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Automotive Industry Analysis:

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Update, August 6, 2006 (July 3, 2006, May 5, 2005 analyses)

Kerkorian and Renault-Nissan Overtures to GM Have Overtones of Hostile Takeover; Success Would Represent Clear Threat to Industrio-Economic Stability and Therefore National Security; Potential Emergence of New Global Automotive Industry Architecture



"There are those within industry and government who... may recommend a full range of responses. These would include a nationalization of Ford..."

GM's emergent show of strength, both financially and from a leadership standpoint, is causing the Ghosn/Kerkorian camp to shift attention away from GM and back to Ford.

According to our internal sources, "Ford's precipitous fall, against GM's (media driven) "rise toward recovery," will lead an attention shift toward Dearborn... especially if the markets artificially pump GM enough for some profit taking. Renault-Nissan management is finding it increasingly hard to make the case for GM, in light of the increasingly ripe Ford, especially Ford of Europe."

A serious strategy has emerged to overcome the power of the Ford family's Class B Shares, making the potential for outright capture all the more real. Astoundingly, Daimler-Chrysler and Deutsche Bank are inevitably part of the Ghosn strategy for the Ford

acquisition. The involvement of these two entities should be expected, however, for the simple reason this "organizational fusion" begins with Ford of Europe. And Europe is their home and backyard.

Conversely, VW and BMW are automatically involved, again, by virtue of same turf occupation.

"Ford America's capture would be inevitable, or as was stated last year 'a fait accompli' as a result of no true operational, managerial, financial separation between it and FOE," notes our analyst. "This constant reality has existed since World War II, wherein Ford European operations continued without disruption and under Ford control, unlike GM. This lack of separation now renders it quite vulnerable to the Ghosn machinations, designed to acquire a market distribution network larger than that currently possessed by Renault-Nissan. They have a need, this fills the bill."

The DCX involvement is not to be seen as malicious or predatory -- there is enough of that elsewhere to go around -- but merely as a business opportunity taken advantage of; albeit one that has potential of being extremely lucrative; for the time this industry architecture remains viable.

“Our world will be one of micro-turbines, Williams micro-jets, Quasiturbines, hybrids and high-capacitance capacitors.”

"What will also emerge from this FOE, Renault-Nissan, DCX, BMW, VW fusion/symbiosis is the growing realization that quite unnoticed, and if noticed, dismissed as inconsequential, is an extraordinary shift in the industry technology and supply/resource base that will be potentially controlled by Japan and China."

What might that be?

"The rise of turbine/rotary configuration powerplants capable of routine bio-fuel utilization to an extent that renders the dinosaurs extinct again. Honda's recent announcement of its rather excellent advancements in micro-turbines and the scientific/engineering community weighing in favorably on the viability of the Saint-Hilaire Quasiturbine ([Google "Quasiturbine White Paper; Quasiturbine Livre Blanc; fr.](#)), supports this contention powerfully. And, since micro-turbines produce power when fueled; i.e., fuel goes in, power comes out, fuel cells are rendered moot, as would fossil-based fuels. (Hybrid systems, as represented by Toyota's [Synergy Drive](#) and [PAICE Hyperdrive](#) will play a continuing, although not primary, role in vehicle propulsion methodologies.) Our world will be one of micro-turbines, Williams micro-jets, Quasiturbines, hybrids and high-capacitance capacitors.

"An instantaneous resource-based power/influence exchange would occur between the oil-producing countries and those with the most arable land, and China rules in that latter category. Honda has wisely designed the micro-turbine in a way that the Chinese cannot easily reverse-engineer the technology, except at great expense. Thus, their role as a fuel provider is locked, while Japan wears the mantle of creator, developer, assigner and maintainer of core power-unit manufacturing operations around the world."

In our estimation, nationally self-contained manufacturing all but ceases to exist in this scenario, with Europe and the US reverting to pre-industrial status. The consumer/service economy therefore becomes reality. Consequently, we may well measure time and events not as A.D. or B.C., but as P.I.A./P.I.E. (Post-Industrial America; Post-Industrial Europe).

Our analyst further noted, "University of Michigan Professor Jerry Meyers spoke of a "de-nationalization" of the auto industry nearly a decade ago. He wasn't quite sure of the timeline, but truth to tell, it is upon us. And unless, let's create a word here, 'anti-denationalization' strategies are put in place immediately (this would fall under protection of industrial base policy) it will become a pervasive reality. A reality induced by a paradigm shift of unimaginable impact."

One would rightly conclude that the collective industrial psyche will be challenged, shocked and reshaped in a way not seen since jet-propelled, 540 mph Me-262s tore through the skies of Europe and Allied bomber formations in 1945. In an instant, all concerned recognized that reciprocating engine/propeller driven aircraft were doomed as a principle component of military and commercial fleets.

Federal Concerns and Echoes of Nationalization

There are those within industry and government who, upon realization that the above scenario represents an unavoidable outcome should countering moves not be crafted and implemented, may recommend a full range of responses. These would include a nationalization of Ford -- at present the most vulnerable component of the US and European industrial base -- immediate implementation of Ryan-Hunter and military.

