

"If the deal isn't good for the other party, it isn't good for you."  
—B.C. Forbes

25-Nov-05

## Coming Home to Roost

How should one describe the news that the world's largest automaker and the United States' biggest corporation, General Motors (GM), will cut 30,000 jobs (17% of its 173,000-employee North American workforce) and close a dozen facilities by 2008? By all rights, Americans should consider it to be huge news. Yet, the announcement on Monday has already begun to fade as the news cycle picks up and runs with more interesting stories like the return to Crawford, Texas, of Iraq War protester Cindy Sheehan and the pandemonium of Black Friday.

Financial analysts have seen this coming. GM stock has fallen to as low as \$20.60 per share in the past year, an 18-year low, while its credit rating has plummeted to junk status. The company's market share has fallen seven percentage points over the last decade (to 26.2%), as it has struggled to sell cars in competition with, frankly, better designed, better priced, and higher quality foreign models. The automaker lost nearly \$4 billion in the first nine months of 2005, and \$1 billion in the last quarter alone - and this during its massive employee-pricing sales drive and continued offering of low-interest loans through GMAC, its in-house finance unit.

Beyond this, GM has massive wage and benefits problems. Its unionized employees have perhaps the most generous labor contracts in the industry, and the unions are so far unwilling to make significant concessions, blaming management for the firm's poor performance. However, its biggest burdens are healthcare and pension costs. Each GM vehicle includes \$1,500 in healthcare premiums in its price tag, and unlike most U.S. workers, GM employees do not pay any deductibles on their coverage and only 7% of the premium (compared to about 30% in other industries).

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In addition, the company's pension system is being strained to its limits. Each active worker is contributing to the pension coffers for 2.5 retirees, an increasingly untenable situation, threatening them with the specter of GM eventually walking away from its pension obligations just as Delta Airlines recently did through bankruptcy. Rival Ford has similar problems looming.

Such monumental problems do not just happen - they are caused. GM's woes appear to be the consequences of sins coming home to roost. Both the Old and New Testaments contain similar principles: [Numbers 32:23](#) says, ". . . be sure your sin will find you out," and [Galatians 6:7](#) reads, ". . . whatever a man sows, that he will also reap" (see also [Luke 12:2-3](#)). At the root of American industry's troubles are policies and practices that are bound to result in conflict, injustice, and perhaps the demise of many once-indomitable companies.

Some might argue that these companies are just poorly managed, and there is some justification for such a conclusion. But why are they badly run? Behind the lack of financial and business acumen is a fundamental *spiritual* problem, which usually can be summarized in one word: selfishness. Other spiritual failings that may be included under this catchall are pride, greed, hatred, envy, corruption, deception, and a host of others that often come to the fore under intense competition. When careers and big money are on the line, all the stops come out.

The best we can do these days, it seems, is to lament that, for the most part, gone are the days of business providing a quality good or service at a fair price. Perhaps small businesses can still work from this model, but big business is too ruthless to operate on such a "naïve" principle. Good guys do not last long among the wolves of the business world because, by refusing to join the pack in its sordid activities, they find themselves weak, isolated, and marked for attack. Today, if one is not a predator, he is prey.

[God](#) prophesied of this condition by the prophets. In [Hosea 12:7-8](#), God speaks directly to businessmen: "A cunning Canaanite [or *merchant*]! Deceitful scales are in his hand; he loves to oppress. And Ephraim said, 'Surely I have become rich, I have found wealth for myself; in all my labors they shall find in me no iniquity that is sin.'" Here, the Israelite merchant brushes away his sin by saying that his wealth proves he is blameless, yet God shows him for what he is: a boastful, deceitful, and oppressing sinner.

[Amos 2:6-7](#) expands on some of his deeds:

Thus says the Lord: "For three transgressions of Israel, and for four, I will not turn away its punishment, because they sell the righteous for silver, and the poor for a pair of sandals. They pant after the dust of the earth which is on the head of the poor, and pervert the way of the humble."

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From His vantage point in heaven, He sees businessmen selling out their employees for a little extra profit. He watches them greedily taking advantage of every opportunity to squeeze every last bit of wealth out of customers, especially the poor and the weak. He takes note of every time they corrupt someone to fatten their bottom line. He later mentions their trampling of the poor, harsh terms, and profligate lifestyles ([Amos 5:11](#)); their taking of bribes and interfering in the judicial system (verse 12); and their undermining of religious practices, cheating, and selling inferior products ([Amos 8:5-6](#)).

Isaiah adds that this condition runs rampant through the entire nation, not just the mighty businessmen (see [Isaiah 1:4-6](#)). He suggests that, if the common man were in the high-and-mightys' shoes, he would do the exact same, sinful things! He mentions them in [Isaiah 1:21-23](#):

How the faithful city has become a harlot! It was full of justice; righteousness lodged in it, but now murderers. Your silver has become dross, your wine mixed with water. Your princes are rebellious, and companions of thieves; everyone loves bribes, and follows after rewards. They do not defend the fatherless, nor does the cause of the widow come before them.

What we are observing in American business was inevitable. The anything-for-increased-profits model of business can only produce inequities, mediocre products and services, and strife, and these, along with the workings of a relentless market economy that punishes inefficiency, will destroy even the mightiest of corporations. And who usually ends up suffering? The little guy, the poor, the weak. We need to watch for these business breakdowns, as they are signs that a crisis looms.

- Richard T. Ritenbaugh

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## From the Archives: Featured Sermon

### [Keeping God's Standards](#)

by John O. Reid (1930-2016)

John Reid explores the origins of standardizing weights and measures. Following the model of the European Trade fairs, the British perfected the first set of standards because of business necessity or the desire to make profit. Without accurate standards of weight and measurement, chaos and anarchy would result. God's Commandments will be the spiritual weights and

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measures in the world tomorrow, but until then, we as a tiny insignificant remnant have been called out to reform and purify our lives, glorifying God by keeping these standards as a bright light, growing in grace and knowledge to the full stature of Christ, keeping them in trust as a special people, practicing what we are to become.

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**From the Archives: Featured Article**

**[What \*Did\* Jesus Do?](#)**

by Staff

We have all seen "WWJD?" on bracelets, T-shirts, and the like. Perhaps a better question to ask is, "What *Did* Jesus Do?" because He left us the perfect example of godly living in the four gospels!

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