

U ken? Ziofaus, ui ken as well... Mors Detroitensis - vita Taurinensis Avanti Savoia!

lo scoop del Millennio di de(e)pre(ce)ssion: il blog privato della segretaria di Marchionne

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**Motto del Capo per il morale delle nostre truppe
d'assalto nel 4° trimestre 2008. FORZA TORO!**

Mors Detroitensis, vita Taurinensis.¹

Adesso, con Chicago-Detroit al posto di comando sarà DURA.

U CAN? UI CAN AS WELL !!!

IN ITALIA CI SONO 2 OUTSTANDING
MARA, 1 bella ed 1 intelligente:

1. io, la segretaria di Marchionne
2. la Ministra delle quote rosa

tutto un mondo che brulica e brucia,² visto dalla pista del Lingotto

17 novembre

A Washington il Senato ... (ho acceso una candela a Padre Pio, ci sono tanti pugliesi che lavorano da noi).

16 novembre

La politica-spettacolo ha le sue leggi: purché parliate di noi ... Stasera da Crozza ho sentito lui e Morgan (che figo) cantare una bellissima canzone di Tenco che non conoscevo, “sull'artista situazionista” (i situazionisti sono l'unica cosa sana del '68, quando – mi raccontano gli anziani – c'erano Negri e Sofri a sobillare i giovani operai pugliesi e meridionali di Mirafiori, fino alla marcia dei 20.000, quanti erano?). Poi c'era il mio sindaco, Chiamparino, e Crozza gli fa:

¹ Darwinensis aut aut ratio del LINGOTTO MOTTO: nei Great Old Car Districts (GOCD) ai tempi di Obama e Tata, non c'è più posto per 2: o i Laghi, o le Alpi; o Detroit - Great Lakes, o Stuttgart – Torino. Resa dei conti

² foto dei dollari che bruciano: dal wsj del fine settimana 15-16 nov., LOGO dell'articolo di [Yermach](#)

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- Sindaco quando dice che da 2 anni la Fiat tira, non si riferisce a Lapo vero?
- No, al mercato.

Lo so che Crozza scherzava sulla coca per quella volta là, ma io subito ho capito tutta un'altra cosa ... Lunedì lo devo chiamare, [Lapo](#). Certo, un lavoro duro ma ci sono delle SODDISFAZIONI.

I also have a dream, si parva licet - Tutta Torino Operaia ed alto-borghese, anche qualche sangue blu in piazza coi Reaganiani de fero: NO BAIL DETROIT, NO concorrenza sleale. - Tremonti 6 tutti noi: fatti valere. - 3montino, fai qualcosa per Torino! - [Ferrara](#), tu vò fà l'amerikkano? E occupati del pane sul desco italiano!

LE BUGIE HANNO LE GAMBE CORTE: "There is no Plan B being discussed beyond a government bailout," one top GM adviser said. Mentite sapendo di mentine. Comunque, se fosse vero cavoli vostri, noi il Piano B ce l'abbiamo eccome, sempre rimesso a punto ogni trimestre, e pure il C (Catastrofe).

LA SINISTRA CHE CI PIACE A NOI DEL LINGOTTO? Quella Cavouriana, keynesiana Q.B. e liberal/ liberale (mai capita davvero la differenza) tutta d'un tocco: non paga pegno a CGIL-CISL e lobby varie (beh, la nostra ... non e' proprio una lobby; Bboss e' per la meritocrazia).

*OGGI IL SUO CAMPIONE (tutto merito mio: il Capo non lo conosceva) E' ROBERT REICH, ex-segretario del lavoro sbattuto fuori dai Chicago boyz Clintoniani, ora rientrato dalla finestra: dicessero tutti cose di sinistra come lui! Se Brunetta e' un nano, lui e' un gigante. Il suo ultimo blogpost e' di giovedì scorso, e cade a fagiolo con la **guerra triangolare Detroit - Washington - Torino in corso**. <http://robertreich.blogspot.com/>*

The Real Difference Between Bankruptcy and Bailout

When a big company that gets into trouble is more valuable living than dead, there used to be a well-established legal process for reorganizing it - called chapter 11 of the bankruptcy code.

[more](#)

Ai margini del decadente teatrino G20 dell'anatra zoppa George W. Bush, Giorgetto Boschetto, trapelano verità poco confessabili:

1. Il Boss dice che il *beggar thy neighbour* e' già in atto: guarda Sarkò che salva le banche sane!
2. **Gordon Brown s'oppona al Detroit bailout, sennò saremmo tutti alla merce' di richieste simili**
3. I veterani mi raccontano di quando Torino era la Capitale morale d'Italia: adesso se partisse l'onda bail temuta dal Premier socialista britannico, l'Italia sarebbe ancora il fanalino di coda.
4. Noi, che siamo tra i pochi *Western players* in aumento quote di mercato, avremmo tutto da perderci.

Chi mangia il panettone?

Specchio delle mie brame, sono o no la segretaria del più tosto AD del reame?

E pensare che il Capo, ze Bboss era Obamiano ante-litteram, stile di management diretto e face 2 face con tutti i managers, saltate tutte le gerarchie e le routines post-Vallettiane e Romitiche ... !!!

