

## **We Don't Need the General Motors Corp.**

**by Mike Ferner**

Times are anxious indeed, but simultaneously we are face-to-face with an extremely rare chance to replace our transportation system with something we can literally live with.

To take advantage of this uncommon opportunity we will have to do something far more profound, yet less costly, than a government bailout or an act of Congress. We will have to, as Paul Newman said in *Cool Hand Luke*, "get our minds right" on one simple fact: what we need is reliable, sustainable transportation. That does not mean we need General Motors Corporation or even cars. Contemplate the freedom implied in that statement for just a moment: we do not need General Motors Corporation.

Truth be known, the kingpin of the highway lobby has been by far the biggest roadblock to reliable, sustainable transportation for one basic reason: while we've needed, and still need, good transportation, we forgot that GMC was never in the business of providing

transportation. It was in the business of making money.

That means that 90 years ago when GMC officials realized their market share had stalled out with less than 20 percent of the population owning automobiles, they had to do something. They had to get the other 80 percent of the population out of streetcars and trains - and get them into cars.

Had the company really been in the business of providing transportation, it could have started manufacturing and maintaining streetcars and rail-related equipment, but that was never going to be as profitable as selling a General Motors car to every family in the nation (or at least come as close to it as Henry Ford would allow). So GMC, as would any for-profit company, put shareholders ahead of citizens and decided the trains and streetcars had to go. That whole, sad story is told in painstaking detail in the documentary, "Taken for a Ride." A lively, engaging film released in 1996, it has never been more timely than right now.

I'm not going to tell you how GMC did it. You can read about it here, and you really need to see the film. If your library doesn't have a copy ask them to order it.

The point is, we have an abundance of everything it takes to provide reliable, sustainable transportation - raw materials, skilled labor and now, if we decide to exercise our 60% ownership of GMC courtesy of a \$50 billion taxpayer bailout, we have the capital.

The entity known as General Motors Corporation is a legal fiction, a device most adept at concentrating economic and political power, buying off elected officials, opposing seat belts, pollution controls and higher mileage - while handing out executive lifestyles to make a pharaoh blush. But the corporation called General Motors is by NO means needed to provide transportation.

Cooperatives are just one of the humane models available for organizing finance and production. The U.S. has a rich

cooperative history but since most people view them as arcane and since in modern times we have not provided optimal conditions for their growth, let's consider an example from a country where they are taken seriously.

The Mondragon Corporacion Cooperativa (MCC), a finance, manufacturing and distribution cooperative based in the Basque region of Spain, has 85,000 employees and operations on five continents. Can you say "Goodbye, GMC?"

Michael Moore, native of Flint, Michigan, one of the communities most devastated by the deindustrialization campaign our government allowed GMC to wage, puts it a little more bluntly.

"Please, please, please don't save GM so that a smaller version of it will simply do nothing more than build Chevys or Cadillacs...Let's be clear about this. The only way to save GM is to kill GM. Saving our precious industrial infrastructure, though, is another matter and must be a top priority. If we allow the...tearing down of our auto plants, we will sorely wish we still had them when we realize...that the best way to transport ourselves is on light rail and bullet trains and cleaner buses, how will we do this if we've allowed our industrial capacity and its skilled workforce to disappear?"

Equally important, Moore displays better insight into this problem than 90% of the "expert" talking heads when he describes hybrid cars as merely a temporary phenomenon, a bridge technology, not really required for transportation. Never forget that we are heirs to a generation of automobile advertising designed to sell cars and three more generations of advertising designed to make us feel beautiful, sexy, in command and uncommonly smart if we bought the right kind of car - along with a not-so-delicate head bashing in recent years that our very lives depend on letting the auto industry have a free hand governing our work and our economy.

It is indeed true that times of crisis are times of enormous opportunity. All we have to do is get our minds right and the sky's the limit.

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**By What Authority** (ISSN: 524-1106) is published by the Program on Corporations, Law & Democracy. The title is English for *quo warranto*, a legal phrase that questions illegitimate exercise of privilege and power. We the people and our federal and state officials have long been giving giant business corporations illegitimate authority. Today, a minority directing giant corporations and backed by police, courts, and the military, define our culture, govern our nation, and plunder the earth. **By What Authority** reflects an unabashed assertion of the right of the sovereign people to govern themselves.

POCLAD is a group of 11 people instigating democratic conversations and actions that contest the authority of corporations to govern. Our analysis evolves through historical and legal research, writing, public speaking, and working with organizations to develop new strategies that assert people's rights over property interests.

**BWA** is a tool for democracy proponents to rethink and reframe their work. To that end we encourage readers to engage us with comments, questions, and suggestions.

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