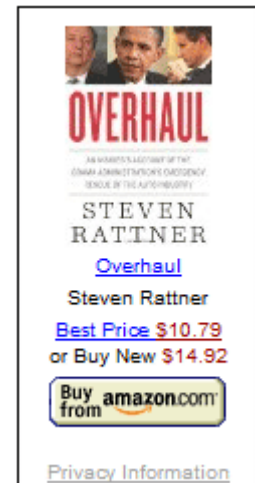


Through the Looking Glass with Steven Rattner

By Jack Falvey
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Steven Rattner, the Obama administration's one-time "Car Czar," has been busy redefining terms while trying to put his considerable spin on history. His objective is obvious in *Overhaul: An Insider's Account of the Obama Administration's Emergency Rescue of the Auto Industry*. Rattner wants to convince us that the auto industry was magically transformed from a cash-bleeding rusting hulk to a paradigm of corporate profitability.

The auto industry was not overhauled. Eighty percent of the U.S. auto industry by market share was untouched by Rattner's market interventions. Two very sick companies, GM and Chrysler, were dismembered at great taxpayer and investor cost to pay a political debt to a single union.



In fact, "Dismembered" would have been a far more accurate title than "Overhaul."

Even though our newly minted czar was a former *New York Times* reporter, this book isn't even all that good a read. Rattner failed miserably in making his Blackberry messages and endless meeting notes meaningful. His notes on the president's attire –saying, for example, that he wore khakis and a sweater to a weekend meeting – typify the droning monotony the reader must tolerate.

Rattner comes up short in more ways than one. Gratuitous shots at George Bush – "an unpopular administration obsessed with global terrorism" – don't add much to the narrative, but they do illuminate the mindset of the author. His quote of President-elect Obama preparing to take office is even more telling: "Why can't they make a Corolla?" Obama asked of the auto industry, according to Rattner. "We wish we knew," replied his advisors.

Team clueless was about to take the field. Hubris and naiveté abounded as Team Auto came together, wading hip-deep into coffee cups and work product! As Rattner romantically describes the group's late nights at the office, he can only do so much to hide a basic fact: This had nothing to do with autos. This was just a private equity restructuring.



In every book there is at least one signature sentence, something designed to catch the eyes of reviewers and get quoted in the media. In "Overhaul," these immortal words, the *raison d'être* of the book, are blunt and to the point: "F*** the UAW." That's what Rattner quotes Rahm Emanuel as having said during the strategy sessions. It is as if all the co-conspirators sat around the edit table and said, "We need something to throw the people off the trail. It's two a.m. and the place is knee deep in coffee cups. What will satisfy the rubes in flyover America?" Answer: Let's drop in "F*** the UAW" in chapter 4. We got it! Most business books are skimmed. This will hook 'em. Most reviewers will be sucked in by this! Not even Pulitzer Prize-winner Larry Ingrassia of the *Wall Street Journal* will be able to look past this!

And they were right! Emanuel's over-the-top quote was positioned early enough in the book so that once you read it you got the point Rattner wanted you to.

But here's the thing: A careful reading of the book, not just its soundbites, will tell you just the opposite. The book is all about supporting the UAW. "F*** the American taxpayers" is the real theme. Thinking he is clever enough to throw his readers off the scent is merely more hubris from Rattner. He exemplifies the most recent arrogant group of elitist yahoos to blow into Washington on the coattails of "He who we all have been waiting for" and think he can mask his true intentions.

In short, Rattner's book lays out the cover story. Published in broad daylight, it's meant to provide an alibi for the biggest political payoff in history: The heist of the United States Treasury that "Team Auto" pulled off. This Treasury Department inside job is laid out in detail, notwithstanding the one vulgarity that is supposed to throw the public off the scent. Meanwhile, a high-speed IPO hustle is about to be pulled off to complete the perfect crime when the government sells its GM shares.

The express-lane bankruptcy missed a minor detail that Rattner claims to regret in the book. "And I brooded about the UAW, struggling with the good questions posed by Chuck Lane of the *Washington Post* at our editorial board meeting there: Why didn't we ask active UAW workers at GM and Chrysler to take a pay cut? Why didn't we modify both companies' overly generous pension plans?"

"Several reasons," Rattner writes. "We were pressed for time!"

How about the work rules that killed GM and Chrysler and brought Ford to death's door? When you take a union company into bankruptcy, it is common practice to blow up the union contract and start again. Never touching the thing, leaving it unscathed and unscratched, says far more than 315 pages of slow moving prose ever could.

How did Rattner wind up doing Obama's dirty work on the auto industry? Rattner hustled his job with Obama the old-fashioned way – he bought it by fundraising for the man. But there was a catch: Obama wasn't Rattner's plan A. Because he went with Hillary in the



2008 election cycle, he knew he could only hope for a second-tier job in the Obama White House, although that didn't stop him from lobbying hard for the role.

Put me in coach, I know the plays. Which position? I know 'em all! Banking? Wall Street? Autos? I'll take Detroit! And so a car czar was born!

The UAW was getting paid off, and Rattner was hired to join his boss, Tim Geithner, as the bag men. The classic corrupt deal was being flipped: Instead of someone paying off a government official for favored treatment, the President of the United States was paying off the UAW for its efforts to get him elected. No big deal. Happens all the time! Scratch my back I'll scratch yours. Get me elected, and I'll protect your contract and give you 17.6% of the ownership of General Motors. How does that sound?

And so the president recruited Rattner to make it happen. And he did! He is nothing if not a loyal (second-tier) soldier who delivered the goods, then crafted the cover story for good measure. It is usually an honor of sorts to be in the acknowledgements of a book, as are Vernon Jordan, Chuck Schumer, Henry Kravis, Barbara Walters and others. In this case, it feels more like Rattner was listing his co-conspirators.

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