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Non sarà che quel diavoletto di giudizio di Axelrod (no: ho già visto su wiki - non e' quello della games theory, questo e' ancora più satanico – e' un pubblicitario, un kingmaker sinora solo a Chicago) avrà copiato dal, spiato il mio Boss? Ci son pochi come il Marchionne in giro, e' un fatto. E così, se c'ha copiatu adesso ci arriva il boomerang tra cap'e collo.

B.Ob. (non l'ha ancora detto “bail”, però alla prima video-conferenza di ieri: “o aiutate voi Detroit, o lo faccio io il 21 gennaio p.v.”) farà arrivare GM al panettone prima ancora di insediarsi, mentre Tremonti *fully in power* ci dà solo briciole di panettone, quelle avanzate da banche, fondi europei ed infrastrutture. 3montino, te la scordi la manifestazione se non fai nulla per Torino.

E l'Europa e' sempre inesistente come governo, complemento fiscale al monetarismo cruccio di Frankfurt; spaccata com'e' tra Sarkò e la Merkel, non ci si può aspettare nulla di sostanzioso, €. Sti liberisti da strapazzo (del c... - occhio che la mamma non mi legga il blog!), **imitatori di Reagan nel millennio sbagliato, hanno voluto fare la globalizzazione con le istituzioni sabaude (anzi, ze Bboss dice che quelle erano migliori)** a governarla. Adesso paghiamo il conto finale proprio noi sabaudi doc e tutto il nostro sistema industriale, che stavamo andando a tutta birra e fabbricando valori, non titoli tossici.

Il problema e' che hanno ragione i realisti, siano essi neri, o rossi: la globalizzazione pare finita; per ora, il beggar thy neighbour si fa a mazzate di bailout competitivi (*forget anti-trust! too big 2 fail, let's bail*), ma presto sarà musica di kalaznikov: trade barriers, K ctrls. Voglio vedere se il G20 rimette in pista il Doha Round ... il trade overseas collassa comunque, co' sti chiari de luna.

Mammamamia! Sarà un'altra settimana di fuoco col Capo Toro Scatenato. Dal deal jo. almeno, buone notizie di arresto della concorrenza (*Mors Detroitensis...*), se c'azzeccano (non sempre)

Winners & Losers From the Week That Was

☞ (*pollice verso*) **General Motors:** The future of Detroit hangs in the balance and all eyes are on the GM. The giant auto maker's [stock fell](#) to its lowest level since 1946 as concern intensified that the auto maker could run out of cash and be forced to file for bankruptcy protection. Meanwhile, the bailout [it has lobbied](#) Washington for [has stalled](#).

Ma le brutte notizie vegono pure di domenica: i sindacati ricattano di brutto il Senato USA. Solo che e' un Senato a metà *lame-duck*, bisogna vedere se si fa un baffo del ricatto, o il contrario

Union: Bankruptcy if No Bailout

The president of the United Auto Workers union said the dire financial troubles of the three U.S. auto makers is **not caused by management missteps or high labor costs.**

MA che simpatici sindacati venduti?!? Dei tesorucci ... Noi non li abbiamo mai avuti così carini, da quando sono qui: facciamo cambio? Leccaculi dei managers, please come to Mirafiori! Vi regaliamo FIM e FIOM. Avete già Fannie & Freddie, potete far collezione di bamboline voodoo a coppie, F&F.

[Top Republican Lawmakers Oppose Bailout](#)

[GM Seeks to Set Terms On Auto Bailout](#)

[Showdown Looms Over Auto Bailout](#)

[Video: Possible Impact of a GM Bankruptcy](#)

[Timeline: Skidding Auto Makers](#)

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Il giornale di Murdoch (wsj) non può più far testo: almeno non nelle sue opinioni, nell'Obamology Era. Però questo è blues urbano alle mie orecchie, anche se contiene qualche piccolo errore:

Just Say No To Detroit

Why David Yermack thinks given the abysmal performance by Detroit's Big Three, it would be better to send each employee a check than to waste it on a bailout.

vedi sotto [alcuni brani di quest'articolo FONDAMENTALE](#) (lo porto domani al Capo se se l'è perso) e parecchi commenti, qui in Appendice. [Discuss: What's ahead for the Big Three?](#)

“Lui” è DAVVERO machiavellico: dice da tempo che la nostra speranza, i nostri NUOVI alleati oltre Oceano sono i liberal-keynesiani duri e puri come Robert Reich, che oggi contano più dei free marketers alla Yermack in ritirata strategica (come ho detto prima, Reich fa l'apologia della bancarotta – sinora è l'unico di sinistra); ma ci sono le TU (Reich, l'ho letto oggi all'ora del tè, dice che dovrebbero accettare meno salari e benefits – a me paiono belle fantasie), le constituency e lui è solo 1/17 dei consiglieri economici informali di B.Ob., ci sono anche i governatori degli Stati Great Lakes che premono pro-GM. Il bailout di Chrysler, ricorda Reich, era costato 1/3 dell'occupazione, ma adesso sarà tutto più smooth: metteranno le mani sui \$ 0,7tr di Wall Street (Bush s'oppone ma poi se ne va); scambieranno con garanzie ambientali già previste - non costa nulla di extra (qui Reich è debole, bisogna parlargli). A noi, l'Europa non ci ha ancora accordato i fondi per l'ambiente. Nel week end non c'è stato solo il pacioso e verboso G20: un blitz di GM a Lobby St., Wash. DC; vedi in allegato: [GM Blitzes Washington in Attempt to W...](#) Ma non hanno ancora vinto: potrebbero non avere il panettone, ed **all'uovo di Pasqua allora arriverebbe solo Ford.**

sabato 15 novembre

Per l'uovo di Pasqua, ripassare un'altra volta

Appunto per quando si potrà pensare di nuovo alle prospettive a medio (manca il tempo), dopodomani selezionare e filtrare nel DBstrategy 'sti appunti venuti in mente al Capo stanotte, copio-imcollo dalla mail:

