

## Big 3 Bail-out: Reader Comments

Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

---

## Big 3 Bail-out: Reader Comments

“Until management, labor, and the entire supply chain agree to take major wage and benefit cuts I can not support a tax payer bail out. I have seen no sign of these groups wanting to work together and save themselves.”

---

“Anna, your article is a reasonable summary. I agree that business failures are painful, especially for huge businesses. There IS a process for correcting the situation...called bankruptcy. Taxpayer bailouts are a mistake.

My teenage son, if continually “bailed out” of various mistakes with cash, legal string pulling, etc, from mom and dad, never experiences the difficult pain of learned lessons. This may seem oversimplified for the gigantic global financial market problems, but the analogy is true.

All a bailout will do is lengthen the situation, and represents the same type of poor cash management that got us into the housing/credit problems in the first place.”

---

“First I would like to say that I agree with your article that we should not let the big three auto companies go under. However, since they got themselves into the mess; they need to be prepared to make some concessions to get themselves out of it. I believe the auto unions have contributed strongly in making the American auto industry non-competitive with foreign auto makers. They have a reputation of poor quality workmanship, and driving up salaries just because of their numbers, not because they deserve it. Example: I have coworkers that own American made automobiles and they spend a lot of their time and frustrations in getting factory workmanship corrected. I have owned two foreign automobiles in a row and have not had any problems what so ever. I will continue to buy foreign regardless of what happens in Detroit.

I believe the bigger overall issue is greed; those of the union workers, chief executives, Wall Street, and our congress. I believe our congress is the most to blame because they are in office to work for the best interest of the American people and they have failed to do that for decades. How many of our elected officials are under indictment right now for abuses in their offices. We as Americans have very little to be proud of these days. If we can take anything good and make it bad; we have done so.

We need a whole new mind set in our nation’s capitol. One of how to make our country great again and I think this last election was a cry for that type of change. Only history will tell us if we get it. The best thing we could do as Americans is not to reelect any incumbent because they have failed us and to send a strong message to the new congress.”

---

“I agree with most of what this article brought to light and even believe that there is hope for the American auto makers. The problem with giving them \$14B would be

---

### Big 3 Bail-out: Reader Comments

Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

---

received with the same attitude as that of AIG. They got the money and it was business "as usual" in the next heartbeat. I'm not opposed to American cars...I have given Ford and GM several opportunities to win me over...but have found that Honda and Toyota are just better made products. Bottom line is, those companies need to be competitive in the global market...and to do this, they MUST lower their labor costs (without compromising the quality of their products). If you want to give them \$14B as a "bandaid", it will only last for a few months...then we will be faced with this again. If you want to pay the employees \$14B for unemployment during the "restructuring" of their companies, that would save the families and the economies of these cities and states...at least.

I believe the labor unions have surpassed their usefulness in the auto industry. With the placement of OSHA and other "watchdog agencies", unions are no longer needed. It is my opinion that if we want to save the American auto industry, we will have to bite the bullet any way we go. NOTHING will be painless...but, we do have EVERYTHING to lose if we don't keep our economy going. We will have everything to gain if it is done in a way that will make them stronger and able to compete.

One more thing: participation of the American consumer will be vital to their success. As long as foreign auto makers are making superior products, we consumers will most likely go "where the best deal is." Not buy something because they need our money. Let them file Chapter 11, restructure and pay unemployment benefits to the workers. It isn't their fault their employers made some bad business decisions. If they can't come back and compete in the same markets as the foreign auto makers, then it is just not meant to be..."

---

"I believe not only the auto industry but most of these companies knew this was coming and failed to react. I am sure that the auto industry has a big staff who's job it is to watch for trends and market changes. Like every other company that screws up everyone ends up paying. I have yet to here about anything that they would do to say thank you for the help if they do get the money. I want to here that upper management takes a big hit and also the union workers giving up something also. THIS HAS TO BE DONE. In my company there have been bad times and once we didn't get a raise for two years. We also lost all of our company's 401K matching stock we had to take. They made up some of the raise when things got better. We where all happy to keep our jobs.

