

# The Troubled Auto Industry

*“Thou, O Daniel,  
shut up the words,  
and seal the book,  
even to the time of  
the end: many  
shall run to and  
fro, and knowledge  
shall be increased.”*

*—Daniel 12:4*

## **WHEN DANIEL WROTE**

these prophetic words, he was looking down the long stream of time from the perspective of his own day to the events that would unfold during the closing years of the present Gospel Age. When doing so, it was also revealed to him that the signs foretelling the culmination of our present age would be kept secret until the day in which they would be made known by the Holy Spirit of God to those who would be watching.

Looking back over more than a century, we now understand more fully the wonderful wisdom of the Heavenly Father, for these prophetic words and visions were shut up and sealed until the time of our Lord's promised return. They would thus mark the great events that would transpire in the world during that special time in the history of the human creation.

## **RUNNING TO AND FRO**

One of the most significant evidences of our special day in prophecy, and one of which the prophet spoke, is the constant running to and fro, the tremendous increase in travel, and the overwhelming amount of traffic that it has produced during these final days of the age. This is clearly manifest throughout the country today.

Until recent times, travel had been limited to horse-drawn vehicles or by other animal power. When steam power became available in the late 1700s it was adapted to rail transport. This new-found source of energy was also used to power a motor car. The Stanley Motor Carriage Company produced their first car in 1897, and in 1906 their 'Rocket' model reached a speed of 127 mph, and still stands as the record for a steam-powered automobile.

With the inauguration of the automobile on the streets and roads, everyday life of the average citizen was changed dramatically. There is little doubt that the development and rapid growth of the auto industry has been the most revolutionary invention in the history of transportation since the wheel.

## **THE HORSELESS CARRIAGE**

Throughout the ages there had been attempts from time to time to build a vehicle that could be run on its own transportable source of energy. During the 1800s, there were several enterprising men who attempted to mechanize the familiar buggy that had been previously drawn by horses. For example, in the 1880s Gottlieb Daimler and Wilhelm Maybach of Germany were successful in building a

horseless vehicle that was powered by a two-cylinder 1.5 horsepower gasoline engine that reached speeds of about 10 mph.

Karl Benz, also living in Germany about this time, built a four-stroke gasoline powered vehicle. His registered patent in January, 1886 is recognized worldwide as the official birth certificate of the motor car. The names Daimler and Benz are still familiar today.

## **THE MOTOR CAR IN AMERICA**

The first gasoline-powered automobile in America was road tested in September, 1893, and was manufactured by Charles and Frank Duryea of Springfield, Massachusetts. It consisted of a horse-drawn buggy to which a 4 hp single-cylinder gasoline engine had been installed. The two brothers were bicycle makers but they became interested in building a motorized vehicle. Charles later founded the Duryea Motor Wagon Company in 1896 and it was the first to sell a gasoline-powered vehicle.

## **OLDSMOBILE**

In 1896, Ransom E. Olds built a motorized vehicle in Detroit, Michigan. He named it after himself and production of the vehicle began in 1899 at the Olds Motor Vehicle Company in Detroit. In 1901, the Curved Dash Oldsmobile became the first motor car in the United States that was mass produced, thereby making it the first high-volume production car in America. It earned the distinction of being the top-selling motor car in the country for several years.

For most of its existence, the Oldsmobile automobile was produced by the General Motors

Corporation. When it was phased out in 2004 it had the honor of being the oldest surviving American motor car, having produced over thirty-five million cars throughout its 107-year history.

## **GENERAL MOTORS**

Both before and after its acquisition by General Motors Corporation, Oldsmobile became the entry level of the luxury car division of the company. It was the first American car to be exported overseas, and when the United States Post Office Department ordered its first motor vehicles they purchased the Oldsmobile. It also had the distinction of being the first car to introduce a speedometer on its vehicles.

