

## Strong Car Sales Drive \$5B in Consumer Loans

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to the strengthening economy, a brighter outlook for jobs and the tax cut. The government reported last week that the unemployment rate fell to 8.9 percent in February, the first time it has been below 9 percent in nearly two years.

Households began borrowing less and saving more as they struggled to cope with the deep 2007-09 recession.

For the first time since World War II, broadly speaking, U.S. consumers trimmed their spending, which accounts for 70 percent of total national economic activity, when the unemployment rate began to rise.

The rise in auto loans marked the sixth consecutive month that this category has increased, reflecting a rebound in auto sales.

Even if economists' forecasts are accurate and borrowing does increase this year, analysts are not predicting that consumers will increase debt the

way they had during the housing boom.

During that time, households felt wealthier because of soaring home values. But when home prices fell, they cut back on borrowing. And the trend accelerated after job losses mounted and many people struggled to get their debt under control.

Moving the millions of Americans still collecting unemployment benefits into full-time, reasonably well paying jobs will tremendously benefit the auto industry, experts say.

This is because there is likely pent-up demand among the millions who are unemployed and pouring money, relatively speaking, into older cars rather than buying or leasing a new vehicle today.

In fact, the average age of the consumer vehicle fleet in the U.S. has never been older (an average 8-10 years, depending on the source quoted), so assuming the economy turns, automakers can take advantage of pent-up demand very soon.

# Music Makers Look to Set Record

by Christine Snyder  
Staff Reporter  
Tech Center News

In a quiet moment before the certain chaos that would break loose the next day, A.J. O'Neil talked about the message he wanted to send through the marathon concert being held at his self-named coffeehouse, AJ's Cafe in Ferndale.

The Assembly Line Concert Third Shift is his third attempt to win the Guinness World Records title for longest concert.

He won it the first time, held when the auto industry's future was uncertain, to draw attention to our plight here in metro Detroit and emphasize the need to buy American-made cars.

The second concert, held last year, was to "put an exclamation point" on the first record. During certification, it was broken by a pizza pub in John's Creek, Georgia.

"At first I thought, 'What? There are crazy people like me

## A 'Third Shift' Concert Marathon Is in 2d Week at Cafe in Ferndale

out there?" said O'Neil over a cup of coffee in his cafe March 18.

But O'Neil moved quickly to organize a third concert marathon. "There are three shifts in a perfect world, so this is our third shift."

The significance of a "third shift" is not lost on O'Neil, who would like to see more third shifts in American factories and is dedicating the marathon to the message of keeping jobs in the U.S.

"The economy we live in is a cross-trickle economy," said O'Neil. "What I mean by that, a worker on the line is not only a producer, but a consumer. They buy what they build, they buy lattes from me. They are the community supporters and builders and without that we don't have a community."

O'Neil said he is dismayed by the short-sightedness that drives large corporations to send jobs overseas.

"While that may be a short-term cost savings, in the long run, it is a community destroyer," said O'Neil. "It destroys what we all have come to know as our town."

O'Neil said Henry Ford's vision was inspirational.

"We would not be sitting at this table in Ferndale today if it were not for Henry Ford's \$5-a-day work wage," said O'Neil.

"What Henry Ford realized is you can pay somebody a good wage, treat them fairly and they would be your best asset. Those are going to be your best customers."

O'Neil said Ferndale has historical ties to the automotive industry.

"Ferndale was built on the backs of Irish workers who worked at Ford plants," said O'Neil. "It's not lost on me that Ferndale is a great spot to be doing this right now."

O'Neil said he understands we live in a global economy. As a business man who works 70 hours a week to keep his cafe open and will be sleeping

2-3 hours a night during the 360-hour concert, he said he certainly understands competition.

"I am not unsympathetic," said O'Neil, "and I don't want to disparage what they (corporations) are doing. But I also want the corporate mindset to be one that their workers are their best assets. And for workers to realize if they are treated with respect, to be their company's best cheerleaders. That is what I feel is Main Street's perspective on our economic challenges."

A strong home-made workforce extends beyond building strong home-town communities, said O'Neil.

"It makes us better global neighbors," said O'Neil. "We are able to be partners in the world community and our industrial might, our intelligence, our work ethic and the thing that made America what it was, the benevolent, helpful, community member that the world has come to know and rely on."

