade-long Military Industrial Complex stimulus the DC area has enjoyed, the auto bailout and related energy investments was the biggest concentrated stimulus the Administration championed. And it has had an effect, both in hiring at GM and Chrysler, but also in hiring in MI more generally.

It'd be nice if the Administration not only bragged about that, but replicated it for places like Nevada.

Update: John Dickerson corrects me; this July 2010 briefing (a presser leading up to an Obama trip to visit several plants in the Midwest, bragged about jobs created). Thanks to Dickerson for the correction.