There is, of course, historical precedent for the latter as was the case with Japan in 1937. As noted in a June 24, 2004 commentary of Prof. Thomas P.M. Barnett, formerly of the Naval War College, quoting Dr. Sheila Ronis of Walsh College in Troy, Michigan: " Global war begins with economic crises such as the major Problems in Japan, the overheating of the China economy due to its insatiable, and now unstoppable appetite for raw material, and the continued instability in the Middle-East, compounded by the uncertainties of Iraqi War outcome. We are right now contending with macro-economic trends that are outstripping and outpacing any efforts to keep them in check. Crises not dissimilar to these in the 1930s directly led to World War II. Very similar and very dangerous. [Dr. W. Edwards] Deming once told me that Japan went to war because they thought their population was about to starve. Their backs were to the wall, and they felt they had no choice but to pursue this course in view of then existent US economic policies.

"War is often the inevitable aftermath of negative economic forces on nations, and we have to be mindful of the difficulties facing multiple nations simultaneously, now, as then..."

What is clear is the need to view the prevailing state of affairs, be they Ghosn/Kerkorian overtures designed to capture GM and/or Ford, or the prospect of a regional war becoming a global one, from a holistic, systemic standpoint. Indeed, it is the only human means by which viable solutions will emerge.

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Next Week: An analysis of a new currency, not the Euro, the "Auto"...

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“Hyperintelligence: Toyota, CIA, NSA, KGB, Mossad and... Sun Tzu” – can be presented to a broadened, yet still defined, audience. The site utilizes a dedicated server provided and managed through Seneca Communications (www.senecacom.net) a firm currently producing advanced Voice-over IP (VoIP) communications both here and abroad.

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Media Advisory:

July 3, 2006

Kerkorian and Renault-Nissan Overtures to GM Have Overtones of Hostile Takeover; Success Would Represent Clear Threat to Industrio-Economic and National Security

“Having GM under the control of non-U.S. firms is not the answer. Why? Because many foreign entities buy U.S. assets not to use them, but to dismantle them.”—National Security Strategist Dr. Sheila Ronis



GM Chairman Rick Wagoner Photo: GM

Good Morning:

Just over a year ago, we presented in English and Francais the analysis “*National Security, Economic/Industrial Base Ramifications of Possible Renault-Nissan/Ford and GM/Toyota Meldings. Unless Action Taken Immediately, U.S. May Lose Control of its Manufacturing Base, Joining Great Britain*” with a sense of urgency.

<http://www.emotionreports.com/downloads/pdfs/R11.pdf>
[http://www.emotionreports.com/downloads/pdfs/Renault2FrG050508\[2\].pdf](http://www.emotionreports.com/downloads/pdfs/Renault2FrG050508[2].pdf)

In light of announcements from the Kirk Kerkorian camp on Friday, June 30th (calculated to hit on the eve of the July 4th weekend/week, thus minimizing analytical opportunities and public exposure) our assessment of matters is simple: Not much has changed, other than a shifting of targets. Same players, same

strategy, same potentially negative – with profundity – impact on the country’s industrio-economic stability.

Key phrases to remember in the 2005 analysis were: 1. “Our hope is that making these discussions visible may shape a different outcome.” 2. “We are hopeful that all parties understand that so much foreign investment in the U.S. will be under the watchful eye of Congress. Specifically, CFIUS (Committee on Foreign Investment in The United States).” 3. “When the last British-owned car manufacturing company, MG Rover (Lotus and Morgan being trade intensive, not manufacturing, shops) turned out the lights this month for what was left of the company after acquisition of its technological and intellectual resources to the Chinese, the country took a step back in time. Despite efforts by the Iranians to take control and continue production in Britain, China’s ownership of the IPR (Intellectual Property Rights) for key product caused them to end negotiations. As of right now, and for all intent and purposes, England has no true manufacturing base.” 4. “General Motors and Ford are far too important to economic and national security to allow their fates to be determined in Paris, Tokyo, Beijing, Las Vegas or the financial district of New York.”

Fast forward to June 30th, 2006. Having failed in his attempt to gain control of Ford Motor Company – at least to the extent he hoped beginning with Ford of Europe – thanks to the as yet unassailable power of the Ford family’s Class B super-weighted shares and an apparent souring of the otherwise receptive attitude towards him by the Fords, Ghosn was forced to shift his attention to GM. In his mind, it represented a softer target, that is to say, no family ownership to contend with.

The Orchestration of Artificial Urgency

The almost unreasonable demands upon GM (Ford as well) by Wall Street analysts within key investment banking, credit rating and media entities to meet their fiduciary responsibility to shareholders by either declaring bankruptcy, move 10s of thousands of jobs offshore, get acquired, or face continued downgrading of market valuation, was intended to create an atmosphere of inevitability that Wagoner and company would succumb to subsequent “surprise” suggestions by Kerkorian and crew.

Make no mistake, Ghosn was in on the gag, as it were, and had in fact been in discussions with Kerkorian (Ghosn had been in Dearborn twice between January and May of 2005 for Ford negotiations, and another visit within a 4 week timeframe subsequent) of varying depths for months prior to this past Friday’s events. The proposed interaction between Tracinda and Renault-Nissan with GM as the target for acquisition took on urgency as Ghosn came under fire as a direct result of steadily decreasing U.S. market performance on the part of Renault-Nissan.

Ghosn himself was in danger of removal and their “response” to the “invitation” by Kerkorian to participate was a move of self-preservation if not desperation.

What should be transparent is that the moves by Kerkorian in league with Ghosn's Renault-Nissan is nothing less than a hostile takeover –albeit non-traditional – of a core component of the U.S. industrial base by an offshore entity, aided and abetted by a homegrown “fifth column”; i.e., Tracinda and elements of Wall Street.

