

The header image features a sunset over a body of water with a silhouette of Michigan in the upper right corner. The text "Horton's" is in a stylized font, and "Michigan Notebook" is in a larger, bold, serif font.

*Horton's*

# *Michigan Notebook*

## *Political & Social Commentary*

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### **Mixed reactions to General Motors' downsizing announcement**

**By Steve Horton**

"If you build it, he will come" was the voice Ray Kinsella heard on his Iowa farm in the movie *Field of Dreams*. "Build what?" he wondered. As it turned out, a baseball field in the middle of his cornfield—a means by which (as the plot unfolded) our protagonist could re-connect with his past and a chance to heal an emotional wound.

The *he will come*, we find out, was his father. The two of them had been estranged at the time of the father's death. His father, we learn, loved baseball—Shoeless Joe Jackson and Jackson's fellow Chicago White Sox teammates in particular, the infamous crew of eight players banned from the Major Leagues for allegedly accepting money from gamblers to throw the 1919 World Series. The game of baseball had been a bond the father and young son had shared.

Ray, with the support of his wife, plows up part of the cornfield and builds the ball field. However, this seemingly rash act understandably draws ridicule from neighbors and threatens the financial well-being of the farm. Eventually, though, Shoeless Joe comes

out of the corn, followed by his teammates—all of them long deceased, but brought back to life on this field of dreams. Each of them given a chance to once again enjoy the game of baseball in its simplest, essential form.

Near the end of the story, the younger version of Ray's father shows up and the two of them once more play catch—that long-ago act that helped create the bond, the shared affection. All of them—father, the White Sox players, and others that were part of this story—return a final time to the cornfield, a sad departure. Yet in the distance we see a long line of cars—people wanting a chance to capture a more innocent time through the game of baseball.

He had built it and now they were coming.

A feel-good story. Who doesn't in some nook-and-cranny of our being long for that idyllic past—real or imagined? Who wouldn't want a second chance to re-connect with a loved one and heal an emotional wound?

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**What if you build it, and they don't buy it?**  
Or don't buy it in sufficient numbers to create a desired profit. What then?

That reality is what's apparently causing the Detroit Three automakers to eliminate much of their passenger car lineups. American car buyers, it seems, have increasingly shifted their preference to SUVs and trucks—a change-in-heart the auto companies are only too happy to oblige since these choices are more profitable than the sedans.

Fiat Chrysler had already shrunk its passenger-car lineup, and Ford unveiled plans awhile back to do the same. But General Motor's recent announcement that several models would be discontinued has proven more jarring.

The unsettling news is not so much about the loss of these particular vehicles—after all models come and goes on a regular basis and change in size and shape. But to accomplish this goal and, in doing so, free up six million dollars for other uses, GM will cut up to 14,000 workers in North America and put five plants up for possible closure. Two of those plants are located in metro Detroit and the other three in Ohio, Maryland, and Ontario, Canada.

General Motors had already given a sneak preview of their plans by offering a voluntary buy-out to 8,000 executives—about 15 percent of the company's North American white-collar workforce. News reports indicated that fewer than 2,500 of them accepted the offer, an indication that most of these executives were not ready to retire or start over with a new career or decided to wait-and-see what happens. Presumably, they'll be laid off or otherwise terminated.

At the five factories, meanwhile, about 3,300 employees could lose jobs in the United States and 2,600 in Canada.

With the dust having settled since the initial announcement, the situation is more nuanced than it seemed at first glance. The other plants that produce the SUVs and trucks could increase production and take in some of the affected employees.

The six-million-dollar savings, it was explained, will be earmarked for further research, development, and production of electric and autonomous vehicles and ridesharing platforms that we're told are the future of automotive manufacturing and, therefore, our future.

GM will be having new contract talks with the United Auto Workers next year and (we've learned) the ultimate fate of the plants and workers will likely be hashed out during the bargaining. The possibility is that some of the plants and workers, while no longer making sedans, might be used for other production purposes.

But when all is said and done, there'll be fewer plants and a few thousand people will either lose their jobs or need to re-locate.

While this realignment of focus and resources is going on, so, too, is the downsizing. "Getting leaner," and presumably more profitable, is the new mantra of American manufacturing rather than job creation.

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**I have mixed reactions to all of this.** I feel bad for the workers (white collar and blue) who will lose out in this version of musical chairs. All of their hopes and dreams, not to mention their financial security, have been or will be made uncertain, even dashed.

Yet this is not the first major downsizing and reshuffling done by the automakers—and nothing compared to the uncertainty that faced us when Chrysler and GM plunged into bankruptcy—with Ford and the auto suppliers fearing a domino effect.

At the time there was no way of knowing how it would all turn out. Quite well as events have unfolded, thanks in large part to the governmental bail-out and to concessions made by the workers.