*Ho letto la settimana scorsa il bravo gondoliere Bepi il Volpato che le auto le vede (poche, più barche) dal ponte di Cà Bembo (già l'Enrietti ne vede di più a Torino, neh!), sul supplemento auto de il Sole - lui dice che la crisi non innova (ancora), ma **accelera le principali tendenze già in atto;** l'auto oggi cambia alla velocità del suono, noi lo sappiamo già da tempo. Per esempio Bepi cita: sorpasso - prima previsto solo tra qualche anno-, il mercato russo potrebbe già superare quello tedesco a consuntivo 2008, poi le elettriche e le ibride.*

Cambiando discorso, altro e decisivo fronte concorrenziale e di alleanze - si sa che il Giappone comincia a sentire il fiato sul collo di Chindia: anche l'auto non può fare decoupling

a) ne' dalla crisi (adesso che sono i consumi a fermarsi dopo che hanno tenuto botta per 1 anno, negli US a ottobre: -2,8% vendite al dettaglio e quell'uccellaccio di malaugurio del Roubini ci si è subito ficcato a profetizzar sventure – non bastano già queste? io non dormo più ...),

b) ne' dalla ri-gerchizzazione e re-filtering down del sistema delle filiere asiatiche di S \ SE.

Stuttgart-Torino può tenere sul medio-alto, ma questo possono farlo i crucchi o i nostri di Maranello; noi dobbiamo ampliare la gamma degli accordi tattici con Chindia, e puntare strategicamente tutto sul ricapitalizzare il brand equity: **(not all made but) ALL designed in Italy.** Fiat = green iPod-like cars. Target Obamiani di R&D, design&marketing: i Baby Boomers post-68ini pentiti e la Millennial Generation - man mano che entra nel lavoro non precario, tra un paio d'anni.

Nel lungo si va oltre il petrolio, e B.Ob. darà una sterzata firmando Kyoto 2. Ma la credibilità oltre il picco di Humboldt la si conquista ADESSO con la fidelizzazione, continuando a rimontare la china - vedi quei frociuzzi sadomaso di Toyota. **Parlarne con Scaroni – Mara mi fissi un appuntamento con lui?** Ricordati di Bobby REICH, visto che me l'avevi segnalato tu (MEMO: shakeout all'ufficio stampa, metterci un giornalista vero, non un velinaro, e qualche neo-laureato che

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capisca i *contents*). Brunetta sta minchia: non servono tornelli ma Talenti, Tecnologia, Tolleranza – ha sbagliato T. Le PA dell'OECD hanno fatto balzi in avanti di produttività con le ICT e l'orientamento alla domanda.

A dopomani, ciao Mara e buon fine settimana. Rilassati! Salutami la mamma SM, il CEO non SM

Beh, se lo legge la mamma le parolacce le ha dette Lui ... e io che c'entro? mica sono la Sua balia. E poi la mamma mica capirebbe lo scherzo: che il primo SM son le sue iniziali, il secondo sta per SadoMaso (come sono i CEO della concorrenza, dice lui; a me son sembrati gentili).

stickies x lunedì 17 in ufficio

17: solito cornetto porta-fortuna al Bboss mettere in forma i flussi informativi critici:

- apertura tokyo dopo il G20: aggiornare Bboss ogni ora da Bloomberg
- breaking news da washington – **linea rossa** con l'ufficio stampa, anche se hanno i giorni contati, sti fancazzisti fannulloni senza tornelli: [Senate Plans Monday Vote on Auto-Industry Bailout](#)
- Al capo l'articolo di [Yermach](#) alle 7.15, prima della rassegna stampa delle 8: ci fai la solita figura da zelante intellettuale, eviti di apparire scherzato a sinistra (non si sa mai, qui al Lingotto le voci corrono), ed acceleri lo shakeout dei fannulloni: il Capo parla parla ma poi..

1. **CONGRATULARSI con Gordon Brown ! No Detroit bail – oh yeah! Per il wsj, ha vinto lui il G20: stuzzicarlo e farglielo dire, ci tiene – dopo tante amarezze, oh dear!**

2. **CTRL & compare agende ze bboss e [super-paolo scaroni](#)**

3. mail 2 bob reich, la nostra possibile V colonna nell' Obama Transition Team; quando risponde, farlo contattare da dip. economia e fondazione - via Relazioni Esterne
4. chiamare Gulianone Ferrara per consulto su Detroit al Senato US
5. solito giro d'orizzonte europeo del lunedì
6. varie ed eventuali: Bersani, Lapo, Letta, Profumo, Tata; controllare calendario x anniversari
7. cercare info e gossip su Reich: sposato? parente dell'altro Reich? maniaco sessuale anche lui? se si, passarlo ad Andreina che e' addict, un pò ninfomane, a me non interesserebbe più
8. iscriversi al corso avanzato di Inglese

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13 novembre

Robertino Reich: ze Boss dice che lo farà invitare dall'Università di Torino e la Fondazione, così avrò occasione di conoscerlo, finalmente! Avevo letto i suoi libri, e sono stata io a segnalarlo ...