The strategy agreed to by Ghosn and Kerkorian entails the conjoining of Tracinda's 9.9% stake in GM, plus a minimum 25% -- not 20% -- and maximum 30% minority stake in GM. The hope is that the GM board, already feeling pressure from the company's banks and individual shareholders will agree to the 30% stake Renault-Nissan will ask to acquire, and when combined with Kerkorian's 9.9, results in a 39.9% stake in GM.

This not the strategy of those merely securing a stake in a viable target, but of an outright capture. Notably, the plan will work at 25% or 20%.

GM Under Attack

It is safe to say the outright attacks on the character of GM, not the least of which was that promulgated by the New York Times Tom Friedman (who by the way is possessed of the intellectual capacity to know better) can be characterized as a “softening of the beach head” in preparation for “invasion” by the triumvirate of Kerkorian, Ghosn and various elements of the financial sector.

The more ominous aspects of this proposed takeover have already been articulated by National Security Analyst Dr. Sheila Ronis, whose work as lead investigator for a Congressional investigation into the erosion of the U.S. industrial base chaired by Illinois Congressman Don Manzullo is now complete (a copy of the report is available) noted last year that “Should Renault and Toyota gain control of Ford and GM, it is doubtful that the bulk of manufacturing would remain here, manufacturing historically crucial to the base. There is much truth to the contention ‘As goes GM and Ford, so goes the economy.’

“In addition to the irrecoverable damage to the supplier infrastructure, the removal of intellectual properties activities such as design and engineering would quickly follow. In short, this country loses its capacity and capability to produce anything; an untenable situation for those charged with national security.”

The Detroit News' Dan Howes echoed this concern in his July 1 analysis: “Whether GM, stung by its global forays, and Renault-Nissan, evidently hungry for another audacious play, place new bets is still to be determined. But given the track record of these deals, it's hard to see how any of it would be good for Detroit or the American industrial independence – unless the French and the Japanese let the Americans take the lead.

“Right. Or shall we say, non?”

Former American Motors Chairman and current U of M Professor Gerald Meyers evidently sees immediate removal of the American executive suite should this play reach the end zone: “Carlos Ghosn has a reputation of being a very strong CEO. I can’t imagine him taking a back seat to Rick Wagoner.”

Although we completely disagree with Prof. Meyers’ assertions in support of a sustainable service/consumption –oriented economy; i.e., no manufacturing capacity of significance needed, we nevertheless agree with him on the above, as evidenced in last year’s analysis.

Ghosn’s absolute rejection of a power sharing position with Bill and Edsel Ford is precisely what killed the Renault/Ford conjoining – at least for now.

The conclusion of matters in current contention is however forthright: The Kerkorian/Ghosn overtures to GM represent an outright takeover attempt by a foreign entity, and that is a completely unacceptable state of affairs.

As was quoted in the previous analysis, “Average Americans are still not cognizant that a state of economic war exists between the U.S., Europe and Asia. Sun Tzu’s contention that ‘economic war is always waged first’ could not be more correct, especially in a world wherein predatory economic strategies can be deployed with astonishing speed. The assumption, however, that picking off the United States through the dismantling of its core industrial components is helpful to their cause couldn’t be more wrong. This means that the number one customer for goods produced around the world, especially Europe and Asia, goes away. Perhaps not immediately, but the profoundly negative impact would not be long in coming. And considering the inextricable linkages between global economies, the whole world, really, goes into recession, if not depression.”

GM, Boeing Economic Impact



Boeing C17 Globemaster III Image: Boeing

In a recent conversation, Dr. Ronis viewed the circumstances surrounding the future of GM, Ford and Boeing’s superlative C-17 Globemaster military airlifter, as analogous.

“It was not until Congress realized the inseparable, if not symbiotic connectivity’s between preservation of the C-17 and the defense industrial base (of which GM and Ford are undeniable components) as represented by 702 suppliers in 42 states and billions in economic impact, did they take immediate and laudable action.

“One must consider GM and Ford as being much, much larger C-17 programs with massive industrial-economic footprints whose demise or severe contraction in operational scope would bankrupt the country. Thus, the concern would no longer be the offshoring of jobs, but no less than the co-opting of national security.

In forthcoming testimony before the U.S./China Economic and Security Review Commission later this month in Dearborn, Ronis will discuss many of these issues inclusive of the state of the base.

“The Country must understand the systems nature of the erosion of the U.S. military industrial base and its largest sister the overall industrial base, because they are not separable. The continued vitality of both is critical to our ability to remain a Super-Power. Conversely, GM, Ford, Delphi, Northrop-Grumman, Boeing and Lockheed-Martin share the bottom of the industrial base.

Ronis further notes that “Having GM under the control of non-U.S. firms is not the answer. Why? Because many foreign entities buy U.S. assets not to use them, but to dismantle them.”

Business As Usual

Last year, we expressed a belief that Kirk Kerkorian was becoming more cognizant of the economic devastation that would result from a “sliced and diced” GM. As of right now, we seriously doubt that age and experience has wrought a change in business operating procedure.

Should this proposed capture of GM go forward, the immediate result would be exactly that which transpired in the aftermath of the so-called “merger of equals” between Daimler-Benz and Chrysler. That is to say, thousands of irreplaceable core manufacturing jobs being consigned to the realm of anti-matter.