"Our demise would be devastating to the world community and I don't want to see

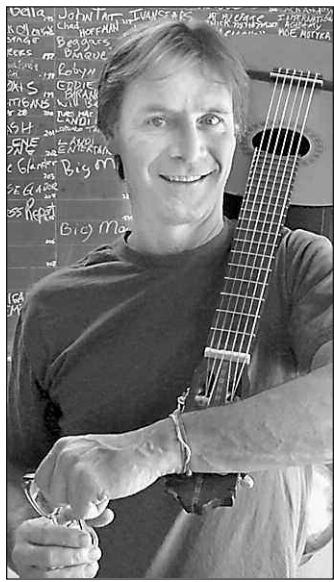


PHOTO: CHRISTINE SNYDER  
A.J. O'Neil, owner of A.J.'s Cafe in Ferndale, in front of the band schedule for the marathon Assembly Line Concert Third Shift.

that happen."

The Assembly Line Concert began March 19 and will need to run until April 2 to make the goal of 360 hours and set the world record.

On March 22, an electrical fire broke out in the cafe, but, undaunted, the musicians moved outside and continued their set.

## U-M Dearborn Honored

The University of Michigan-Dearborn College of Business' part-time M.B.A. program has been recognized as one of the nation's best in the 2012 rankings from *U.S. News & World Report*.

The program was one of only four in Michigan to receive this distinction in both the 2011 and 2012 rankings.

"We are pleased that the College of Business continues to receive national recognition for its strengths in graduate business education," said Kim Schatzel, dean, UM-Dearborn College of Business.

"These rankings remind us that our business faculty excel in their fields of expertise and that they continue to be praised for their roles as edu-

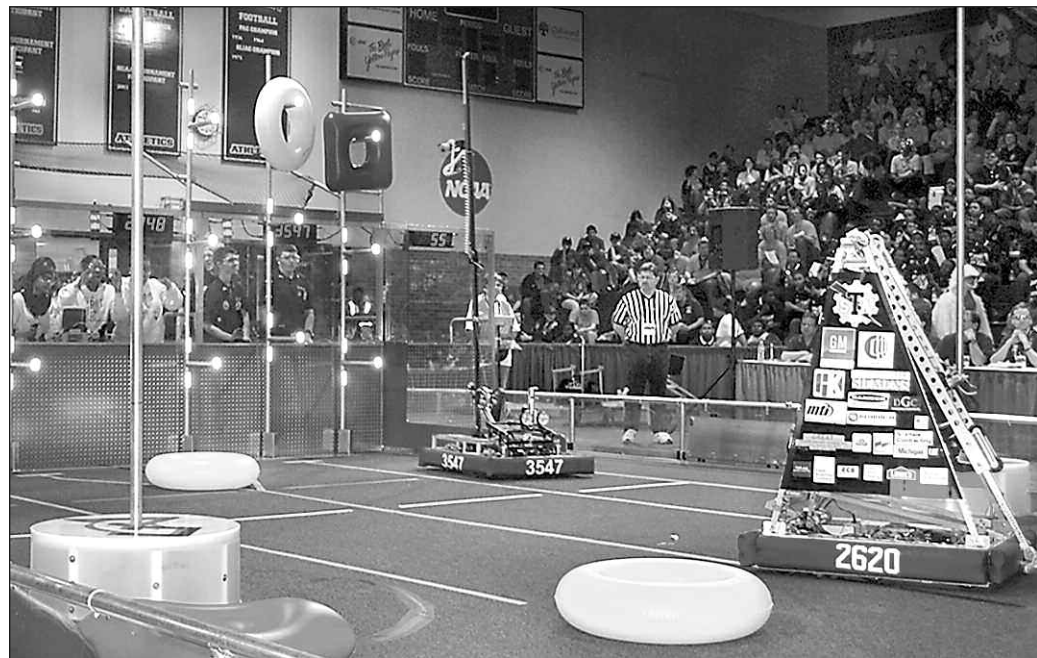
cators."

*U.S. News & World Report* based the part-time M.B.A. rankings on a fall 2010 peer assessment survey that asked business school deans and M.B.A. program directors at each of the nation's 295 part-time M.B.A. programs to rate the other part-time programs.