General Motors Corporation was founded in September, 1908 in Flint, Michigan. At that time, it was a holding company for the Buick automobile, and it was controlled by William C. Durant. General Motors acquired Oldsmobile that same year, and in 1909 it obtained Cadillac, Elmore, and several other motor car companies. Also, at that time, General Motors brought in the Oakland automobile which later became the well-known Pontiac division, which has just recently been discontinued. Durant lost control of General Motors in 1910, but during his absence he proceeded to set up the Chevrolet Motor car company. By way of this acquisition, he was able to secretly purchase a controlling interest once again in General Motors. Chevrolet has proved to be an important part of the General Motors business ever since. However, Durant lost control of the company once again a few years later.

## **FORD MOTOR COMPANY**

Mass production and the assembly-line method of building automobiles is attributed to Henry Ford. He had been tinkering around with gasoline-powered engines from the early 1890's, and by 1893 he had a running engine. He was successful in building his first vehicle in 1896 at Detroit, Michigan, and formed the Detroit Automobile Company in 1899. In 1901 the company was dissolved.

In 1903, he launched the Ford Motor Company in an old converted factory building in Detroit with a group of twelve investors. Most notable among the investors were John and Horace Dodge who later went on to form an automobile company under their own name. Having survived two world wars, a devastating great depression, and many other disturbing setbacks, the Ford Motor Company became one of the largest and most profitable corporations in the world. It has been a family controlled company for well over one hundred years.

## **THE TIN LIZZIE**

In 1908, Ford Motor Company began producing the famous Model T Ford which was the first automobile mass produced on an assembly line with interchangeable parts. The car became affectionately known as the 'Tin Lizzie.' It was later named the world's most influential car of the twentieth century.

When Henry Ford launched his famous vehicle, he did so by stating, "I will build a car for the great multitude. It will be large enough for the family, but small enough for the individual to run and care for. It will be constructed of the best materials, by

the best men to be hired, after the simplest designs that modern engineering can devise. But it will be so low in price that no man making a good salary will be unable to own one, and enjoy with his family the blessing of hours of pleasure in God's great open spaces."

The Model T became very popular because it was reasonably priced, reliable, and efficient. It ushered in a new era in personal transportation. It was easy to operate, maintain and to handle on the rough roads of the day. When the Tin Lizzie was discontinued in 1927, more than 18 million of these vehicles had been produced. It has been said that Henry Ford put America on wheels during this era. His highly versatile invention transformed the countryside of America as new horizons of adventure opened up for discovery, and became accessible to the great numbers of people who had purchased their own private motor car.

The Model T rode high off the ground with the 30-inch wheels that it came equipped with. This feature gave the vehicle extra clearance room to negotiate the rough and rutted roads of the day, and at a time when few roads were paved. The car became popular with farmers who could also adapt them to perform many functions around the family farm that were previously done with horses. One function required jacking up one of the back wheels, and then a belt could easily be attached to turn a circular saw for cutting wood.

During the winter months, snow-clearing equipment was unheard of in the early days of the automobile, and cars were usually put on blocks and stored for the season. Horse-drawn sleighs were

used instead. However, an attachment kit was available that could convert the Model T into a very reliable snowmobile that could negotiate the snow-drifted roads. The vehicle then became an entirely new convenience for those requiring dependable transportation in all kinds of weather. They were indispensable for country doctors, rural mail carriers, public utility companies, traveling salesmen, and many others. When President Calvin Coolidge's father died in the winter of 1926, a Tin Lizzie snowmobile led the funeral procession over the snow-covered and drifted roads of Vermont.

## **CHRYSLER CORPORATION**

The third member of the 'big three' automakers still carries the name of its founder, Walter P. Chrysler. He set up the Chrysler Corporation in June, 1926, when the Maxwell Motor Company, which was established in 1904, was reorganized. In the early 1920's, he had taken over Maxwell-Chalmers to help straighten out some problems in the business, and in 1923 it was decided to cease production of the once familiar Chalmers automobile. In 1924, he introduced a 6-cylinder Chrysler motor car that was designed to give customers an advanced and well-engineered vehicle for an affordable price.