GM’s board and Rick Wagoner now find themselves at a pivotal point in history wherein their decisions can either initiate a much needed reversal in the course of industrial base erosion or accelerate it to a state of irreversibility. Were the latter to occur, the country will find itself daily moving away from sustainable economic growth and viability to a state more traditionally described as third world. Indeed, a state meeting the latter criteria described by Dr. Thomas P.M. Barnett’s “core” and “gap” scenarios in his New York Times best seller “The Pentagon’s New Map: War and Peace in the 21st Century.”

They must act, and act now, for the good of the country... or Congress will set new rules that no one wants.

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Dr. Sheila R. Ronis is President of The University Group, Inc., a management consulting firm, and think tank specializing in strategic management, visioning, national security and public policy. She is also Director of the MBA/MSM Program at Walsh College. She previously taught “Strategic Management and Business Policy”, “Managing the Global Firm” and “Issues of Globalization” in the MBA programs at the University of Detroit Mercy and Oakland University. She is very involved with the Industrial College of the Armed Forces (ICAF) at the National Defense University in Washington, D.C. and participates in their annual National Security Strategy Exercise. In June, 2005, she chaired at ICAF the Army’s Eisenhower National Security Series Event, “The State of the U.S. Industrial Base: National Security Implications in a World of Globalization.” Her B.S. is in Physics and Mathematics. Her M.A. and Ph.D. are in Organizational Behavior and General Social Systems Theory from The Ohio State University.

Dr. Ronis founded and directed the Institute for Business and Community Services at The University of Detroit to assist the U.S. automobile industry in becoming globally competitive by bringing systems and strategic management principles to the industry.

Joining the University of Detroit from Ameritech Publishing, Inc., where she was a Strategic Planner, she worked at AT&T and Michigan Bell before that, helping the corporation during its divestiture years. Prior to her Bell System tenure, Dr. Ronis directed a national energy program for the U.S. Energy Research and Development Administration (ERDA - now the Department of Energy), in Oak Ridge, Tennessee

and Washington, D.C. While an administrative associate at The Ohio State University, she chaired the Legislative Affairs Committee, acting as the legislative liaison between the University Senate, the Ohio General Assembly, the Governor's Office and the Ohio Board of Regents. Dr. Ronis began her career working at North American Rockwell in Columbus, Ohio.

Dr. Ronis has worked with many organizations; public, private, large, small, profit and nonprofit. These include: General Motors Corporation, Ford Motor Company, the Department of Defense, the Department of Energy, the Federal Laboratory Consortium For Technology Transfer, U.S. Institute of Peace, USAID, Ameritech, USCAR, the Interstate Commerce Commission, the Institute for National Strategic Studies at the National Defense University, the National Science Foundation, and The State Council of The People's Republic of China.

Dr. Ronis began working with the U.S. automotive industry in 1985. This included Ford Motor Company as well as several automotive suppliers. In 1988, she worked with the Cadillac organization at General Motors to fix the Allanté two years after start of production. She then became involved in the Cadillac 2000 project on behalf of the Chief Engineer of Cadillac, Mr. Robert L. Dorn. In 1993, Dr. Ronis helped to revamp the General Motors corporate intelligence function. From 1994 to 1996, The University Group, Inc. became a captive supplier to General Motors working on a number of corporate functions. Since that time, Dr. Ronis has continued to work with GM on a number of projects. In 2000, Dr. Ronis was asked to assist the Ford Motor Company in improving its corporate intelligence function, and strategic visioning processes.

Dr. Ronis began working in the national security community during the divestiture years of the Bell System that included her participation in the decisions related to the security of the nation's telecommunications infrastructure.

For more than a decade, Dr. Ronis has been working directly with the U.S. Department of Defense and the national security community. Her first assignment was teaching "grand" strategy as it is viewed in global business to the Management Faculty at the U.S. Army War College in Carlisle, Pennsylvania. She was also involved in the development of the first Strategic Leadership Symposium at the Army War College under the command of Major General Paul G. Cerjan. In 1993, Dr. Ronis began her work with the National Defense University (NDU) in Washington, D.C. She has played a role in bringing industrial knowledge of the transportation industry to the Industrial College of the Armed Forces (ICAF) and NDU and currently serves on the NDU Foundation Board of Directors as Vice President.

In 1996, Dr. Ronis was asked to deliver a paper on "National Security and the Theories of Dr. Deming" by the W. Edwards Deming Institute. The paper was read by General John M. Shalikashvili, Chairman of the Joint Chiefs of Staff and was widely distributed throughout the Pentagon as an example of applying strategic

systems thinking to matters of national security. At DoD, Dr. Ronis has worked with the Air Force Special Operations Forces at Robins Air Force Base and Wright Patterson Air Force Base, and the U.S. Army Tank-Automotive and Armaments Command (TACOM). She was asked to write a “white paper” about the need to define and retain Department of Defense core competencies and what happens when outsourcing occurs. At the Pentagon, she has worked in support of projects at the Office for the Secretary of Defense on visioning for the Department, and has supported the work of the Defense Reform Task Force. Her work for the Secretary of Defense included a written operational definition of the Revolution in Business Affairs that was used to support the Revolution in Military Affairs for the Quadrennial Defense Review in 1997. In addition, she was a team leader as a part of the “red team” that critiqued the Joint Vision 2010 work for the Joint Staff, J-7. In the last few years, she has also supported the work of the Hart-Rudman Commission on U.S. National Security for the 21st Century.