Programs were ranked based solely on their average peer assessment score.

In a separate ranking the College was also identified as a 2011 Best Business School by the publication. Last fall, the Princeton Review also recognized UM-Dearborn as a Best Business School.

The UMD's College of Business is home to several highly recognized programs.



Metro Detroit high school robotics teams competed in FIRST Robotics held at Wayne State.

## Chrysler, GM Sponsor FIRST Robotics High School Teams at Wayne State

by Christine Snyder  
Staff Reporter  
Tech Center News

Cheering on sports teams is a typical part of high school life, but it's not everyday the team players are robots.

Such was the scene at Matthaei Physical Education Center at Wayne State University in Detroit on March 18 and 19.

Students from 39 southeastern Michigan high schools were cheering on their robotics teams competing at the FIRST (For Inspiration and Recognition of Science and Technology) Robotics 2011 Detroit District competition.

Known as the "varsity sport of the mind," FIRST Robotics is an international competition that help students explore careers in math and science.

There are nine district competitions in Michigan during March and April.

"It just motivates the kids," said John Stofflett, a drafting teacher at Hamtramck High School, one of the teams competing.

"They really get excited about the competition. They get excited about building the robot, but then they really

get excited about competing with other schools."

Stofflett said this is the 15th year Hamtramck High has competed in FIRST Robotics and GM has been its main sponsor for past five years.

"Without them we never would have been able to do this," said Stofflett. "This is our 15th year and we hope to make it to 20."

Greg McMillan, a physics teacher at Macomb Math and Science Technical Center, and Dave Hagon, a welding and machining instructor at Warren Mott High School, were two of the teachers guiding students on the Warren Consolidated Schools team.

"These events are extremely important," said Hagon.

McMillan agreed. "Last year we had about six different kids on scholarship (from the team) including one who won a full ride to MIT."

McMillan said over the years many students have advanced their college prospects through participation in the team.

The Warren team consisted of 23 students as well as a Chrysler journeyman and another volunteer. Chrysler is a new sponsor for the team, which also counts GM Assem-

bly as a major sponsor.

Pontiac High School also counts GM as a sponsor for its team dubbed, "Wings of Fire."

Daveonna Johnson, a senior at the school and part of the Pontiac team, was happy to share the team's victory in the two matches it had competed in so far and her gratitude towards its sponsors.

"We still have to do fundraising, but without them we don't know where our team would be," said Johnson. "It helps out so much."

The robotic game for this year's competition is called "Logo Motion" and is played by two teams - consisting of three robots each - competing to hang as many inflated plastic shapes on grids as they can during a 2-minute 15-second match.

The higher the teams hang their game pieces, the more points their team wins.

The top 64 teams from the district events will move on to compete at the FIRST Robotics Michigan State Championship April 7-9.

From there, 18 teams will be eligible to advance to the International FIRST Championship in St. Louis, MO., April 27-30.

## GM to Unload Its Ally Shares

DETROIT (AP) - General Motors Co. said last week it will sell all of its series A preferred shares in Ally Financial Inc., its former finance arm which was bailed out by the federal government, for \$1 billion.

The shares to be sold represent all of Ally's series A preferred stock outstanding, the automaker said. The sale, which is expected to close in the next few days, should bring a \$300 million gain for GM for the first quarter and leave it with a 9.9 percent stake in Ally's common stock, the company said.

The government owns 74 percent of Ally because of a bailout during the financial crisis. Ally is preparing for an IPO, which is expected to happen in the second quarter, to help repay the government.

GM received nearly \$50 billion in government bailout aid during the financial crisis and

emerged from bankruptcy protection in July 2009. It said the sale of Ally shares is another step in its strategy to bolster its balance sheet.

GM had its own IPO in November, and recently recorded its first profitable year since 2004 after earning \$4.7 billion in 2010. It lost a total of \$80 billion in the five years leading up to its 2009 bankruptcy.

Ally received \$17.2 billion in bailout support. So far it has returned \$4.9 billion to the government.

Ally makes loans to GM customers and finances dealer inventories. The government first bailed out the company, then known as GMAC Inc., in late 2008 as part of the Bush administration's aid to the auto industry. The Obama administration provided additional funding in May and December 2009.

Treasury Department spokesmen declined to comment Tuesday on GM's announcement.