Given this new lease, the Detroit Three have been enjoying record sales in the past few years and sizable profits. But there were casualties during that downsizing and reshuffling—people who lost their jobs or had their lives uprooted, companies tied to the auto industry that closed, and a lot of economic pain and suffering that took place.

I think companies are better served—and serve society best—when they balance profits

with the well-being of employees. Owners, whether hands-on individuals or stockholders, need to make money; however, they can't generally do it by themselves. They require the efforts and talents of workers, and these employees, in turn, rightfully expect a decent wage and, where possible, a few fringe benefits. And some job security.

Yet, that said, private enterprise, including auto companies, are not public works programs where the only purpose is to employ people. The work force needs to be tailored to meet the needs of production. Overcapacity has been the Achilles Heel of GM, Ford, and Chrysler and was among the causes of their troubles.

I also realize that a lot of the workers at GM and elsewhere have been, are being, and will be laid off due to automation—an outcome that will occur regardless of how the realignment plays out. The relentless advances of technology have made life easier and improved efficiencies, but have (like a double-edged sword) reduced the number of workers needed to produce a vehicle or other products.

And speaking of technology, all of this talk of electric and autonomous cars, of ride-sharing platforms, and so on is a 'brave new world' that's hard to comprehend, let alone anticipate what direction it will take us. The pace of change is mind boggling, hard to keep up with, and replete with unanticipated consequences. It takes us merrily along. But, like others, I wonder if we're heading to a Promised Land or following a Pied Piper?

A lot of the uncertainty—not to mention disruption—is due to the creative-destructive nature of our free-enterprise system. Companies rise out of the new technology, while others, once successful, fall by the wayside—their demise the result of being tied too tightly to old ways of doing business or not adapting quickly enough.

Not so long ago Amazon was using this new-fangled idea of selling products over the internet and delivering them directly to the customer to peddle books.

It worked and pretty soon independent, brick-and-mortar book stores began closing their doors. And then, in what seems like warp speed, the company is selling all kinds of products and services—most recently, live Christmas trees.

Not so long ago, Kodak sold cameras and film to a vast audience, and we bought them to record "the times of our lives."

Digital cameras, produced by other companies, took away most of the film market and, among the victims to this new competition, besides Kodak, were all of the small outfits that developed film.

Digital cameras, meanwhile, have lost market share to smart phones that now allow the user to take pictures. And all of the digital photos can be downloaded and stored in a personal computer and, if a person so chooses, can be produced on paper with a color printer attached to the computer.

There are countless other examples similar to these, but out of this ebb and flow, out of these multitude of rises and falls, are corresponding ups and downs in people's lives and their livelihoods.

We celebrate the fortunes made. The latest success stories. Still, we need to be mindful that these outcomes do not occur in a vacuum. There is a human toll—the businesses that fail, but more importantly the countless individuals and families adversely impacted.

History has shown us that capitalism, propelled by technological advances and human ambition, has created and still creates a dynamic that pushes us forward. Even so, unfettered, it has a reflex to treat people (the workers) as expendable cogs in the machinery of commerce; a means to an end, with the end being profit.

The balancing act is to encourage the former and discourage the latter. To balance the need for profit with the well-being of people.

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**General Motors' announcement was unsettling**, not just because of the large number of employees who may lose their jobs and the adverse economic impact to the communities where the plants are located, but also because it further causes concern as to where "things" are heading.

"Things" is admittedly a vague term. It can refer to the world, our nation, our state, our society, the future, the general unfolding of events, as well as the fortunes of our families and ourselves.

We expect auto manufacturers to lay people off during recessions and weak sales, but not during boom times. There were hopes "things" had improved and we could count on a return to normalcy.

We've spent most of our lives viewing these companies as stable anchors that we can tie our fates to. The bankruptcies shook this faith. The news of layoffs and plant closings further erodes the confidence. The latest cause for concern or, for some, another kick in the gut.

When "things" seem to get too complicated, too unsettling, and too hard to grasp; when what seemed as solid ground and a predictable future suddenly is not; when that occurs, then we have a tendency to look back when "things" seemed simpler.

The idyllic past. Back when a person could take a job at an auto plant right out of high school and retire 40 years later with a pension. Back when you and your family could "See the USA in your Chevrolet."

The reality is that there are no Field of Dreams we can build that will take us back, no way to revive what's gone or reconnect with those we've lost. There's only the way forward.

Still, we can build a field of sorts for ourselves and others. It would be a way of living and outlook that allows us to regain what's essential and matters most. One that helps those who have been disrupted and helps ease their uncertainty and ours. A field where we assist each other as we attempt to secure a measure of financial security and hold onto our hopes and dreams.