

Re: GM Getting Flogged -- What's Wrong With America?

Source: <http://sci.tech-archive.net/Archive/sci.econ/2005-03/1955.html>

From: Chuck Feney (*iron.heart_at_Halliburton.*)

Date: 03/16/05

Date: Wed, 16 Mar 2005 20:51:07 GMT

On 16 Mar 2005 11:17:17 -0800, "cliff84373@yahoo.co.uk"
<cliff84373@yahoo.co.uk> wrote:

>I remember when I was a kid there was a cartoon character in Li'l
>Abner named "General Bullmoose". He used to be fond of saying things
>like, "What's good for General Bullmoose is good for the USA". General
>Bullmoose, of course, was a fictitious name for General Motors. In
>those days GM was the largest corporation in the U.S. Now our largest
>corporation is Exxon Mobil, a corporation whos future is based on a
>non-renewable resource.
>
>GM is down 4.43 or 13% in todays trading after stunning the market by
>slashing first-quarter earnings estimates to a loss of \$1.50 a share
>and cutting its 2005 earnings outlook by more than one half. GM's
>profit fell 37% in the fourth quarter. Their bonds are evidently
>selling at or near junk interest rates. The rest of the stock market,
>by the way, seems to be stalled probably due to inflation worries.
>
>In the meantime the Commerce Department recently reported that the U.S.
>deficit in the broadest measure of international trade soared to a
>record \$665.9 billion last year, 25.5 percent above the previous record
>set in 2003. Obviously, the world isn't exactly clamouring to buy our
>stuff even with the low value of the dollar.
>
>So, what's wrong with GM? Obviously they have a problem with high labor
>prices. They also have a problem with health care costs. As I recall,
>health care for the retirees actually costs GM more than the steel that
>goes into their automobiles.
>
>What else is wrong with GM? For that matter, what's wrong with America?
>
>
They bet