The new Chrysler automobiles included many improvements that were new to the industry, and at a time when most cars did not have these particular features. The original 1924 Chrysler came equipped with a high-compression engine, full pressure lubrication, a carburetor air filter and an oil filter. Among the many other new innovations that were introduced during the early years of its

production was the first practical mass produced four-wheel hydraulic brake system, and rubber engine mounts to reduce vibration. Chrysler also developed a wheel that had a ridged rim that was designed to keep a blown-out tire from flying off the wheel. This single safety feature was eventually adopted by the entire auto industry worldwide.

## **THE AUTOMOBILE'S IMPACT**

Only a century ago the horseless carriage was little more than a renovated buggy, but during the auto industry's development in the early years of the twentieth century, its invention and innovation rapidly touched every aspect of life. The private motor car provided a superior method of transportation to that of horse-drawn vehicles and it offered a new sense of freedom to its owners.

Entire families could now travel wherever and whenever they pleased, and America's entire lifestyle was suddenly changed. Cities were no longer the only place to live, and all classes of people were able to find more comfortable places to dwell in the suburbs, away from smelly and noisy factories. Cars have redefined this country's industry, and have completely altered the way people go about their everyday lives. The motor car became a national craze and it would be difficult to imagine life today without it. It is now an absolute necessity.

## **NEW ROADS**

Road construction changed dramatically after the invention of the automobile. What had once been dirt or cobblestone streets and roads were converted to hard surfaces of asphalt or concrete. Old roads were rebuilt and new ones added. Auto

designers produced faster cars as the roads became improved. This produced an increase in the amount of people travelling, and the need for speed and safety controls.

With increased travel, the whole infrastructure of America's tourism industry was changed. Small town hotels were suddenly brought into the public spotlight as salesmen traveled from one town to another. Tourist homes and roadside cabins were made available for the weary traveler that provided reasonably priced accommodations. The growing number of tourists also increased business in small towns. These included restaurants and coffee shops, as well as service stations, garages and repair shops. Gasoline pumps began popping up all over America, and it was no longer necessary to purchase gas at the general store, or to locate the neighborhood blacksmith for mechanical repairs.

## **DEMAND FOR OIL**

The emergence of the motor car immediately revolutionized the petroleum industry. Before 1900, only a small amount of petroleum was converted into gasoline. When gasoline-powered automobiles began to appear, more and more amounts of oil were needed to keep the new vehicles running. During the early years, new oil fields were opened up in Texas but, despite the expansion, the industry could not keep up with the demand and supplies were sought elsewhere. Abundant supplies were discovered in Middle Eastern countries, and this had a major impact on their economies which had previously been very poor. Oil refineries also needed thousands of new workers.

Widespread changes to America's landscape has been the direct result of the automotive industry's success. Since its inauguration over a century ago, hundreds of makes and models of cars have come and gone. The great depression of the early 1930's witnessed the end of many of these, and Detroit's 'big three' automakers have acquired others. Since that early time in the history of transportation thousands of miles of new and modern highways have been built in every part of the country to handle the high-speed traffic of today. New services of every kind now dot the landscape to accommodate and provide comfort for the traveler.

## **UNCERTAIN TIMES**

In spite of this tremendous growth, Detroit's 'big three' automakers have experienced huge financial losses in recent years. Analysts point out that several factors may have contributed to this disturbing situation. These include the emerging effects from the present worldwide recession, mismanagement within the industry, and fierce competition—especially from overseas manufacturers who are free to operate within the network of a cheaper work force.

General Motors Corporation had the distinction of being the world's largest carmaker for 77 consecutive years from 1931 to 2007. At the time of its decline, it manufactured cars and trucks in 34 countries and employed a quarter of a million people around the world. It also sold and serviced vehicles in 140 countries. In the autumn of 2008, General Motors, along with Chrysler Corporation, received loans amounting to billions of dollars from the

United States government in an effort to keep the companies afloat and to avoid what appeared to be inevitable bankruptcy. This took place amid ongoing financial difficulties and major efforts to restructure their businesses.

In February 2009, General Motor's Saab division filed for reorganization after being denied loans from the parent government in Sweden. In April, amid restructuring efforts, General Motors announced it was phasing out the popular Pontiac, a car they had been manufacturing for decades. It was also announced that the sale of its Hummer, Saab and Saturn models would be forthcoming. It had previously eliminated the once proud Oldsmobile, and would now focus on producing four brands of cars and trucks in North America, Chevrolet, Buick, Cadillac and GMC trucks.