<http://robertreich.blogspot.com/2008/11/real-difference-between-bankruptcy-and.html>

The Real Difference Between Bankruptcy and Bailout

When a big company that gets into trouble is more valuable living than dead, there used to be a well-established legal process for reorganizing it - called chapter 11 of the bankruptcy code. Under it, creditors took some losses, shareholders even bigger ones, some managers' heads rolled. Companies cleaned up their books and got a fresh start. And taxpayers didn't pay a penny.

So why, exactly, is the Treasury substituting government bailouts for chapter 11? (...)

There's more at stake for Main Street when it comes to General Motors and other automakers now teetering on the edge of bankruptcy, because two and a half million households depend directly or indirectly on them for their paychecks. But the best way to protect all these people is not to pay off the automakers' creditors, shareholders, and executives, with no strings attached. Recall that when the government bailed out Chrysler in the early 1980s, a third of its employees lost their jobs.

In exchange for government aid, the Big Three's creditors, shareholders, and executives should be required to accept losses as large as they'd endure under chapter 11, and the UAW should agree to some across-the-board wage and benefit cuts. The resulting savings, combined with the bailout, should be enough to allow the Big Three to shift production to more fuel efficient cars while keeping almost all its current workforce employed.

PS. DI MARA, aggiunto dopo - Ma sabato sul wall street, [David Yermack](#) contesta queste argomentazioni correnti: occupazione, ecologia. Questi qui li conosciamo, sono stati lobbisti di brutto contro ogni vincolo. Siccome (vedi [appendice](#)) e' GM stessa a proporre lo scambio ambiente-bail, c'e' poco da dubitare:

a) sono investimenti di prodotto e processo che dovrebbero fare comunque;

b) vogliono far concorrenza a noi e Giapponesi coi soldi dell'erario USA - capaci tutti.

Resta il fatto che il **liberal** "radicale" Reich, trombato dai **liberisti** (*forse ora comincio a capire la differenza*) Clintoniani a suo tempo - passò tutto il tempo al Governo a scambiare colpi di bazooka coi colleghi si-global e neoReaganiani - non si lascia condizionare dalla lobby UAW e fissa **un lodo ragionevole**. Se B.Ob. fosse davvero nuovo e bipartisan (MMMHH !), sceglierebbe la sua linea della bancarotta contrattata,

Chapter Eleven per GM e Chrysler.

MA NON AVRA' I GRADI DI LIBERTA', NE' IL DECISIONISMO PER OSARE TANTO.

5 novembre

Nel discorso di investitura al Grant Park di Chicago, B.Ob. ha parlato per metà di quella sigora di 106 anni e l'altra metà di auto, e della sua fliera con tanti posti di lavoro (3,1 milioni). Piaciuto per niente, il 2° argomento. Allora il Boss aveva previsto tutto: per noi carmaker euroasiatici era meglio se passava McCain. Bisogna pensare in grande come Lui (**chi? ma il mio Boss...**): **la politica e' la iper-concorrenza oligopolistica proseguita con altri mezzi** (parafrasando, e rovesciando Schmitt, il teorico nazista che piace a Cacciari e filosofi politici vari). Ora al Lingotto si passerà al piano B delle contro-misure alla concorrenza dei rivali, anche se in Italia non c'e' trippa per gatti. Vedremo che s'inventa il Boss ...

23 ottobre 2008

<http://www.ft.com/cms/s/0/b93178fc-a0f2-11dd-82fd-000077b07658.html>

Si, son notizie bruttine ma io le sapevo già e mi eccito sempre a vedere ze Boss Star sul ft. E' un

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duro, non va mai in panico, o non lo fa vedere. Ciao **Vincent**, alla prossima; quando abbiamo gli scenari nuovi ti faccio avvisare dalle Relazioni Esterne. La prossima volta non occorre che vieni a Torino; c'e' un ristorante a Novara che e' una delizia, ci si trova li. Ti porto il Capo.

Renault, Fiat and Daimler in stark warnings

By **Vincent Boland** in Milan, John Reed in Paris and Daniel Schäferin Frankfurt

Published: October 23 2008 12:23 | Last updated: October 23 2008 23:51

Three of Europe's leading carmakers issued stark warnings about the effects of the global financial crisis on their operations (...). Fiat, the Italian car giant, said that in a "worst case scenario" its profits next year could sink to €400m (\$513m), from an expected €3.4bn in 2008. (...)

Sergio Marchionne, Fiat's chief executive, said: "We are entering what could be potentially a downcycle." Fiat posted a rise of 8 per cent in trading profits for the third quarter of 2008, and said full year profits this year would be "at the low end" of a €3.4bn-€3.6bn range. But its bleak take on the 2009 outlook initially sent shares down more than 7 per cent, though they recovered later.

