

Green Gravy



Step right up! Get your U.S. government gravy here! We're the U.S. Treasury Department's Troubled Asset Relief Program, and we're printing money like we're—well—the U.S. Treasury. If you've got trouble, then get your assets in line!

What's that you say? You're from the U.S. automobile industry? Ahem. Well. Hmm. I mean, manufacturing is nice and all, but without all these bankers, insurers and Wall Street wizards, who's going to sell all those credit default swaps, collateralized mortgage obligations and other fancy-sounding financial instruments? Those guys really keep the economy going, don't they?

What do you mean, you're important too? You actually make things and provide jobs? Oh, all right. Here's a few billion to tide you over. But you better spend it wisely, and don't come crawling back here until you've shown that you can be responsible.

Does all of this seem out of whack to anyone besides me?

There seems to be a double-standard (or maybe a lack of standards) when it comes to our government bailing out industries. When Wall Street crashed, the government reacted out of fear, quickly pouring money into financial companies like AIG, whose products and services scarcely anybody understands. AIG has so far received \$150 billion in bailout money.

When the Big Three first went to Washington with hats in hand, they were sent home with their tails between their legs, albeit on their private jets. Although they were asking for a much smaller amount, it seemed lawmakers were more intent on examining their operations.

It's hard to deny that automotive management and labor have collectively displayed a lack of leadership, vision and cooperation, resulting in a bloated structure that's only profitable at the highest volumes. Increasingly, the Big Three don't seem to design or build what the buyers want, except for America's on-again, off-again love affair with pickups and SUVs.

So part of me understands why Congress has criticized the auto industry so heavily, and why, as of this writing, they've only came up with a package of about \$20 billion.

But whether it's \$150 billion or \$20 billion, what we're doing now is a short-term, emergency solution that amounts to little more than a Band-Aid. What is all that money being spent on? Maybe the taxpayers get a few more months of relative normalcy, but what then?

Rather than just give the money to Detroit, I would like to invest our nation's money to help the Big Three reinvent themselves. I think we can do it in a way that simultaneously helps decrease our dependence on foreign oil, helps the environment and keeps manufacturing jobs in America. These are all ideas that our incoming president has made a cornerstone of his agenda, and

which most of us would enthusiastically support.

I propose that the federal government should immediately begin the replacement of its entire fleet of gasoline-powered vehicles with alternative energy vehicles—hybrid, electric or natural gas. I don't mean just the small-scale programs already in place. I mean everything—from the post office to the White House and every government agency in between. Our government uses a lot of vehicles to move people and freight around. For the most part, those vehicles are still powered by gasoline. Instead of just asking our citizens to support these technologies and telling our manufacturers to produce them, our government should take a leadership role to make this change happen.

By placing orders for these vehicles for delivery over a short time period, the government would provide the Big Three with the volumes they need to achieve the economies of scale required for profitability. Having the government own and operate an increasing number of alternative vehicles would also provide the incentive needed to build the infrastructure necessary to support and service these new vehicles. So, the Big Three and their supplier base and infrastructure would be reinvented.

At the same time, the government would reduce its own dependence on foreign oil by reducing its consumption of gasoline-based products.

But it doesn't stop there. Once the Big Three achieve the right economies of scale, prices would come down. Then, many consumers would be interested in these highly efficient, environmentally friendly cars, especially if the government provides additional incentive by increasing taxes on gasoline.

The program should be extended to provide money to state and municipal governments so they can upgrade their fleets in the same way. Then, the process should be repeated in 3–4 years, so the government would have the latest, evolving technologies, and their used vehicles would then be put on the market to replace other gasoline-powered vehicles.

This is a win-win strategy for all concerned. The Big Three get the volumes they need, their employees get to keep their jobs, the government reduces its consumption of oil-based energy, consumers get better choices, and together we help the environment. Instead of propping up a dilapidated industry, America can rebuild it and give it a viable future. Don't just give the Big Three money. Change the game by giving them customers and putting them on a new path to competitiveness and prosperity.

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