At the time of this writing, General Motors has received additional funds amounting to billions of dollars from the United States Treasury Department under the "Troubled Assets Relief Program" (TARP). GMAC, the company's financing department also received additional funds. General Motors of Canada and the government of Ontario has also committed to large sums of money for the ailing auto giant. General Motors has filed for government-assisted Chapter 11 bankruptcy protection, with plans to reemerge as a smaller and less debt-burdened company. They plan to close several plants and lay off workers in the process.

Chrysler Corporation, which is the nation's third largest automaker, has survived for months on government loans. They are presently filing

Chapter 11 for bankruptcy protection, and negotiating terms with the Italian auto producer Fiat. Under this arrangement, the company would gain access to Fiat's expertise in building small, energy efficient vehicles. Chrysler plans to totally reorganize and to emerge as a smaller company. Its executives plan to build cleaner cars through its alliance with Fiat. So far, however, a group of creditors has not agreed, even in the face of government pressure to remove Chrysler Corporation's debt. The federal government has agreed to give the company additional funds.

Officials at Chrysler say they plan to close all of their plants and stay closed until the company has completed its bankruptcy procedures. Chrysler's filing is the latest step in the unprecedented restructuring that is taking place in the American auto industry.

Meanwhile, Ford Motor Company executives continue to monitor the present circumstances. They say that they do not expect any major disruptions to their operations even in light of the news concerning General Motors and Chrysler. Ford appears to be in position as the strongest of the 'big three' automakers at the present time. They have taken no federal bailout money, and may be in position to profit from the troubles at General Motors and Chrysler.

## **THE RIPPLE EFFECT**

In our featured scripture, the prophet Daniel spoke of the much running 'to and fro,' and that knowledge would be increased in the closing years of this present Gospel Age. (Dan. 12:4) The invention

and widespread use of the motor car in millions of American families, and at all levels of society, has been a major contributing factor in the closing scenes of this age.

The prophet also spoke of another major sign that would accompany the last features of this age. He wrote, "There shall be a time of trouble, such as never was since there was a nation even to that same time." (vs. 1) Cars are no longer a novelty or a luxury. The average family now depends upon their cars to go to work every day and for running errands and for shopping.

There are serious ramifications in connection with the declining auto industry, and it is producing widespread hardship throughout America. Hundreds of auto dealerships are being forced to close, thereby putting thousands of employees out of work. Customers came to these dealerships not only to purchase their vehicles, but for routine service as well. In many cases, these businesses were the centers of small town communities. The shutting down of these dealerships also means the decline in other local businesses such as gas stations, coffee shops, restaurants, and a whole variety of other types of stores.

Interstate highway systems have taken up vast amounts of land especially for interchanges. Shopping malls require many acres for parking, and motor vehicles have introduced new levels of pollution. The frantic and hurried pace of life and increasing levels of speed has led to countless violent accidents resulting in severe injury and death. We now learn about drive-by shootings because of higher degrees of impatience and stress.

## THE APPROACHING KINGDOM

As we witness this Gospel Age coming to a close, we know that Christ's kingdom will soon be established for the blessing of the whole human family. In God's wisdom, we now see that the knowledge necessary to create the present scenes of 'running to and fro' was hidden from the worldly-wise until the promised return of our Lord. Under the establishment of his blessed kingdom, man will learn to obey the Divine Law and obtain the right to life.

The present frenzy and rushing about will give way to the pursuit of peace and quietness as expressed by the Prophet Isaiah, who wrote, "Until the spirit be poured upon us from on high, and the wilderness be a fruitful field, and the fruitful field be counted for a forest. Then judgment shall dwell in the wilderness, and righteousness remain in the fruitful field. And the work of righteousness shall be peace; and the effect of righteousness quietness and assurance for ever. And my people shall dwell in a peaceable habitation, and in sure dwellings, and in quiet resting places."—Isa. 32:15-18 ■