Under its "worst case scenario", global demand for its products could decline by between 10 and 20 %. That could **push its profits next year to as low as €400m** and raise its net industrial indebtedness level to between €3bn and €4bn.

doc allegati

15 novembre

wsj

Tracking the Bailout

[Chances Are Slim for Stimulus, Auto Aid Till '09](#)

[Bailout Turns on Auto Makers' Viability](#)

[Should an Auto Bailout Boot CEOs?| **Discuss**](#)

[Video: Discussing GM's Future](#)

[Car Cast: Debating the Bailout](#)

[Senate Plans Monday Vote on Auto-Industry Bailout](#)

Showdown Looms Over Auto Bailout

By GREG HITT and JOHN D. MCKINNON

WASHINGTON -- Congress and the Bush White House appear headed for a showdown next week over how best to assist Detroit's troubled auto makers.

Senate Majority Leader Harry Reid plans on Monday to move forward with a bill that would give the auto industry [access to the \\$700 billion](#) Troubled Asset Relief Program (TARP) set up by the government in October to help ailing banks and other financial firms.

The Bush administration and many Senate Republicans disagree with such an approach. Instead,

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President George W. Bush late Friday urged Congress to speed up release of \$25 billion in already approved loans to the auto industry.

<http://online.wsj.com/article/SB122670818143330019.html>

GM Blitzes Washington in Attempt to Win Aid

By [JEFFREY MCCRACKEN](#) and [JOHN D. STOL](#)

[General Motors](#) Corp., hoping to sway the battle in Washington over an auto-industry bailout, has begun telling federal officials that a bankruptcy filing by the car maker would set off a chain reaction hammering hundreds of suppliers and dealers -- and in turn the company's Detroit rivals.

GM is attempting to set the terms for what looks to be a showdown among the lame-duck U.S. Congress, President Bush and the incoming Obama administration. On Friday, Senate Majority Leader Harry Reid signaled he will move forward on Monday with a bill giving the industry access to the \$700 billion Troubled Asset Relief Program. That entity, known as TARP, was set up by the government in October to help ailing banks and other financial firms.

The Bush administration and many Senate Republicans oppose giving auto makers access to TARP. Instead, President Bush on Friday urged Congress to speed up the release of \$25 billion in already-approved loans to the auto industry. He asked Congress to drop requirements that those loans be used to help the industry retool to meet higher fuel-economy standards, a step many Democrats oppose. The Republicans have enough votes to block a deal in the Senate.

Amid the political horse trading, GM is holding meetings this weekend with U.S. Congressional leaders, the Bush White House and members of the Obama transition team, The efforts are an attempt to show policy makers how a GM bankruptcy filing would unleash unintended consequences that could cripple the country's industrial base.

GM's board is composed of several people considered influential in Washington circles, and some of them are pitching in on the lobbying effort, Among these directors are Erskine Bowles, Bill Clinton's former chief of staff; Phil Laskawy, recently named as the non-executive chairman of Fannie May; John Bryant, a key Obama fundraiser; and Armando Codina, who is a close personal friend of President Bush.

NOVEMBER 15, 2008 (w/le wsj edition)

<http://online.wsj.com/article/SB122669746125629365.html>

ESSAY

Just Say No to Detroit

Given the abysmal performance by Detroit's Big Three, it would be better to send each employee a check than to waste it on a bailout, says David Yermack

Before Michael Moore became famous (...), his first big success came in 1989 with "Roger and Me." In that film, Mr. Moore followed General Motors chairman and chief executive Roger Smith with a camera crew

"Roger and Me" was entertaining, but it missed the real story about Roger Smith, who turned out to be a forward-thinking genius. Mr. Smith made big investments in information technology and satellite communications, acquiring Electronic Data Systems in 1984 for \$2.5 billion and Hughes Aircraft in 1985 for \$5.2 billion. Mr. Smith's successors divested those businesses at huge profits -- EDS was taken public in 1996 for more than \$27 billion, and Hughes, renamed DirecTV, went public in 2003 for more than \$23 billion. (The man who sold EDS to Roger Smith at a bargain price was H. Ross Perot, who then convinced many people that the experience qualified him to be president.)

Mr. Smith understood all too well that GM shouldn't continue investing in its failing automobile

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business. That was 25 years ago. Today, our government is being asked to put tens of billions of dollars in GM, Ford and Chrysler, but we would be much better off if Washington allowed these companies to go bankrupt and disappear.

In 1993, the legendary economist Michael Jensen gave his presidential address to the American Finance Association. Mr. Jensen's presentation included a ranking of which U.S. companies had made the most money-losing investments during the decade of the 1980s. The top two companies on his list were General Motors and Ford, which between them had destroyed \$110 billion in capital between 1980 and 1990, according to Mr. Jensen's calculations.

I was a student in Mr. Jensen's business-school class around that time, and one day he put those rankings on the board and shouted "J'accuse!" He wanted his students to understand that when a company makes money-losing investments, the cost falls upon all of society. Investment capital represents our limited stock of national savings, and when companies spend it badly, our future well-being is compromised.

[More ...](#)

It's time to cut our losses and let society's scarce investment capital flow to an industry with more long-term potential to create jobs and economic value.

