

President Kennedy Knew What Value Was: A History of the Adrian Delphi Plant

by Bill Roberts, LaRouche Youth Movement

The case of the large industrial plant owned by Delphi Automotive Systems in Adrian, Mich., which President John F. Kennedy saved from being scrapped in 1961, exemplifies the idea of a machine-tool capacity that is capable of being retooled for just about any purpose needed. The history of this plant and its surrounding community, and the actions taken by Kennedy after his first press conference as President, give depth to a real understanding of the concept of “economic value,” not as something inherent in money, but as the potential to increase the productive powers of labor in a national economy, for the general welfare of mankind.

After attending the annual Lenawee County “John F. Kennedy Democratic Party Dinner,” as a guest of John Clark, president of UAW Local 2031 and vice president of the local Democratic Party, I had the opportunity to peruse two books written by a local historian, Charles Lindquist, on Lenawee County and the city of Adrian.* At that dinner, author Lindquist gave a brief history of the local Delphi plant which many in attendance had worked at.

World War II Mobilization

The plant was built during World World II, when the demand for aluminum for Air Force bombers was beyond the production capability of the existing plants. So, from April 1942 until the Summer of 1943, the Defense Plant Corporation contracted the construction of a new 750,000-square-foot aluminum plant, to be operated by Bohn Aluminum to build parts for the Air Force. Some of the employees were German prisoners of war, and after the war, the plant received one of the world’s largest forging presses as war reparations from Germany.

During the war, the city of Adrian had to make room for more workers. New communities were built to provide housing. High-wage jobs brought in workers from Alabama, Kentucky, and Tennessee. Mexican-Americans who had been migrant farm workers were recruited from Texas and other areas. For months a number of workers were living in temporary housing in the infield of the racetrack at the state fair-

grounds. The residents of Adrian even made room in their houses to temporarily take in workers.

A city of fewer than 20,000 people was operating no fewer than 15 industrial plants during the war. The largest plants were producing castings and aluminum parts for planes. By 1944, some 2,300 workers were building anti-aircraft shells for the Navy out of an old knitting mill. Adrian was producing mechanical brake parts and brake assemblies for Army trucks, high-pressure pumps for airfields, dried and packed eggs, powdered milk, and an assortment of other products, including uniforms for soldiers.

Plants worked around the clock, and most of the local workers brought into the factories to expand the workforce were women, who left other jobs or who doubled as homemakers and “Rosie the Riveters.”

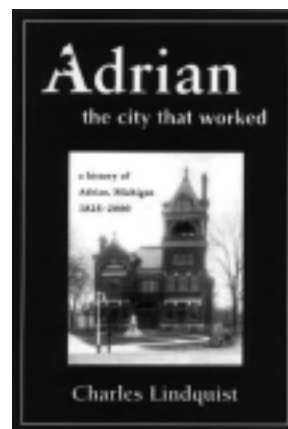
After the war, the plant was operated by several aluminum companies under Federal government contracts, doing experimental work for the Air Force. Then when the Korean War took off, the Federal government brought Bohn Aluminum back in to build airplane parts at the Adrian plant. After that, the plant was operated by Connecticut-based Bridgeport Brass Company until 1961, producing uranium fuel rods for nuclear power plants, in cooperation with the Federal government.

Kennedy’s Intervention

What would become of this “white elephant” of Michigan’s industrial sector, as it was called, was a national issue, which today serves as an historical precedent for the type of decision that Lyndon LaRouche demands that the U.S. Senate must make if they “give a damn about this nation”—as Kennedy gave a damn in 1961.

As Lindquist recalls:

In 1961, Bridgeport Brass, which owned the complex, decided to cease operations, leaving 800 employees



* Charles N. Lindquist, *Lenawee County: A Harvest of Pride and Promise: An Illustrated History* (Chatsworth, Calif.: Windsor Publications, 1990) and *Adrian: The City That Worked: A History of Adrian, Michigan 1825-2000* (Adrian, Mich.: Lenawee County Historical Society, 2004).

jobless. The decision left Adrian's employment picture very bleak.

