



## Where Is the GM “Bonus” for Taxpayers?

The propaganda machine was out in full strength last week when General Motors generated a lot of excitement by announcing that each of its 40,000 hourly workers will be getting bonuses averaging \$4,000. Water-cooler conversations and media coverage alike were abuzz over this news, everyone beaming with patriotic pride that the all-American company was able to come back from the brink of disaster and reward its workers for all their efforts.



Not surprisingly, rarely was a negative comment heard about it. Whereas corporate executives from Wall Street were appropriately derided by the public for the bonuses they gave themselves immediately following the government’s bailout of their failed enterprises, no one dared (or even thought to) decry the bonuses that were paid to blue-collar workers whose employer was bailed out as well and is still on the hook for billions to the American taxpayers. Despite [GM commentary](#) to the contrary, the company still owes the U.S. government a staggering [\\$26.4 billion](#).

GM’s bonuses were called “profit sharing” by its executives. If that is truly the case, the \$189 million in profits that were deemed excessive should not have been shared with the workers but instead should have gone back to the taxpayers. Only after the government has been paid back should any individual (blue-collar, white collar, or otherwise) receive anything above and beyond the standard wage and benefit package. Sadly, it probably won’t ever happen that way, nor is it guaranteed we’ll ever be paid back in full. As with any means of federal intervention, GM’s rescue was a wealth transfer where only a few people benefited at a cost to the truly productive and effective parts of the economy.

GM — especially in its modern “Government Motors” make-up — is impervious to bad press and has become an indispensable tool to the Left and Big Government in their quest to add legitimacy to wealth transfers and other affronts to proper governance. With the American people still the largest single stakeholder of GM at 36 percent of ownership, it’s obvious that the Obama administration has significant control over the actions of the company. So, it’s apparent that the not-so-subtle bonuses have become a very subtle means of class warfare instituted by the government in its propaganda campaign. By rewarding the “Average Joe” and not the “Evil Rich,” the federal government finally made palatable to the masses its intervention in the marketplace. It can — *at least to those not in tune with economics and constitutionality* — claim absolute victory from its bailout of the automotive giant. Now,



Written by [Robert Confer](#) on February 21, 2011

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anytime that a crisis rears its ugly head in America — be it of the financial, economic, environmental, or security sort — the government will be able to justify its unconscionable oversight and direct interference with an “*it-worked-for-GM*” attitude that will be accepted by a majority of the public.

Because of the government’s mainstreaming of who and what are rewarded by intervention, the average person looks at the taxpayer-funded salvation of AIG as evil (which it is) while GM’s salvation is perceived as almost angelic (which it is not). It’s unfortunate, for it shows, once again, that many citizens are willing to abandon the Constitution — America’s legal and moral foundation — to make sacrifices of personal and economic liberty if it suits their needs. We’ve seen that before with the exchange of liberty for perceived security in regard to matters of so-called national security.

If we as a people were intent on identifying a shining example of what works and what doesn’t when it comes to real, honest-to-goodness capitalism, GM’s (and the government’s) competitor, Ford, should be it. In most of the mass media reports about GM’s bonuses, it was also [added](#) — with minimal fanfare — that Ford will be giving each of its hourly workers a \$5,000 bonus. The company produced \$6.6 billion in profits for 2010 and it did it the old-fashioned way: with no government help.

When the Great Recession hit with full force, Ford weathered the storm and remained profitable and successful. It did not need to be propped up by the people. Unlike GM, it was and is a well-run company and it was healthy before, during, and after the Recession. Even if the recession had not grown as powerful as it had, [it was unknown if GM would have survived](#) — it was that poor a performer. Regardless, GM was given a second life, an infusion of taxpayer money that has allowed it to stay alive. With its track record, it’s unknown how long that will be. It should have been allowed to pass on when the time came, yet the government found it necessary to give it an unfair advantage over the Fords of the world — companies that actually know how to operate, and survive, in a free market economy.

Before it does meet its demise (or comes crawling back for another bailout), it’s imperative that GM give the taxpayers the “bonuses” they rightly deserve. There’s \$26.4 billion out there due to our government — \$26.4 billion that would help in addressing our outlandish (and dangerous) national debt, which by the way, was created by this and similar unconstitutional and wrong-headed ventures by the federal government into the private sector.



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