Dr. Ronis has also worked on behalf of the economic and transportation elements of national security supporting the original work to create USCAR, the United States Consortium for Automotive Research, and its major initiative, the Partnership for a New Generation of Vehicles. In addition, she helped the Federal Laboratory Consortium for Technology Transfer (FLC) with a master plan and vision for the future. Her work with FLC included a paper on how national laboratories and scientific researchers can comply with the Government Performance Results Act (GPRA).

Known as a systems security strategist, Dr. Ronis has authored 163 papers. Her paper delivered at the Pentagon entitled, “Economic Security is National Security: A Discussion of Issues Surrounding the Global U.S. Corporation” suggested a way to re-think industrial base policy. Her paper presented at the U.S. Army War College, “Visioning for the 21st Century: A Process for National Security” outlined the way in which an interagency activity might produce a more holistic national security strategy for the United States. Her paper on “Shaping in the 21st Century” delivered at the Army’s conference at the Walker Institute of International Studies examined the new roles that the Department of Defense would need to play in the Post Cold War era. Recently, she supported the work of the Department of Commerce Office of Strategic Industries and Economic Security with a study of the U.S. Army’s Theater Support Vessel released in December, 2003. She recently completed a study with DOC on the Air Force C-17.

Dr. Ronis also has published the scenario “Crisis on Asimov” in *Automotive Industries Magazine*, and the *Financial Times Automotive World*, in London that is a strategic futurist’s look at transportation in the world of 2085 that uses a Department of Defense visioning process. In addition, Dr. Ronis worked with the late Dr. W. Edwards Deming including co-authoring the paper “Preparing Cadillac for the 21st Century: Systems and Strategic Thinking.” Dr. Ronis is Vice President of the Board of the National Defense University Foundation. She is the former Vice Chairman of The Ohio State University Alumni Association. She is a former board

member and life member of The Economic Club of Detroit. She is a life member of the National Defense Industrial Association (NDIA), and the Association of the U.S. Army. She is also a life member of the Phi Kappa Phi Honor Society. Dr. Ronis is a frequent guest on the NBC affiliate in Detroit and several other Detroit area TV and radio news programs. She has published in *National Defense* and publishes articles on-line from time to time at www.emotionreports.com. Her book, *Timelines into the Future: Strategic Visioning Methods for Government, Industry and Other Organizations* will be published by The University Press in early 2007. Her most recent papers include, "Transformational Recapitalization: Rethinking USAF Aircraft Procurement Philosophies" was published in *Defense AT&L* in November, 2004 and "Erosion of the Industrial Base and its Issues of National Security: A Systems Approach to Congressional Action" presented at the National Defense Industrial Association conference in November, 2005 and the Outlook 2006 US Industrial Fabrics Institute conference in April. Her recent study of the national security implications of the erosion of the U.S. industrial base for the U.S. House of Representatives Committee on Small Business was released in May, 2006.

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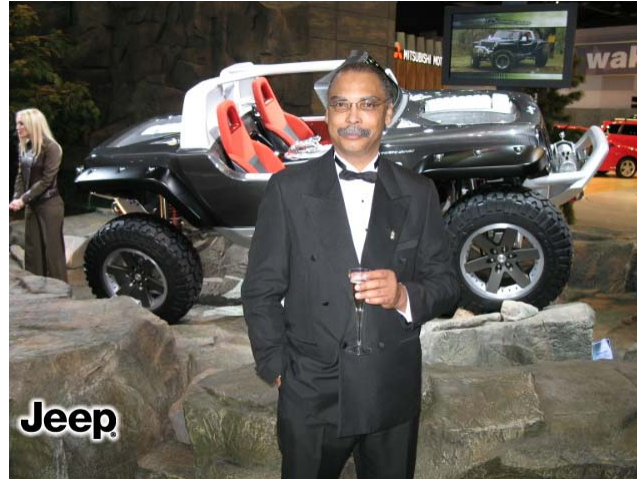


Boeing C-17 Globemaster III, Most Versatile Airlifter in The World *Image: Boeing*



Backgrounder, Myron D. Stokes

Publisher, eMOTION! REPORTS.com



eMOTION! REPORTS.com Publisher Myron D. Stokes' work as an industry journalist with special emphasis on business and technology has been published in a variety of major print mediums including the *Detroit News*, *Changing Times Magazine*, *Auto Week* and corporate publications. Over the years, he has provided major corporations and media groups with "deep background" analyses that have helped shape the direction of some of the most significant news stories and industry strategies

After outlining a strategy to expand industry coverage for *Newsweek Magazine* in November of 1991, he worked in the capacity of industry correspondent and investigative reporter. His reporting included in-depth assessments of the "shake-up" at GM, the much publicized industrial espionage charges against former GM supplier executive Dr. Ignacio Lopez; the hazards of doing business in China; the viability of Electric Vehicles which centered on advanced battery technology in both the private sector and military (*Newsweek International edition*); the difficulties then facing Japan's auto industry and the comeback of the Big Three (*Newsweek Japan*).

In recent years, he has covered some of the most recognized stories in automotive, aerospace and general interest. These include the Kirk Kerkorian Chrysler takeover attempt; the GM C/K truck controversy; the U.S./Japan trade issue (*Newsweek Japan*) which required significant interaction with then Secretary of Commerce Ron Brown; development of extensive severe weather meteorological

data for *Newsweek* cover story (4/95) on Airline Safety; investigative analysis of possible collusion between the warring governments of Bosnia President Alijah Izetbegovich and Serbia President Slobodan Milosevic along with uncovering of plan to re-implement ethnic cleansing prior to Srebrenica massacre (6/95); and the Oklahoma City bombing.

