

**AMERICAN INNOVATION: ALIVE AND WELL IN THE 21<sup>ST</sup> CENTURY**—Forty-seven years ago, John F. Kennedy challenged America to put a man on the moon and America responded. That the first lunar landing took place a mere sixty-five years after the Wright brothers' first successful flight and forty-one years after Charles Lindbergh crossed the Atlantic in *Spirit of St. Louis* only makes this feat more remarkable.

Today, President Obama faces the challenge of melding the automotive industry with the environmental lobby, state governors, and Congress, in the hope of providing a solution, through innovation, to the issues of energy and climate change, while nursing back to health an ailing American economy.

Obama recently stated that he is committed to working with Congress and the automotive industry to meet one goal: leading the world in building the next generation of clean cars.

We are at a crossroads where the future of this country's automobile industry is concerned. What happens over the coming months will have a lasting impact on this industry as well as the global economy.

Key to the survival of Detroit and the Midwest, as well as to a healthier economy, is a thorough understanding of how we got here.

Make no mistake, the automotive industry, its greed, is largely to blame for its current predicament.

Sixty years ago, after World War II, General Motors, Standard Oil and Firestone Tires were brought before Congress on conspiracy charges. They were found guilty of creating dummy companies that bought up mass transit systems that had served many major cities so well for so long, to tear up the tracks and sell the trolleys to South American cities, where today many still transport people to and from work.

Guilty, and fined one dollar.

After the war, the automotive industry led America into a new era: a car in every driveway; and when that wasn't enough, two cars in every garage. What was good for the automobile industry was good for America. Even while, thirty years later, cities like Los Angeles, stuck in gridlock, began to clamor for a mass transit system to alleviate the congestion on their freeways.

Fact: a horse and buggy traveled faster in LA in 1911 than does a car during rush hour traffic today.

The ad agencies continue to sell automobiles on the glamour of luxury and horsepower — bigger is better and faster more advantageous. Ads show sports cars boasting two hundred horses under the hood zipping through city streets empty of traffic while in reality these same two hundred horses merely consume more gas while they sit idling in bumper-to-bumper traffic. Glamorous women sell luxury cars on the premise that it's important, when the owner turns on the car, the car returns the favor.

Engineers in Detroit first claimed they could not improve on the efficiency of the internal combustion engine; then they told us they had the technology but it would be too costly to the consumer. I wonder how costly had they, thirty years ago, funneled profits into new technologies rather than to lining the pockets of executives who sat on their hands until they had no alternative but to ask Congress for a bailout.

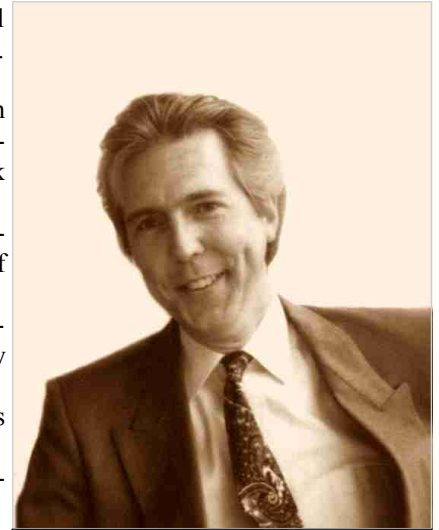
Opponents of Obama state the government has no place in the private sector, that they should stay out of industry, even as they should stay out of the financial industry.

I have no answers, but I'm open to all suggestions for a solution.

Some of Obama's rhetoric smells like socialism, and for the first time in my life I'm wondering if that's so terrible. Wall Street couldn't police itself, gave in to greed, just as the automobile industry did. If an industry can't be trusted to have ethics, what is the alternative but to appoint a watchdog?

The old ways failed. We have what amounts to a clean slate. Will American ingenuity and innovation take over, or will greed hold sway?

Stay tuned...



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