National attention was brought to this community when competitive bids for the property were made by a salvage company and Harvey Aluminum. The salvage company's higher bid would lead to the sale of the existing machinery and the dismantling of the plant. Harvey Aluminum's lower bid would allow continuing operation of the facility and provide employment.

Adrian civic leaders and businessmen mounted an intensive campaign to persuade the federal government to intervene and accept Harvey Aluminum's lower bid to preserve employment. Following a press conference on March 17, 1961, President John F. Kennedy pledged that Adrian's employment future would not suffer further. Harvey Aluminum gained control of the facility, employing more than 400 people.

Kennedy had intervened to ensure that the only bids considered by the General Services Administration for the Adrian plant, came from companies that were planning to use the facility in production.

In 1972, Harvey Aluminum was bought up by Martin Marietta, and then in 1974, it was bought by General Motors and run as Adrian-Chevrolet. The plant specialized in operating plastic injection molding presses. During the Nixon-era oil hoax of the 1970s, cars had to be made lighter and more "fuel efficient," and so cars began to be made more and more out of plastic instead of metal. The Adrian Chevy plant was the largest plastics plant that GM owned. In the 1980s, workers were transferred into the Adrian plant from Bay City and Flint, and the plant was consuming 25 million tons of plastics resins/year, making 1,100 different parts. The plant employed 1,158 employees by 1985.

Globalizers Move In

In the 1990s, as globalization began to cause auto production in the United States to contract, equipment and workers from other plants, such as Syracuse, N.Y., were transferred to the Adrian plant for consolidation.

Then, in 1995, GM's parts division was named Delphi, and in 1997, it was spun off as an independent company.

Today, the Adrian Delphi auto parts plant, and its workforce, which is down to 385 hourly workers, is threatened, not because it is among the first list of announced plant closings, but simply because it is in the hands of Delphi's vulture CEO Steve Miller, who's playing the "I got no cash" card.

After the UAW rejected demands to accept wage cuts of more than 50% (i.e., not enough to support a family) and dump health benefits, Delphi is now declaring bankruptcy and asking the courts to allow it to dump pensions onto the already bankrupt Pension Benefits Guarantee Corporation. Delphi also wants the courts to allow it to break contracts with General Motors and the UAW. This would set a dangerous

precedent for any vulture financier who wants to move in, take over a company, award itself huge bonuses, declare bankruptcy, and completely move U.S. operations overseas, where there are no labor regulations.

Plants like the one in Adrian, with its machine-tool and related capacity, are the backbone of the U.S. economy. Coupled with a revival of the scientific institutions of the nation, these plants represent the capacity with to make technological leaps in modes of production, power generation, and transportation. It is from that standpoint that the real economic value of things must be assessed.

This is why the U.S. Congress must intervene promptly, with bold new legislation, to take the idle capacity of plants like the one in Adrian, and use it, as Kennedy said, to actually produce. While the options for what might be produced are numerous—magnetic levitation trains, nuclear desalination units, locks and dams for river navigation systems, or components for hydrogen based fuel-cell vehicles—the time to act is not unlimited. If these plants and communities, with their skilled workforce, are destroyed, then that capacity to retool, rebuild, and transform the United States back into a productive economy is also wrecked.

Congressional members of the Democratic Party need to wake up, and inform their thinking with a notion of real "economic value," as it was understood by Roosevelt, Kennedy, and today, Lyndon LaRouche.

If You Thought Adam Smith Was The Founding Father of America's Economic Strength—

Think Again.

READ

*Friedrich List: Outlines of
American Political Economy*

"I confine my exertions solely to the refutation of the theory of Adam Smith and Co. the fundamental errors of which have not yet been understood so clearly as they ought to be. It is this theory, sir, which furnishes to the opponents of the American System the intellectual means of their opposition."

—Friedrich List

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