His ability to thoroughly and accurately report and analyze issues of substance garnered himself and former *Newsweek* Detroit Bureau Chief Frank Washington first place in the coveted *Detroit Press Club International Golden Wheel Award for Automotive Journalism* in 1995. This competition, judged by professors from the University of Nebraska School of Journalism, included entries from 110 journalists in five countries. *Business Week* took second place. Stokes was also privileged to function as acting Detroit Bureau Chief for *Newsweek*.

Stokes is near to completing research for a new book containing exhaustive analysis of severe weather phenomena and their impact on flight operations since the dawn of aviation. In fact, the book will provide the basis for research into a new phenomenon, the *Clear Air Vortex*. The late University of Chicago's Dr. Theodore Fujita, long recognized for his work in destructive weather and responsible for defining the *downburst* as well as the Tornado intensity scale that bears his name, and The late University of Michigan's Atmospheric and Oceanic Sciences Department Dr. Thomas Donahue (one of the original team of scientists gathered at Woods Hole to design complete systems for the Space Shuttle in 1973) provided valuable insights and knowledge to this undertaking. The working title is *Turbulent Sky*.

The book will contain new information on several aircraft disasters and the role severe weather may have played. Prominent among these is Delta 191, Northwest 255, AA 593, USAir 1066, Air Alaska and *Challenger*.

It is also of note that his pursuit of this project planted seeds in the entertainment industry that led to three movies: *Twister*, *White Squall* and *Turbulence*.

CORPORATE

Corporate duty includes 10 years ('72-'82) with Bethlehem Steel, where, in addition to sales, marketing and transportation logistics responsibilities, was part of the *Automotive Project Team (APT)*. This group functioned as a liaison between the automotive and steel industries for the recommendation and provision of materials for prototype development. These included High Strength Low Alloy (HSLA) for an industry forced on a diet by the early '70s energy crunch, and more corrosion resistant steels like galvanized and galvalume to address growing consumer quality concerns.

His Bethlehem experience further includes coordination of Capitol Hill-based corporate lobbyists and marketing personnel that led to approval of a \$2.01 billion

loan guarantee by the Reagan administration (*Wall Street Journal*, 8.6.81) for the Beulah, North Dakota ANR Coal Gasification plant.

AGENCY

Stokes was part of a core team at the South Africa-based *Maritz* agency responsible for redefining Ford's sales training materials ('90-'91). Tasks included his scripting the '91 Crown Victoria and Mercury Marquis training videos, as well as developing the treatment for the '91 Capri launch/training video. He was also talent for the '90 Merkur Scorpio training video.

eMOTION! MAGAZINE, eMOTION! REPORTS.com

In 1997, Stokes announced development of a new magazine *eMOTION!* the world's first multi-lingual, global, automotive/aerospace publication. A proof-of-concept issued was launched in two phases between April and July 1999 with a circulation approaching one million -- unprecedented in this industry. And to promote the *eMOTION!* brand, he established a series of informal gatherings in December 2000 to discuss issues of high impact and import among invited professionals in the four-field arena of academia, media, corporate and government.

The success of these gatherings led to the establishment in early 2001 of *eMOTION! REPORTS*, an automotive/aerospace industries research and analysis website (www.emotionreports.com) targeted to individuals comprising informal gathering attendees. The site is also providing a new vehicle for presentation of White Papers and other scholarly research to a broadened, yet very defined audience.

Response to this new approach has been excellent owing to the provision of in-depth analyses of critical issues in both industries. The DaimlerChrysler difficulties and Boeing's move of its corporate headquarters from Seattle are among the topics reviewed. Additionally, reader/viewers are able to download an extraordinary 100-page document outlining Boeing's development of the Supersonic Transport along with access to new thinking on the EP-3E incident.

In June 2003, in a collaborative effort with academic and research colleagues, he presented through *eMOTION! REPORTS.com* the analysis "*Super-Globalism™: Strategies For Maintaining a Robust Industrial Base Through Technological, Policy and Process Improvement*" which takes a hard look at the state of the country's industrial base, its core components, and their ability to succeed against determined competition globally. This analysis has garnered worldwide presentation through various mediums, inclusive of Dun & Bradstreet's *Hoover's On-line*, *The Auto-Channel*, *Firstrade*, *IEE* and the China-based, multilingual, *World News Network* It also formed the discussion core of a paper released by the *Japan Auto Parts Industry Association* (JAPIA).

He was also privileged to work with a group of Canadian scientists in the development and presentation of an engine technology white paper "*Quantum Parallel: The Saint-Hilaire 'Quasiturbine' as the Basis for a Simultaneous Paradigm*

Shift in Vehicle Propulsion Systems” which has lately been the topic of scientific discussion groups around the world. The paper was presented to an international team of scientists and engineers during the 2004 Global PowerTrain Congress in Dearborn, Michigan, and was dedicated to his Father, scientist and inventor Rufus Stokes, honored by the DOE as an energy pioneer.

