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Global economy shafting U.S. worker

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Will America remain the land of opportunity? Will it remain a nation with a broad middle class? Or is it turning into two Americas, one rich and one struggling just to get by?

The Delphi Corp., one of the leading automobile parts manufacturers in the world, has filed for bankruptcy. Its CEO, Robert Miller, says it can't meet global competition and pay its workers a union wage. And it must shed its obligations on health care and pensions to its retired workers.

Miller, having dished out some \$90 million in severance bonuses to his executives, wants workers to swallow pay cuts from about \$27 an hour to about \$10 an hour.

But this isn't really about Delphi, it's about Detroit. General Motors verges on bankruptcy, as does Ford. All the auto companies are pressing workers to swallow deep cuts in pay and benefits. The automobile industry is headed down the path of the steel industry, the mining industry and appliance industry. It's going from union jobs that provide a secure, middle-class living to low-wage, low-benefit jobs that leave workers scrambling to get by.

Used to be celebrators of the new global economy like Tom Friedman argued that these workers were just the "turtles," the dim-witted, slow-footed victims who were going to get run over on the global highway to a new economy and a new prosperity. Then the dot.com bubble burst. Many of the programming jobs lost in the bust never came back. They were shipped to India. So were an increasing number of the service jobs in banking, finance and communications. Now the glib Friedman gets tongue-tied when he tries to figure out how this country sustains a middle class in the face of the corporate assault on unions, the shipping of good jobs abroad and the pressure on wages and benefits at home.

Last year was a sterling year of economic growth, according to the Bush administration. Stocks were up, profits were up, and CEO salaries soared. But wages for average workers fell. As the Economic Policy Institute points out, the median wage for a full-time, year-round male worker didn't keep up with the hike in prices -- and that was before gas prices went through the roof.

We teach our children self-discipline. Work hard, stay out of trouble, turn your back on drugs, don't have babies out of wedlock, get the best education you can. The promise is that with self-reliance and self-discipline, you can share in the American dream: a good living, a secure job, a house, a secure retirement, good education for the next generation.

But what happens when the ladder to the middle class is broken? When the jobs that used to provide the way up are gone? What happens when you can't find a union job at \$27 an hour with health care and pensions, and must accept a job at \$10 an hour without health care and without a pension? What happens to the dream, to America?

This is the fundamental challenge facing our nation. And no leader, outside of John Edwards, is even talking about it. Bush is spending \$250 billion and thousands of lives in a failed effort to build a unified democracy in an Iraq torn by civil and religious division. At home, he's just part of the problem. His first move after Katrina was to eliminate the prevailing wage in contracts to rebuild the city, and to waive restrictions on the use of undocumented workers. Instead of decent union jobs going to Katrina's victims and paying them enough to get back on their feet, he'll rebuild New Orleans with illegal immigrant labor that can be exploited to work for next to nothing and then shipped out of the country when the task is complete. Bush and the Republican Congress are still pushing through more tax breaks for the wealthy while blocking any increase in the minimum wage for working people.

But Democrats aren't much better. They talk about education as the answer, but say little about the fact that college education is getting priced out of the reach of working families, or that poor kids who need the most help get the least -- overcrowded schools, the least experienced teachers, outdated textbooks, school buildings that are dangerous to their health.

Working families have to wake up. We need a new movement, a new agenda, and new leadership. And with Delphi suggesting that Detroit is about to go down, we don't have much time.

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