David Yermack is a professor of finance at New York University's Stern School of Business.

SOME COMMENTS at 6.17 pm GMT, Sunday the 16th.

Peccato che verità e nostri interessi non collimino, a me piacerebbero le cose lineari. Yermack ci fa comodo, ma non c'azzecca: GM negli '80s, spiega il capo, con EDS si diversificava nell'Industrial Automation come noi coi robots Comau, mica usciva dall'auto! Al contrario. E che abbiamo ceduto EDS e' un segno che sono alla frutta. Passerà la crisi, e ci sarà una nuova onda eco-digitale, più centrata sull'innovazione di prodotto che di processo. Vincenzo Scarafino e Sullivan hanno ragione, ma loro hanno Obama, E NOI TREMONTINO. La differance.

MY BEST FAVOURITE (and bipartisan, by the way) COMMENT is zis one:

21 hours ago

[Matthew Rowell](#) wrote:

We need creative thinking here. The answer is: full size SUV demolition derbys! Rupert Murdoch can buy up all the unsold SUVs and stage demolition derbys at venues all over the US and broadcast them on his TV channels. Who wouldn't pay to see an H2 get into it with an Expedition? This would clear out the industry's unsold inventory and provide a nice chunk of cash.

NOTA DI MARA: il Lingotto sottoscrive, così non ci sarebbe l'invasione dei LORO SUV in Europa a prezzi cinesi

1 hour ago

[Mark Burgess](#) wrote:

Bankruptcy is the logical option and perhaps chapter 7 for some. (...) Like most readers commenting on this article we all know the auto industry will survive but the model must change to operate at a higher quality and profitable level. The 100-year old model is no longer competitive as there are not enough American consumers to buy American because it is made in the USA. The world economy has driven this industry into failure because the industry refused to adapt and this stubborn behavior is the culprit not our government's unwillingness to inject more billions of taxpayer income. Lastly this is the opportunity for this wondering industry to rebuild itself into a workable and independent business model. This industry is too mature for there not to be talented managers willing to bet their own money on making this business model successful which is the only strategy for creating profitable enterprises.

15 hours ago

[Vincent Scarafino](#) replied:

I have been extremely distressed by the lack of understanding that our prestigious Universities continue to exhibit. If they continue to teach such simplistic models to our students, we will have even greater difficulty competing worldwide.

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U ken? Ziofaus, ui ken as well... Mors Detroitensis - vita Taurinensis Avanti Savoia!

GM's current business model would be viable in normal times. The 45% drop in October sales represents a reduced cash inflow of over \$3 billion for that month alone. Detroit is asking for bridge loans to get it through this extraordinary time, not a handout.

I am also amazed at the general bias against U.S. manufacturing. It plays an important part in keeping our balance of payments from getting even worse. If GM is left to go under, this recession will surely turn into something very similar to our last depression.

19 hours ago

David Haarmeyer wrote:

... the paper Michael Jensen gave at his 1993 presidential address is titled, "[The Modern Industrial Revolution, Exit and the Failure of Internal Control Systems](#)." Jensen's analysis and insights maybe more valuable today than when he made them 15 years ago. Globalization and technology change, Jensen pointed out, would lead to excess capacity across many industries. The challenge is to ensure that the natural "creative destruction" process of the market system continues to function--that firms face incentives to downsize and when necessary, exit industries.

Long in advance of the corporate governance "revolution" Jensen declared that the board of directors could not be depended upon to exercise discipline (internal control) over management to return excess cash to shareholders instead of sinking it into money losing capacity.

The other key discipline Jensen cited, capital markets or market for corporate control, had by 1993 been weakened by regulation. One bright spot Jensen pointed to was the role of active investors who take large equity or debt positions in firms and hence have powerful incentives to monitor management and influence the strategic direction of the firm.

20 hours ago

[Mark Sullivan](#) wrote:

Dr. Yermack's shrilled assessment of the domestic automotive industry in this week's Weekend Journal says more about his politics and economic bent than it provides any useful information. Like most of the emotion-laden arguments of Detroit's critics, Dr. Yermack is fixated on the 1980s and '90s while ignoring both the significant progress that has been made in recent years, and the incredibly complex nature of the global automotive industry.

Not mentioned in Dr. Yermack's analysis are the facts that the domestic industry now has comparable quality to the Japanese, and that by 2010 the domestic industry will have a cost structure that is lower than that of its Japanese competitors - if the industry is allowed to survive the disaster inflicted upon it by the misdeeds of the Wall Street financial cowboys. Nor does Dr. Yermack discuss the fact that the domestic industry has been engaged in a global transformation of the automotive industry in which its foreign competitors benefited from both home market government protection and support, and the advantage of not having the external institutional burdens that the domestics have had to deal with. In fact, Dr. Yermack displays a complete lack of understanding of how complex the automotive industry is. I am sure Dr. Yermack would be totally surprised to find out that GM is very competitive outside of North America, especially in Asia where it benefits from an even playing field.

