

*Editorial Climate*  
**THE COMMERCIAL APPEAL**

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*Economics Auto Industry*  
**Sink Or Swim**

THE REPUBLICANS don't have a lock on this week's news from Detroit. The "brand-new" Chrysler Corp. is back in the headlines and back in distress despite the \$1.5-billion federal bail-out it has been promised.

Company executives and federal officials agree that, unless Chrysler comes up with a "drastic" new survival plan by fall — including more plant closings, more layoffs and asset sales, the nation's No. 3 auto maker may not be able to stay afloat more than a few months.

There is no comfort in this, even for those of us who considered the government rescue plan about as helpful and hopeful as reshuffling the deck chairs on the Titanic. But there is a lesson here, and a lesson which is not confined to a single car company, or to the U.S. auto industry at large.

THE NATION as a whole stands to learn from this example what it will take to reindustrialize America. Unfortunately, time is running short, and this is an election year, when our leaders are more inclined to tell the public what they think it wants to hear and not what it needs to hear if our nation is to progress.

Consider the Republicans, who have spent years fashioning themselves as the party of free enterprise. The GOP would have us believe that salvation for our declining national plant lies in returning to the textbook orthodoxy of unfettered capitalism, which made this nation great in the 19th Century.

What is forgotten in their zeal is the recent history of corporate America, and especially the auto companies. For all their complaints about drowning in a sea of federal regulation, it was the federal government which forced domestic car makers to recognize what the market demanded: the smaller, well-built, fuel-efficient cars we could not produce but other countries could. Thus, America finds itself playing catch-up with the Japanese and others at a time when Japan, at least, is looking beyond car production to more promising enterprises.

THE REPUBLICAN platform also discounts the fact that ours is no longer a frontier economy, free to exploit seemingly limitless resources and move on when they play out. Rather, the party pays homage to history: The 55-mph speed limit is derided, along with energy conservation, because the preferred political solution lies in exploration, development — and abundance; the personal car is hailed as a vital symbol of "personal mobility and freedom," but is this forward thinking when the auto industry's

future lies in becoming a transportation industry?

Then, there are the Democrats. Their industrial vision was clarified by President Carter in his proposals to give Detroit a helping hand.

He would speed up hearings on complaints that domestic auto companies are being hurt by foreign competition. He would make regulatory changes in the pollution standards and in safety requirements along the assembly line. He would provide at least \$50 million for communities and companies hurt by the slump in auto sales. He would make loans available to car dealers, including minority car dealers, and make changes in the tax laws to let the car makers write off more of the cost of retooling their plants.

This was seen as "a first step" by management and labor alike. But a first step is all it is, and its direction is far from steady.

THE STEPS NEEDED to reindustrialize this nation are neither backward nor uncertain, and taking them will require the same sort of economic lifeline which helped rescue Japan: a partnership of government, industry and labor.

That island nation may have limited resources but it does not have limited vision. Its industries are able to compete not only because its plants are modern and efficient but because its companies also know that the world market and the Japanese consumer both demand quality goods at reasonable prices.

Japanese labor likewise is sensitive to changing tides, with the result that Japan's workers are among the best-trained and best-paid in the world.

The Japanese government does not hesitate to give what help it can to companies which show promise when they are in need. Neither do those charged with economic planning stop to save a dinosaur that's outlived its purpose.

THE RESULTS ARE progress and prosperity for a nation and its people. What makes it all possible is a public-private partnership with the power to plan for today, tomorrow and 20 years from now. That may smell of socialism to some of this country's economic blue-noses, but when our government is in so deep with Chrysler, to name but one company on its sink-or-swim list, what else does this country have?

It will take time for the United States to accept a partnership based on advocacy rather than an adversary relationship. But when the goal is continued growth and prosperity, can America afford to keep treading water?

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