AWARDS

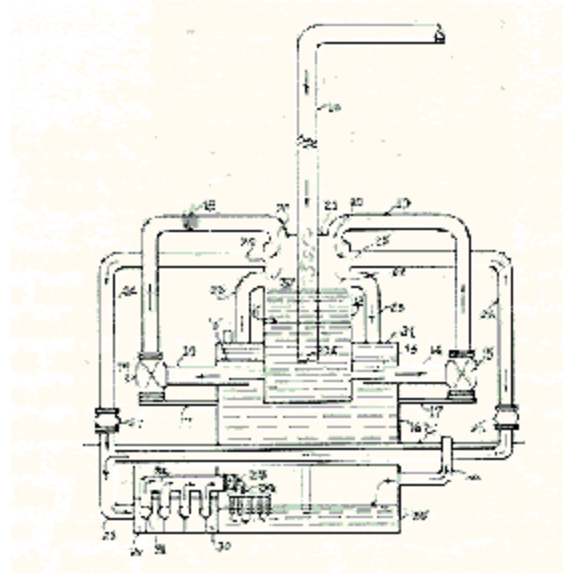
The U.S. Department of Commerce issued a certificate of appreciation for his assistance in accommodating Russian automotive supplier executives during a June, 1999 tour of the U.S.

In the aftermath of 9/11, Stokes was privileged to work with a team of scientists who crafted a strategy for revamping the country’s skyscraper emergency response methods, whether at the municipal, state or Federal level. This strategy, known as IN-SERT (Skyscraper Emergency Response Team) was presented to emergency response experts, inclusive of two FEMA representatives, within 30 days of the disaster. IN-SERT demonstrated that a larger number of people, trapped above the impact floors of the WTC, could have been preserved.

At present, in addition his publishing duties with the able assistance of Associate Publisher John T. Chuhuran and Web Editor Matthew Siporin, he is involved with preservation of industrial base and mitigation of global supply chain vulnerabilities.

Stokes is a military aviation history expert with strong interests in the development of naval weaponry over a 500 year period. He has also participated in the restoration of B-17G and B-25 aircraft.

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Schematic that accompanied application to the U.S. Patent office for the “Exhaust Purifier” of Scientist/Inventor Rufus Stokes in 1967. The Department of Energy has seen fit include him in its list of “Energy Pioneers” featuring no less than Newton, Tesla, Einstein, Curie, Oppenheimer, Edison and Ford.

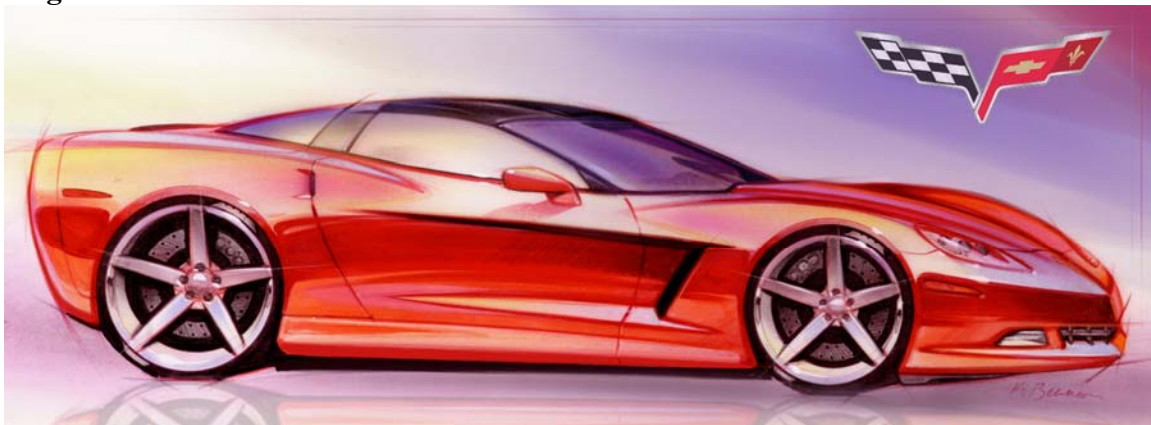


Backgrounder, John T. Chuhran

Associate Publisher, Motorsports Editor,
eMOTION! REPORTS.com

John T. Chuhran has covered motorsports as a journalist for more than a quarter century. From 1992-94 he served as Director, Media Relations and primary spokesman for *Championship Auto Racing Teams, Inc. (CART)* the governing body for the *PPG Indy Car World Series*. For more than two decades he has been a sports writer and editor for such media as *The Philadelphia Bulletin*, *Gannett Westchester (NY) Newspapers*, *the Bridgewater (NJ) Courier-News*, *the Associated Press*, *United Press International*, *BBC Radio* and *the Reuters News Service*. He has served as communications Manager (Product), Press Fleet Supervisor and Press Information Specialist of Mercedes-Benz North America where he was responsible for all motorsports and professional sports activities of the company.

He also has been the primary media professional at a selective New York City investor relations firm where he optimized media exposure for several companies that launched IPOs and Secondary Offerings. During this time, he was also the de facto Media Relations executive responsible for all media activities of the Professional Sports Car Racing series (now known as IMSA) during the ownership of Andrew Evans. Currently, Mr. Chuhran manages the media centers at several NASCAR racetracks during event weekends, and he maintains extremely positive relationships with the motorsports media. He also continues to write as a contributing editor for motorsports outlets such as *The Star (Mercedes-Benz) magazine*.