If Dr. Yermack wants to vent about the wanton destruction of capital, maybe he should stay closer to home and talk about the way the financial services sector has trashed both the US and global economies. Cavalier calls for abandoning the domestic automotive industry reflects both a lack of understanding of the facts, and a lack of candor with respect to the devastating impact such reckless behavior would have on the US economy. In academia Dr. Yermack can hold on to philosophical maxims, in the real world we need to do what is pragmatic. A small investment in our domestic automotive industry is pragmatic, especially given the huge costs of letting it fall victim to the credit crunch.

21 hours ago

Doug Wanty wrote:

As a Michigander, I agree that the only chance the State's economy ever had was under our prior Governor's term. Had *Right to Work* laws been passed, there would have been a slight chance for some recovery by at least one auto company. So, if GM or Chrysler file for bankruptcy will this strength Ford's hand sufficiently for Mullahy to save Ford?

1 day ago

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Jon White wrote:

But what about the UAW... Don't they deserve a bailout? They contributed heavily to the Obama victory, and they need a handout (...). The business made poor decisions, but the unions with their attitude of entitlement (...) and not taking the union dues and educating their workforce have caused the greatest disparity between domestic and foreign automakers. Look at Honda, Toyota, BMW who all have plants in the US and have no labor unions, pay less than half (notwithstanding health benefits) ...

The Possible Impact of a GM Bankruptcy

5:02

WSJ's John Stoll sits down with Matt Dolan to talk about the systemic risk posed by a GM bankruptcy, including the impact on suppliers and dealers as well as GM pension and health obligations. (Nov. 14)

Warning of systemic risk may seem like a self-serving step for a company seeking a government bailout. But GM's new lobbying nonetheless raises the political stakes for Congress and president-elect Barack Obama.

A bailout would be a boon both to the companies and, by saving jobs, to organized labor, a major supporter of Mr. Obama in the election. Auto-related industries employ 3.1 million people around the country, encompassing everything from car-seat makers to auto dealers to auto-parts stores. (...)

Part of GM's premise is that a bankruptcy would threaten both jobs and the health of the government's pension-benefit insurance arm, which covers millions of workers not in the auto industry. A GM bankruptcy would swamp the fund, the argument goes, placing another burden on the strained federal budget.

"There is no Plan B being discussed beyond a government bailout," said one top GM adviser said Friday. Another person close to GM said executives recently told GM's board they are "increasingly optimistic" that GM will receive a liquidity injection before the end of the month.

To whip up support for a bailout, GM has been sending letters to tens of thousands of dealers, supplier executives, employees and union members. The letters have encouraged them to call and write Congress, and to contact local media with various "talking points" about the effects of a GM bankruptcy. Detroit's three auto makers -- GM, Chrysler LLC and [Ford Motor Co.](#) -- share many of the same suppliers for such parts as instrument panels, wheels and electronics. A recent analysis by Chrysler LLC found that 96% of its largest suppliers also do business with GM, Ford or both.

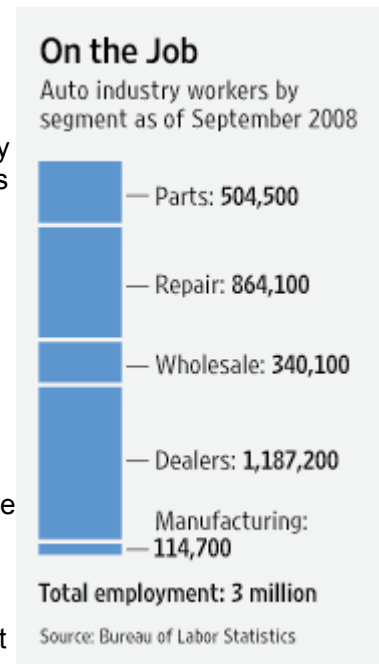
More [What's ahead for the three Detroit auto makers?](#) Can they survive the current slump? Join a discussion in [All Things Autos](#).

Advocates of a bailout point to the complexity and impact of a GM bankruptcy. But New York University business professor Edward Altman, a long-time analyst of corporate bankruptcies, says the federal government should only put money into GM through a pre-planned bankruptcy process that knocks out GM shareholders, rolls bondholders into equity and renegotiates union labor contracts.

Mr. Altman recommends the government provide financing to help GM only after it files for protection from creditors.

"I do not think putting more money into the failed business strategy there makes sense," said Mr. Altman. "The government should help, but it should use bankruptcy as part of the more-efficient process that also limits exposure to taxpayers." Such an approach, says Mr. Altman, would also avoid risk to the broader industry, because GM could use the process to keep paying its most critical vendors.

A GM bankruptcy could create a cascading set of bankruptcies among these part suppliers, other



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U ken? Ziofaus, ui ken as well... Mors Detroitensis - vita Taurinensis Avanti Savoia!

auto makers and suppliers. That's because a bankrupt company could take months, if ever, to pay its pre-bankruptcy bills. Such delays would put stress on suppliers that already run on thin working capital and that feed just a few end auto makers, they argue.

This spillover would most directly hit Chrysler and Ford, who have greater GM overlaps. GM officials are telling lawmakers that the failures at the parts makers would bring them down, too.

The failures could also hit Asian car makers like Toyota and Honda, say automotive experts, who estimate 20% to 25% of suppliers are shared by those two auto makers and Detroit's Big Three.

In all, as many as 5,000 parts suppliers dot North America, with combined annual sales around \$150 billion to \$200 billion, according to Craig Fitzgerald, a partner at accounting firm Plante & Moran, which advises parts makers.

