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At auto show, Washington gets close-up look at investment

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DETROIT -- Forget the latest turbocharged engine or aerodynamic design. The star attraction Monday at the North American International Auto Show was the spectacle of House Speaker Nancy Pelosi (D-Calif.), House Majority Leader Steny H. Hoyer (D-Md.) and Secretary of Labor Hilda L. Solis, with a bevy of other Washington officials touring the show.

Encircled by boom mikes and cameras, the group from Washington tried plugging in the new Chevy Volt, the electric car from [General Motors](#). They traipsed across the convention center to review Chrysler's new power trains. Then they got behind the wheel of the Ford Focus.

More than anything that was said or done, however, the tour and the attention it garnered reflected the new relationship between the industry and the government, which has invested more than \$80 billion in propping it up.

"We've seen ideas turned into policy turned into product," Pelosi said approvingly after seeing the Volt.

Her trip through the exhibition hall here resembled a car-shopping expedition, except that instead of the usual salesmen, the Washington group was cajoled by chief executives and board chairmen: Edward E. Whitacre Jr. from General Motors, Bill Ford Jr. and Alan Mulally from Ford, and Chrysler's Sergio Marchionne.

The government's nurturing of the U.S. auto industry, Pelosi and other Democrats hope, will create more U.S. jobs.

"What we're seeing today is a renaissance," she said during a luncheon.

Through the bailouts, emissions-control legislation, health-care debate and trade agreements, the federal government can exert profound influence on all of the automakers. But the outfit with arguably the most at stake is General Motors, into which the government has invested \$50 billion. The government has also become the company's majority shareholder.

Before meeting Pelosi and the others, GM chief executive Whitacre said he had planned to tell them that "they made a great investment in GM."

"The government's investment is well placed, and I think they will make a lot of money," Whitacre told reporters.

Still, not everyone was so enamored with the government's involvement.

About two dozen "tea party" protesters -- activists who advocate lower taxes and less government -- endured the cold and snow here Monday morning to register their dissent.

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And on Tuesday, the Detroit News and a radio station are sponsoring a debate over whether the science on global warming justifies the imposition of more stringent fuel-economy standards. Among the announced panelists are Rep. Fred Upton (R-Mich.); University of Michigan climatologist Henry Pollack; Cato Institute climatologist Patrick Michaels; and Kathryn Clay, director of research for the Alliance of Automobile Manufacturers.

While exactly what the government should do for the auto industry remains a matter of debate, at least some in Detroit welcomed the federal attention.

"I always said the U.S. administration was the only car-producing nation in the world where the administration and the politicians in the capital didn't know about the American car companies, didn't care about American car companies," GM Vice Chairman Bob Lutz said during a speech here Sunday night, according to news accounts. "None of the politicians drove American cars -- they drove Japanese and German and Swedish cars. . . . Tragically we had to go through Chapter 11, but now, finally our government in Washington is not only keenly aware of us but also very much desirous of seeing us succeed."

United Auto Workers President Ron Gettelfinger, who accompanied Pelosi through much of her tour of the show, said the federal government has a role to play as it negotiates trade agreements and other issues.

Steven Rattner, who led the Obama administration's effort to restructure GM and Chrysler, attended the show and said that in the wake of the federal intervention he sensed "constrained optimism" about the industry.

He is writing a book about his experiences in the bailout, to be titled "Overhaul." Although Congress is paying lots of attention, Rattner said the government's intention is to retreat.

"The government's goal is to step back, step back, step back," Rattner said. "I don't see the government plunging in deeper."

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