

# The GM ignition scandal and the case for public ownership

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New evidence is emerging on a daily basis of a systematic cover-up by General Motors and government regulators of an ignition switch defect known to be potentially fatal. Reports in the press point to dozens, if not hundreds, of needless deaths resulting from management's determination to save money and prevent a recall.

There is no doubt that those who drove the more than 2.6 million vehicles ultimately recalled by GM were at risk of death or injury. The ignition switch can be accidentally jarred out of the "run" position, shutting off the engine, power steering and power brakes, and disabling the airbag system. The result is a sudden loss of control of the car, without the benefit of airbags in the event of a crash. A number of the fatal crashes linked to the defect were head-on collisions.

In the midst of the mushrooming ignition switch scandal, GM on Monday recalled an additional 1.3 million cars for an unrelated defect that can result in the sudden cut-off of power steering.

The human cost of the company's evident indifference is incalculable. Most of the cars involved were low-cost models and many of the drivers were young people. Families will never recover from the sudden loss of loved ones. The cold cash calculus of the company is indicated by the words of a GM project engineering manager who ordered an investigation into the defect closed in 2005 because, according to a report in Monday's *Wall Street Journal*, "the tooling cost and piece price are too high" and none of the proposed fixes "represents an acceptable business case."

This sacrifice of human life on the altar of corporate profit underscores the necessity, for the health and safety of the public, of placing the auto industry under public ownership and the democratic control of the working population.

Internal documents indicate that both GM and the National Highway Traffic Safety Administration (NHTSA), the supposed government watchdog, knew for years about fatal crashes involving GM vehicles in which airbags did not deploy and the ignition switch was in the "accessory" or "off" position. Both the company and the regulator concealed these facts from the public and failed to order a recall of the affected models.

GM now admits it was aware of the ignition problems on its Saturn Ion model as early as 2001, but approved production of the switch even though it did not meet its own specifications. After receiving numerous customer complaints about the Chevrolet Cobalt ignition, GM engineers in 2005 proposed a fix, but management rejected it.

Instead, GM issued a service bulletin to dealers advising them of problems with the ignition switches of the Cobalt, Ion and other vehicles and advising them to tell customers to remove heavy items from key rings.

In 2006, GM quietly ordered that a redesigned ignition switch be installed starting in the 2007 model year. However, it did not assign a new part number to the device, a "cardinal sin" according to one engineer quoted by *Automotive News*. The decision to use the same part number points again to a deliberate cover-up.

Meanwhile, further evidence of the dangers mounted. In March 2007, the NHTSA met behind closed doors with GM to discuss a fatal crash in 2005 in which airbags failed to deploy and the ignition switch was apparently in the "accessory" position. However, neither GM nor the NHTSA ordered a recall. The minutes of the meeting have not been made public.

GM officials claim they now know of 13 fatalities connected to the defect, but the real number is likely higher. The *New York Times* reports that the NHTSA

received more than 260 consumer complaints about GM vehicles whose engines shut down while the cars were being driven. A review of NHTSA records by the consumer group Center for Auto Safety found 303 deaths between 2002 and 2012 in crashes involving the Cobalt and Ion in which airbags failed to deploy.

The GM-government cover-up has exacted a terrible human toll. According to a recent report in the *New York Times*, GM has responded to families of crash victims with lies and callousness. GM told a family whose 23-year-old daughter died in an accident in 2010 involving a Chevrolet Cobalt whose airbags failed to deploy that her death had no connection to any defect. In another case, GM threatened the family of a crash victim, saying the company would pursue them for attorney fees if they did not drop their case.

The collusion of the NHTSA illustrates that the government functions as an arm of big business. There is an incestuous relationship between government regulators and those they supposedly regulate. In December 2013, to cite one example, NHTSA head David Strickland announced he was resigning from his post to take a job with a law firm that lobbies on behalf of the auto industry. The same corruption that was seen in the relation of regulators to BP in the Gulf oil spill and between bank regulators and Wall Street prevails in every sector of the economy.

The House of Representatives and the Senate are holding hearings this week on the GM scandal. That what is being prepared is another cover-up was already signaled by the remarks of Michigan Congressman Fred Upton, the chairman of the House committee looking into the delayed GM recall, who said Sunday that the auto maker and NHTSA had “failed to connect the dots.” The same tired and discredited alibi used to conceal government foreknowledge or facilitation of disasters from 9/11 to the Boston Marathon bombing is dredged up once again with the same intent.

According to the Center for Responsive politics, Upton’s campaigns have received \$73,750 since 1989 from a political action committee controlled by GM as well as individual GM employees, and over \$100,000 from a Ford Motor political action committee and employees.

For the past four decades, there has been a non-stop drive by both the Democrats and Republicans to dismantle the limited safety regulations established in

an earlier period as a result of the struggles of the working class.

In the 2009 forced bankruptcy and restructuring of GM, the government obtained majority ownership in the company, which it held until November 2010. The Obama administration inserted a clause that held the reorganized company harmless from product liability lawsuits stemming from before July 2009. This was at a time when GM and the government were already well aware of fatal accidents involving defective ignition switches.

These facts demonstrate the lawlessness and criminality that have become the defining features of contemporary capitalism. Such crimes are not aberrations. They are embedded in the system of private ownership of the means of production and production for profit. Driven by the insatiable demands of Wall Street investors for maximum returns on investment, corporations such as GM inevitably skimp on safety measures that detract from their bottom line.

All those, both at GM and in the government, who are responsible for allowing potentially deadly cars to remain on the road must be prosecuted and brought to justice. The families of the victims must be fully compensated.

But any struggle for a serious redress of safety issues inevitably poses the question: In whose interest is society organized? The need in a complex, highly technological society for scientific planning and quality control raises the necessity for public ownership and democratic control of industry. This can be implemented only through the development of an independent political movement of the working class based on a socialist program.



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