The Treasury Department has said that Ally has made good progress in restructuring its operations. But a congressional oversight panel in January criticized what it called Treasury's "hands-off" approach toward Ally. The panel noted that the department declined to block GM's purchase of Texas-based AmeriCredit even though that financial firm could end up competing against Ally.

The Treasury Department hopes to get back more taxpayer money through a public stock offering of Ally.

The sale of Ally's preferred shares was underwritten by Credit Suisse, BofA Merrill Lynch, Deutsche Bank Securities and Barclays Capital.

## North vs. South - the Original Version - Coming in May to The Henry Ford

by Gerald Scott  
Editor  
U.S. Auto Scene

It turns out that The Henry Ford has more to offer in terms of Civil War relics than just the Lincoln assassination chair, although there is always that notable and important historic icon.

As it happens, April marks the 150th anniversary of the start of the Civil War and a month later, The Henry Ford in Dearborn will be celebrating this singular American event throughout the summer in a big way.

Prepare to explore the most extensive display of Civil War records ever assembled from the incomparable holdings of the National Archives, as The Henry Ford presents little-known stories, seldom-seen documents and unusual perspectives with a comprehensive new exhibit entitled, "Discovering the Civil War."

Running May 21-Sept. 5, visitors to "Discovering the Civil War" will be able to consider and ask questions about the evidence presented, listen to a wide variety of voices and make up their own minds about the internal struggle that tore apart the United States during 1861-65.

Marking the sesquicentennial of the Civil War, "Discovering" offers visitors the chance to walk in the shoes of researchers in unlocking secrets, solving mysteries and uncovering unexpected events from one of the most pivotal points in our nation's history.

Rather than trying to recreate the 1860s, this unconventional exhibition instead creates an environment that allows visitors to see the war through the lens of today's technology.

Touchscreens, interactives and social media tools will reveal Civil War letters, diaries, photos, maps, petitions, receipts, patents, amendments and war proclamations as never quite seen before.

Passing over the traditional

chronological approach, "Discovering the Civil War" is arranged by themes, as follows:

- The original Louisiana ordinance of secession;
- The "substitute book" listing the names of Northern men who were paid "\$300" to replace well-heeled draftees;
- How Lincoln stopped the planned execution of a Confederate major;
- Original Union Army pension records for Emma Seelye, who served in the Army as one "Frank Thompson";
- A telegram from a Southern governor rejecting Lincoln's call for troops;
- A film clip of the 75th an-

niversary reunion of veterans of the Battle of Gettysburg - filmed by the Army Signal Corps, in 1938;

- Innovative wartime patents including a multi-purpose device that could serve as a tent, knapsack or blanket.

You get the general idea. "Discovering the Civil War" will be presented by the Center for the National Archives Experience and supported by the Foundation for the National Archives.

Look for updates about the pending Civil War exhibit on The Henry Ford's Web site between now and opening day, May 21.



A comprehensive new exhibit examining the legacy of the Civil War debuts at the Henry Ford Museum in May.

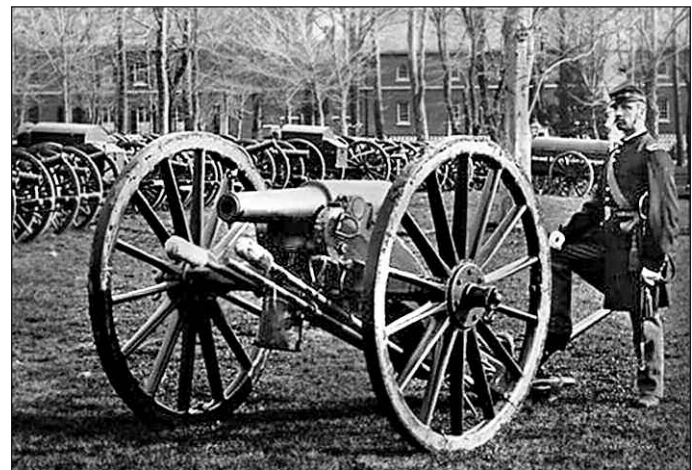


PHOTO: MATTHEW BRADY  
Union soldier with cannon guarding the Washington, D.C., arsenal. This year marks the 150th anniversary of the start of the Civil War (1861-2011).