

BYE BYE AMERICAN PIE

✖ As most of you know by now, automobiles are personal to me. I grew up around cars, car people and car racing. And I grew up in America of the 60s and 70s. Whence I came from Baseball, Hot Dogs, Apple Pie & Chevrolet wasn't just a slogan, it was a root truth and way of life.

My parents moved west for a good climate for my father's asthma and so that he could open up a new car dealership. Years before I was born, that's what he did. The gleaming edifice at right is it after being constructed but before the stock arrived for the grand opening. The photo on the left is at the ribbon cutting. The man on the left is my father; the man on the right his partner and the little girl in the middle his partner's daughter. I was still a few years from being born, ergo I am not pictured. It started out as a Studebaker/Chrysler/Imperial dealership, but was converted somehow (not quite sure on this) to a Chevrolet dealership after my father died when I was age two. So I have roots in both of the big news items of today in autoland, the bankruptcy of General Motors and the emergence of Chrysler. The third leg, Studebaker, died long ago and was the catalyst for our move to Chevrolet. As went the sturdy Studebaker, so almost went the mighty GM.

All of the foregoing has made this a very bittersweet day for me. There is something at once both greasy and wonderful about the greater automotive business. But ask Rayne or Marcy or anyone from Michigan or anywhere teh biz iz, anyone around it for any substantive amount of time; it gets under your skin and in your blood. In a profound way. It was Americana; it was us. General Motors was bigger than The Phone Company and it was bigger than Big Brother.

✖ Today, the General, at least as we knew it, is gone. It has been bankrupted, placed into Chapter 11 and replaced by talk of "The New GM" which will emerge. Don't be distracted by the

shouting points of the minute; this is an important and transcendent day. I have had so many thoughts, on so many tangents and planes; but I cannot relate all of them in coherent and linear thought. So, I want to adopt and incorporate some thoughts by Dan Neil of the Los Angeles Times. Please, when you are done reading this post, go read Dan's full article, it deserves it.

For those that think GM has lost its importance, think it is dissociated from the status of being equated with baseball, hot dogs and apple pie, chew on this:

Surely a company, a country, that could produce such an object [the American car business and General Motors] would last forever.

...

In the midst of the deepest recession since the 1930s, it's hard not to see GM's bankruptcy as a signal moment in a larger history. If mighty GM can fail, cannot also the United States? And the answer is, absolutely.

This is the lesson of GM's bankruptcy, and it has little to do with market share and miles per gallon. It's a rebuff of the notion of exceptionalism. Any organization that fails to sufficiently safeguard its means of self-correction and reform, that forsakes long-term investment for short-term gain, that piles up debt year after year, will eventually fail, no matter how grand its history or noble its purpose. If you don't feel the tingle of national mortality in all this, you're not paying attention.

Man, I wish I had written the previous words. Prophetic and true, in every regard.

In his book "The Fifties," David Halberstam described what many regard as

the moment of GM's original sin: In 1958, after a long-standing prohibition, it became permissible to discuss the company's stock price in management meetings.

From there, it was only a matter of time before the company twisted in Wall Street's wind and strategic decisions were calibrated according to dividend pennies.

I have my own theory. In 1999-2000, GM had a golden opportunity to right its ship by backing Democratic presidential candidate Al Gore. This might seem counter-intuitive, at least, since the auto industry has long postured against Democratic candidates as being pro-regulation and anti-business. Gore himself is an avowed enemy of the internal-combustion engine.

And yet, by backing Gore, who had the support of organized labor, GM would have gained enormous goodwill with the United Auto Workers, goodwill it desperately needed as it attempted to downsize in the new century.

Gore also argued for universal healthcare, a program that, had it become reality, might have relieved GM and the other domestic carmakers of that burden.

Dan Neil has always been not only a good auto beat writer, but a cogent observer of Americana. This is the type of writing talent that is being sapped from the LA Times, Otis Chandler's LA Times, at lightning pace.

From a certain historical altitude, GM's problem is fairly simple to appreciate: Call it a prosperity hangover. The company acquired enormous momentum in the postwar boom when the United States

was the world's only functioning economy. With no domestic peers and no overseas rivals, in a society frantic for mobility and flush with cash, GM became the colossal incumbent it was.

In the decades since 1962 – the peak of its market dominance – GM's singular dilemma has been servicing its own over-scaled nature as it competed against a succession of younger, smaller and more agile companies, primarily from Japan

What is Neil's conclusion? The same I have; and, again, I could rephrase it and whatnot, but he said it better first:

It will be painful, it will be ugly and there will be many losers, but GM will emerge out of bankruptcy, in all likelihood before the end of 2009. When it does, it will have shed many of its historical burdens and will still possess a talented workforce, significant physical assets and some of the best minds in the car business. A restructured GM will be a force to reckon with. If I worked for Ford or Toyota, I might be getting a little insomnia by now.

Yeah, exactly. Take a stroll back and remember what was said about Lee Iococca and Chrysler a scant couple of decades ago when they took a crash bailout. Paid back with interest. And that was Chrysler; *this* is General Motors. Is their return assured; heck no. Is the potential still there for a market killer? You bet. The only question is whether it will be realized. Let's hope that it has the vitality left to grow as big as it once was and takes the American economy with it. Or even just a solid part of such a movement. We still need GM either way.