

TOYOTA SINGS THE MERCURY BLUES

As the Republicans in Congress, most notably the Senate, fixate on emasculating the stimulus package, stripping it and the country of hope for success in heading off the economic death spiral we are witnessing, I want to return to another recent example of the un-American activities and bent of the Republican Caucus of legislative geniuses. I refer to this same group's actions and illogic in relation to the American Auto manufacturer bridge loan issue that roiled little more than a month ago and still percolates near the surface of our economic woes.

Remember how Richard Shelby, Bob Corker and a pack of GOP loons made their bones by preening against the American auto industry and trying to cram American autoworker and union wages down to, and below, the level of foreign transplant wages? Of course you do because you remember the big Republican "Lizard Lie" on the myth of the \$73/hr wage rate. It was all predicated on the supposed superiority of the foreign automakers. The Republicans literally were willing to make the American auto industry grovel and beg, and even talk about killing them outright, based on their claims of the superiority of the foreign automakers.

So how are those vaunted foreign automakers, that are so much more brilliant and perfect than GM and the other American manufacturers, doing these days? Well let's check in on Toyota, which along with Honda is the supposed gold standard to the lizard brained GOP. From the New York Times:

Toyota, the world's largest automaker, said Friday that it expected to suffer a loss this year, thanks to rapidly declining sales around the world, especially in the United States. The company is expecting its first full-year

operating loss since 1937 – 350 billion yen (\$3.9 billion) – more than double its previous forecast.

The company's 2008 fiscal year ends on March 31.

It widened its forecast for an operating loss on its main automotive business to 450 billion yen, or \$5 billion, attributing the larger loss to both steep declines in global auto sales and strong gains by the Japanese currency, the yen, which lowers the yen-denominated value of overseas earnings.

Ouch; not so good.

So, times are bad for even the precious to the GOP Toyota, just like GM. So what kind of implications does this news portend for Toyota's short and long term future? Ah, glad you asked:

"Toyota is going to get worse before it gets better," said Tairiku Sakaguchi, an auto analyst at Shinko Securities in Tokyo. "The question is how quickly they can move to deal with inventory, excess production capacity and other problems."

On Friday, Toyota said it was pressing forward with an overhaul guided by a special Emergency Profit Improvement Committee, which the company established in November.

Besides cutting costs by 10 percent, the company said it was canceling or postponing the construction of plants worldwide. It has already put off opening its plant in Blue Springs, Miss., that had been scheduled to begin production in 2010. Toyota executives said the factory would not be scrapped.

Well, well, well; basically the same issues that GM and, to a lesser extent, Ford are facing domestically. Go figure. Despite all the

subsidies that states like those of Shelby (Alabama) and Corker (Tennessee) have spoon fed to foreign makers, despite all the effective subsidies in Toyota's home market from protectionist Japanese policies, and despite all their supposed superior brilliance and efficiency, it turns out they are ... in the same damn boat. Again, go figure.

I know they are busy trying to destroy the American economy like they have tried to do to American auto manufacturing, but if they could take a few moments out for comment, I wonder what real men of genius like Bob Corker and Richard Shelby have to say now about their opinions on the relative worth of the American auto industry?