In addition, the parts business has three times as many workers as the auto makers. There were approximately 489,500 auto-parts production workers at the end of last year, a figure which fell to 415,700 at the end of September, according to the Department of Labor. There were approximately 151,000 auto-assembly workers in the U.S. at the start of 2008, a number that slid to 127,300 at the end of September.

Beyond suppliers, a collapse at GM also carries a risk to thousands of auto dealerships and to the government's pension-benefit insurance arm.

On average, auto dealerships employ 7.3% of a typical state's payroll, and 740,000 dealership jobs nationwide come from the Big Three makers. GM's 6,000-plus dealers employ about 325,000 of those people, according to estimates from the National Automotive Dealer Association.

One of the biggest fears in Washington is how a bankruptcy filing by one or all of the auto makers would affect the federal agency that insures the retirement savings of almost 44 million Americans. The Pension Benefit Guaranty Corp. ended 2007 with a \$14 billion deficit, though that shortfall was expected to shrink to about \$11 billion. Were GM to place its pension burden on PBGC, it would more than double the agency's current shortfall.

"GM has not been able to give us a straight answer about the funded status of their pension plan," said PBGC Director Charles Millard. "We can't successfully monitor the situation if they are not responsive."

Detroit's pension funds have also been hit hard as stocks -- in which they are heavily invested -- have declined. GM's own pension fund has enough money to meet obligations now, but a Deutsche Bank report estimates that given the market's recent performance, it could be under-funded by \$18 billion at the end of 2008.

11 novembre

<http://online.wsj.com/article/SB122633261247513857.html?mod=djemWDB>

GM's Shares Tumble on Rising Cash Concerns

By [JOHN D. STOLL](#) and [SHARON TERLEP](#)

[General Motors](#) Corp. stock fell to its **lowest level since 1946** as concern intensified that the auto maker could run out of cash and be forced to file for bankruptcy protection. (*Questi han fatto apposta, si son venduti le azioni x il bail. NdM*)

The stock's decline came as several analysts issued dire reports about GM and the company acknowledged in a government filing it could be at risk of violating the terms of some of its debt if it doesn't steady its deteriorating finances by year's end.

A violation of the debt covenants, GM said in the filing late Friday, would give lenders the right to demand repayment of \$6 billion, a sum that potentially could cripple the car maker's ability to stay in business.

GM and sympathetic lawmakers boosted their calls Monday for the federal government to bail out the company. In return for aid, lawmakers in Congress have suggested the government could seek

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to take a stake in the company, limit executive compensation and require GM to speed the introduction of fuel-efficient vehicles. (...)

GM's chairman and chief executive, Rick Wagoner, told the trade publication Automotive News that GM needs financial help before President-elect Obama takes office Jan. 20. But Mr. Wagoner added in the interview that **he would not be willing to resign in return for aid (furbo lui - nota di Mara)**. "I think our job is to make sure we have the best management team to run GM. It's not clear to me what purpose would be served" by his resignation, Mr. Wagoner said.

Deutsche Bank analyst Rod Lache said in a report that absent government assistance, "we believe that GM's collapse would be inevitable, and that it would precipitate systemic risk that would be difficult to overcome for automakers, suppliers, retailers and sectors of the U.S. economy."

In Washington, Michigan's congressional delegation sent a letter to Treasury Secretary Henry Paulson urging him to offer low-cost loans to the three domestic car makers from the \$700 billion fund set up to help troubled financial institutions.

[More Than Just Auto Jobs in Danger in Detroit](#)

[Auto Makers Force Bailout Issue](#)

[America's Two Auto Industries](#) | [Discuss](#)

[Health: Retirees Face Loss of Coverage](#)

[Opinion: Detroit Needs More Than a Bailout](#)

[Community Discussion: Bailing Out GM](#)

[ROI: What of Widows and Orphans?](#)

So far, the Bush administration has declined, pointing out that \$25 billion in auto-industry loans are being made available through a program in the Energy Department designed to boost production of fuel-efficient vehicles. Mr. Obama has expressed support for helping the auto makers but hasn't disclosed specifics.

On Monday, GM shares lost nearly a quarter of their value, falling \$1 to \$3.36 in 4 p.m. New York Stock Exchange trading. That lowered the company's market value to just \$2.67 billion.

A large industrial credit insurer, Euler Hermes, canceled insurance protection for suppliers of GM and [Ford Motor](#) Co., according to two people familiar with the matter. These people said deliveries from the suppliers weren't covered by insurance in the last two weeks, as the risk increased that the car makers could fail to pay for deliveries.

In its filing late Friday with the Securities and Exchange Commission, GM said if its independent auditors conclude in their year-end review of the company's finances that there is "substantial doubt" about GM's "ability to continue as a going concern" in 2009, the company will be in violation of debt agreements, including a \$4.5 billion secured revolving credit facility and a \$1.5 billion loan.

That would give the lenders the right to call in the debt. (...)

GM on Friday reported a \$2.5 billion loss in the third quarter, and said it had used up \$6.9 billion in cash, bringing its cash reserves down to \$16.2 billion. The company has said it needs at least \$11 billion to \$14 billion to keep its operations going.