Corvette C6 Concept Drawing Image: General Motors



Backgrounder, Matthew Siporin

Web Editor, eMOTION! REPORTS.com

Web Editor and Seneca Communications (www.senecacom.net) Senior Network Specialist Matt Siporin is, well the heartbeat of eMOTION! REPORTS.com, and has been with the site virtually since inception; having stepped in to fill the rather large shoes of our dear colleague John Pluenneke, Jr. who went on to continue academic pursuits. (Note: *John grew up abroad, the son of one of the world's most competent business journalists, thus enabling him to provide unique insights into the required structure and data flow for a fledgling ER in 2001.*)

A graduate of the Texas State Technical College after a prior attendance at the California Institute of The Arts, Matt has the task of managing, presenting and maintaining the massive amounts of technical, industrial and institutional data flowing in our direction at an almost overwhelming rate. Nevertheless, reader/viewers note that ER analyses and images are presented in a logical, easily assimilated manner that is quite useful to a site providing automotive/aerospace industries research and analysis to our target audience of professionals within the academic, media, corporate and government sectors.

His technical capabilities allow the appropriate placement of data no matter how complex; vitally important when one considers that ER also has as a mission the creating of an environment wherein White Papers such as "*Crisis On Asimov: A Vision of 2085*", "*Hydrogen Infrastructure*" and "*Quantum Parallel: The St. Hilaire Quasiturbine as The Basis For a Simultaneous Paradigm Shift in Vehicle Propulsion Systems*", to a broadened, yet still very defined, audience.

An aviation enthusiast, July often finds the Siporin Clan at the Osh Kosh, Wisconsin Air Show.

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Boeing B-29 SuperFortress Image: USAAF

Thomas P.M. Barnett :: Weblog

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"Reviewing the reviews" gets reviewed in online pub

Dateline: above the garage in Portsmouth RI, 24 June 2004

eMotion! Reports.com, an online publication devoted to "automotive/aerospace industries systemic intelligence" just put out a media advisory on their new postings. One of them will be a review of my reviews of my book, apparently pulled from this site. Here's the media advisory text, written by the publisher, Myron D. Stokes:

Good Morning:

Whether we like it or not, the world is indeed, at war. Obviously, not war in the traditional sense – it is asymmetric – but war just the same. According to my colleague Dr. Sheila Ronis, a national security strategist, “Global war begins with economic crises such as the major problems in Japan, the overheating of the China economy due to its insatiable, and now unstoppable appetite for raw material, and the continued instability within the Middle-East, compounded by the uncertainties of Iraqi War outcome. We are right now contending with macro-economic trends that are outstripping and outpacing any efforts to keep them in check. Crises not dissimilar to these in the 1930s directly led to World War II. Very similar and very dangerous. [Dr. W. Edwards]Deming once told me that Japan went to war because they thought their population was about to starve. Their backs were to the wall,

and they felt they had no choice but to pursue this course in view of then existent US economic policies.

“War is often the inevitable aftermath of negative economic forces on nations, and we have to be mindful of the difficulties facing multiple nations simultaneously, now, as then. We are seeing in real-time the viability of the “core” and “gap” scenarios postulated by Dr. Barnett in his book “The Pentagon’s New Map.” Moreover, the Chinese view the global pie as a zero sum game; their win is a loss for the US in every category of the nation’s existence. However, if globalization is properly managed, the entire pie can grow. If it is not managed, that's when the industrial base could collapse. Conversely, the enemy is not globalization, it is, rather, the lack of managing it.

“The statement, ‘So goes the economy, so goes the military might’ is axiomatic. A non-linearist would say we are at the ‘tipping point’ and unless clear and implementable strategies for preservation of the US industrial base as represented by GM, Ford, Boeing, Lockheed-Martin, Northrop-Grumman, General Dynamics, Delphi and other core components emerge in the very short term, its relative stability will disintegrate followed by the possible collapse of the US economy.”

The forthcoming analysis "The Disintegration of Japan's Export-oriented Economy" will expand on this theme in addition to emergent Congressionally mandated initiatives designed to address the erosion of the US industrial base.

In the meantime, we present three features of note that are appropriate to our times: "Military Transformation Through Analytical Process" A peer review of the Inter-University

Seminar proceedings late last year in Chicago that brought together some of the world's leading scientists, academics, military sociologists, military officers active and retired, and industry executives to discuss the geo-economic impact of 21st Century asymmetric warfare; "[Reviewing the Reviews](#)", a brief look at other media analysis, inclusive of Businessweek and the Wall Street Journal, of Dr. Thomas P.M. Barnett's "The Pentagon's New Map: War and Peace in The 21st Century" following [our own March 24 review "The Core and Gap"](#) and lastly, an encore presentation of "Crisis on Asimov: A Vision of 2085" a look at the future of transportation derived from the application of Department of Defense "visioning" processes, and which acts as prelude to the a forthcoming University Press of America book by Dr. Ronis "Crisis On Asimov: Strategic Visioning for Governments, Industry and Other Organizations" (revised title). "Asimov" also honors the opening of the new Science Fiction Museum and Hall of Fame in Seattle; the brain child of Microsoft Co-Founder and private sector spaceflight pioneer Paul Allen and other noted visionaries.

An interesting example of how the weblog-centric version of the book here on this site generates discussion above and beyond the normal review process.

(italics ours) Posted by Thomas P.M. Barnett at [12:38 PM](#)

Publisher's note: Dr. Thomas P.M. Barnett, a former Professor at the Naval War College, is recognized as one of the world's leading military and sociological theorists and strategists. His book, "The Pentagon's New Map: War and Peace in the 21st Century is a New Times Best Seller and has won global acclaim. In fact, it is now considered required reading within the governmental and military/industrial complex. His current effort "Blueprint For Action: A Future Worth Creating" (G.P. Putnam and Sons) is a continuation of his renowned clarity of thought in matters strategic.

We are pleased and honored that he has seen fit to include us in his commentary. – M.D. Stokes