Also I heard that this would be a loan. 14 billion this year and 100 billion next. This may not be exact but how do you pay that back? Then there is the following year. What would be the monthly payment and interest rate? Ha, I am 55 and I don't see this happening in my life time. Where are they going to raise my taxes to do this? My company next year will be in big trouble also and I really don't think that anyone will bail us out.

I am sorry, I just have not been told enough I guess to feel sorry for anyone. I can't believe that all this could happen at once."

---

"I was a Chevy man all my life up until about 20 years ago, when following many attempts, the dealer could not fix my car. After sending their tow truck out to drag

---

### Big 3 Bail-out: Reader Comments

Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

---

it back into the service department far too many times, they decided to start blaming me for the breakdowns. Sorry, I did have to drive it once in awhile. My friend had purchased a couple of Hondas over the years and loved them. So I told my Chevy expert that if he didn't stop blaming me for the car's poor performance, I was going to go down the street and buy a Honda. When he pointed to the Honda dealer, I went and never looked back. Great cars. And made in America.

The American carmakers have talked the talk for the past 20 years and have not gotten the job done. So why the heck should we bail them out? Why doesn't our government just send these three guys down the street to one of the banks who just got their bailout and let them go borrow some money, just as I would have to do if my company gets into trouble?

If we keep rewarding poor performance, that is exactly what we will continue to get. Yes, it will be painful, but time to belly up and let folks fend for themselves. Get rid of the unions and let these auto employees receive the same benefit packages as the rest of America, get rid of the deadbeat employees and things will work out just fine. Yes, it will take some time and some actual effort from these CEOs who are sucking all the money out of the system."

---

"Let the Unions go to work on seeing if their membership is willing to transition to the wage and benefit package that is comparable to the Toyota or Honda factories and bring the Corporate compensation to nothing above \$900,000 for anyone in the industry for the next 5 years while they really focus their efforts on turning these companies around. If the current set of corporate types don't approve .... hire new ones... I'm sure that there would be plenty of takers for jobs that pay six figures and provide a company vehicle to drive.... are still viewed as "very nice".

Specific goals and targets have a wonderful way of focusing the mind and energies of people to achieving great things.

Bankruptcy is a very inefficient... unbalanced ... catastrophic way to solve a series of problems that will impact so many people."

---

"I read both comments in the last IMPO and found your perspectives very interesting. I have been with the same 12 billion dollar manufacturing company for 15 years. I have also worked in the construction industry for many years. I have networked with many peers in the maintenance/operations area from companies that have just a few employees to those that have several thousands in their plant. Many are nonunion and many are union.

One thing that I have seen over the years is the overwhelming knowledge that goes to other countries in briefcases. I have stood back and watched how our manufacturing processes have changed and how the manufacturing and technology has shifted to those with the lowest cost, not necessarily the best overall value. Many years ago, one of the big 3 advertised "Quality is Job 1". This was the case many years ago. Two of my family members have worked at a local engine plant of one of the big 3 and they have told me how things have changed. The security and

---

### **Big 3 Bail-out: Reader Comments**

Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

---

pride of American Manufacturing was strong in the old days. They worked hard, were very comfortable, but could not see what was coming.

Over the years I have been told so many stories about how their production line or machine had been down due to various failures. Sometimes it was as simple as replacing a motor. In fact, a work request was put into Machine Repair. Machine Repair would then see that it was indeed a motor. They would have to put in a request to the Electricians in order to un-wire the motor. Once the un-wiring took place, then another request would be put in for a Millwright to come, rig, and remove the motor. This was OK but the Millwright had to put in a request for a fork lift operator in order to move the motor. Now that all this has taken place, now the request had to be put in to obtain a new motor from their MRO inventory. Then had to be approved by the purchasing department Manager. Now that a new motor has been issued out, the entire process had to happen again in reverse.

