

BILL FORD V. LARRY KING: VILLAGE IDIOCY ABOUT THE AUTO INDUSTRY

John Cole is right, this Larry King interview of Bill Ford deserves more attention.

Here's what Cole pointed to: Ford insisting that (contrary to what the plantation caucus believes) the UAW is not the problem.

KING: What about the UAW in all of this?

FORD: Well, the UAW obviously has been our partner through all of this. Have they made mistakes and have we made mistakes? Of course. The UAW has come a long way. I think their leader, **Ron Gettelfinger, is an excellent leader and he really understands our business.** In this last contract, he gave up a lot. He's also indicated they're willing to come to the table to do more. **And so for anybody to blame the UAW as the sole reason for this is frankly wrong.**

Hey, David Sanger? Your assertion that the problem is distrust between the UAW and the manufacturers? You think maybe Mr. Ford knows something you don't?

Just as interesting to me are the number of times that Ford had to instruct Larry King on things that—had he been paying attention at all—he would have known.

There are the 3 times that King suggested Ford was in the same boat as GM and Chrysler.

KING: How much danger, frankly, are you in? Can you give us the picture without being too technical?

FORD: Actually, Ford, we were profitable

in the first quarter. Our plan is working. Our market share is picking up. I believe we're headed exactly where the country wants us to go.

[snip]

KING: What was the key turning point for you that sent this downward?

FORD: As I said, we made money in the first quarter, and we were well on our way.

[snip]

KING: Is that a good point, Bill, that your products were behind the times and now you want a bailout through your fault?

FORD: Actually, Larry, we're not asking for a bailout. Our competitors are.

Here's Larry King completely missing the fact that most developed nations are backing their auto industries—and so it's no big surprise that **any** American car companies might need credit.

KING: Why do you need the line of credit?

FORD: We're saying we don't need it now, but we're saying, if the global economy does not pick up, you know, it would be, basically, a line of credit that we could draw upon. Larry, it's interesting because this slowdown now is happening in Europe, Asia and South America. And governments around the world are lining up to support their auto industries.

Here's Larry King repeating the ignorant assumption that Ford ought to be rooting for GM's downfall.

KING: Would it frankly benefit you if GM and Chrysler went under?

FORD: No, because the dislocation to the supply base that we all rely upon would be massive. Our suppliers are not in terrific shape. By the way, those same suppliers also supply the Japanese and European transplants as well. It wouldn't just be us affected.

Here's Larry King getting reminded that Ford cars in other markets—because they respond to sound policy like gas taxes—are very efficient (making the argument I've made—that we need a gas tax).

FORD: Because it's interesting, as gasoline was low here, it was taxed and much higher in other parts of the world, particularly Europe, but also in Asia. And as a result, we made small cars in Asia and in Europe and in South America and we made money doing so. Now we're bringing those vehicles here to the U.S.

So what's interesting is, while we stuck with that business model here, because of the price of gasoline, we were pursuing a very different strategy in Europe and South America and Asia, and we were growing and profitable. We're bringing those vehicles here now.

KING: I keep forgetting how global you are.

And here's Larry King missing well-known details about the Chrysler loan in 1979.

KING: All right. Explain how the line in credit — line of credit would work.

Like a bank?

FORD: Well, basically, yes. I mean it's — we would only draw on it if needed, but we hope we never need it.

KING: Didn't Chrysler do that some years ago.?

FORD: Well, Chrysler actually got – you know, you’ll remember, during the Iacocca days, they actually did go through...

KING: Right.

FORD: They actually did take federal money.

KING: Oh, they did?

Now, Mr. Emptywheel pointed out that this is not all bad—by explaining things slowly to Larry King all simple like, Ford may well reach others who haven’t been paying attention (and, unlike King, who aren’t paid to). And, frankly, King looked a little, um, tired. So really, I’m not complaining about King, per se.

Though it is a pretty good read of the state of the understanding, among villagers, of the auto industry.

No wonder the auto relief is fighting an uphill battle.