Meanwhile, the entire line or department would be sent home (by the way, with full pay). All this was due to labor rules and regulations on how the labor and duties were structured. When you compare this process to those that have the capability of Multicraft Maintenance Departments that can perform many tasks with little oversight or management involvement, you can see why their car is \$5000 more money and not competitive.

To aid in this ongoing problem, strategic procurement became another strategy in order to reduce costs to help the bottom line. Another one of my family members works for a local machine shop that supplies many parts to that automotive engine plant and other automotive plants. I also worked there back in the 80's. Everything we purchased was made in the USA. All our machines were made in the USA. All our steel, brass, copper, and stainless came from the USA. That same shop today, gets 90% of its raw materials from other countries. Many of the machines now came from Japan and Korea. And believe it or not, their has been a department established that now imports many of the parts it once made from China and India, unbox them, sort out all the nonconforming parts, repackage them in their own boxes, and ship right back to those automotive plants.

When you think about all that waste and all those American jobs that once produced those quality parts, machines, and materials are now being taken over by foreign entities. My brother-in-law worked in that engine plant 20 years ago and still has many good friends still there. He now has been with Honda for the last 15 years. The cars that roll off their lines have more American parts in them then any sedan manufactured by the big 3. They are being produced by 100% American workers. He makes a very good wage and has good medical, dental, and life insurance along with a contributing 401Kplan. His buddies at the big 3 engine plant make on the check just a little more than he does, but, if they choose to take a layoff, they get 95% of the wage paid. They don't have to wait in line at the unemployment office like everyone else. So many of these "perks" and labor structures are a large portion of the problem.

Even bigger is the financial issue related to the automotive industry. Many years ago, you needed cash down to buy a car, home, or other large purchases that you

## Big 3 Bail-out: Reader Comments

Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

---

wanted. With the "credit craze" out their, this is the aftermath of that culture changing process. We are teaching our kids that it is OK to get a student loan to go to collage. Why would we want our kids to leave collage with \$50,000 to \$150,000 debt? Thank you Fannie Mae for getting our young adults off to a good start! We see how well you are doing. Until just very recent, it was OK to take out a 7 year loan on a \$40,000 car even if you only made \$30,000 a year. By the way, you don't need any money down. What are these people thinking! Who in their right mind would allow a person to take on that type of debt?

My father always told me that "If you learn to work with your hands, you will never go hungry." He taught me the ethics of hard work, smart planning, saving for a rainy day, and to give back to those that are less fortunate that fall on hard times. I fear that these principals have been lost over the past 20 years. Today it seems that if you don't have the latest cool car, 52" flat screen TV, or newest cell phone, you seem to be unhappy and considered a failure. Well, if failure means that your cars, 52" flat screen, boat, motorcycle and four wheelers are all paid for and you have healthy savings account, 401 K plan, and still have enough money to routinely pay your cell phone bill, internet bill, and give to the church, then I am proud to be a failure. I pray to God that my four children will also be failures because excessive debt and living beyond their means will not be in their future. Only the ethics that their mother and I hand down to them.

I hope others can see that it will take a culture change to make a permanent fix. Getting back to the basics would greatly help. Let's keep our manufacturing and products made in America. Let's use American parts, American labor, and American know-how. It seems pretty simple to me that if we were using American goods and services, this employs more Americans. If we employ more Americans, they pay taxes. If they all pay taxes, then we can then fund some of our "social programs." Until we can keep America working for the American economy, we are never going to be able to truly save American Manufacturing."

To give us your take on the Big 3 bail-out proposal, comment below.

**Source URL (retrieved on 09/22/2014 - 2:42am):**

[http://www.impomag.com/blogs/2008/12/big-3-bail-out-reader-comments?qt-digital\\_editions=0](http://www.impomag.com/blogs/2008/12/big-3-bail-out-reader-comments?qt-digital_editions=0)