

Forced-Unionism Abuses Exposed

The facts Big Labor bosses would rather you didn't hear about.

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Compulsory unionism breeds corruption. In each issue of "Exposed," the National Right to Work Committee will highlight yet another example of union-boss abuse spawned and perpetuated by Big Labor's government-granted privilege to force workers to pay union dues, or be fired.

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President Obama Hopes U.S. Taxpayers Forget The Past While He Condemns Them to Repeat It

Just last summer, the Obama Administration handed over \$49.5 billion in federal taxpayers' money to the Big Labor-controlled, money-hemorrhaging General Motors Corporation (GM). At the time, bankrupt GM was on the verge of being forced into liquidation. Its assets would then have been sold off.

The White House pitched this costly taxpayer-funded bailout as a bid to save American jobs. In reality, GM's reported U.S. employment has shrunk by nearly 25%, down to 68,500, just since last year's bailout, and is almost certain to continue falling. More than 80% of U.S. automotive manufacturing jobs are now in union-free firms, and these firms, not bailed-out GM and Chrysler, surely represent the future of domestic auto manufacturing employment.

Rather than workers, the single greatest beneficiary of the GM bailout was the United Autoworkers (UAW) union hierarchy. Along with sympathetic Obama agents, union officials were effectively left in charge of the company. Given that the wasteful work rules that UAW bosses, wielding government-granted monopoly-bargaining power over employees, insisted on for decades were largely what drove the company into bankruptcy, they certainly didn't deserve kid-gloves treatment. Yet that's what they got.

A UAW-controlled auto retiree health-care fund was owed \$20 billion by GM before the bailout. Under the White House-dictated terms, UAW-appointed fund managers got back half of what they were owed in cash, whereas U.S. taxpayers who were owed \$19.4 billion didn't get a dime back in cash.

Instead, the Obama Administration "forgave" this entire loan on taxpayers' behalf, and earmarked an additional \$23.5 billion for the company's trip through bankruptcy. In exchange for the nearly \$43 billion funneled to GM, federal taxpayers acquired a "60.8% equity stake" in GM.

Since GM has lost additional billions of dollars and seen a continued decline in its market share since it formally emerged from bankruptcy last year, it remains unclear how much, if any, of this “investment” taxpayers will get back.

Nevertheless, GM leaders and the UAW officials who colluded with them to extract \$43 billion out of taxpayers in exchange for arguably worthless stock are now patting themselves on the back for paying back, on April 21, the balance of a \$6.7 billion loan they took out from federal taxpayers as part of the 2009 bankruptcy package.

In one of his weekly radio addresses to the nation late last month, President Obama suggested that the fact that federal taxpayers have now recouped 14% of the taxes he diverted into GM coffers on their behalf vindicates his decision to bail out GM and the UAW brass.

But ordinary Americans, with whom the GM and Chrysler bailouts have become overwhelmingly unpopular over the past year, are unlikely to agree. Especially not if they learn that GM was only able to “pay back” the loan because it had not yet spent all of the other \$43 billion in U.S. taxpayer money it raked in last year. In short, as a New York *Times* headline observed, GM “repaid” taxpayers “with their own cash.”

Moreover, the apparent motive of Obama-selected GM CEO Ed Whitacre and UAW officials in repaying the \$6.7 billion now is to pave the way for the company to secure a new \$10 billion loan from federal taxpayers, at an interest rate of just 5%, two points lower than the previous loan, to pay for the retooling of its plants to meet the government’s new, stricter fuel-economy standards.

If the GM/UAW “zombie” corporation obtains the new \$10 billion government loan for which it has already applied, it will end up even more deeply in hock to taxpayers than it was before, after having gotten good PR and kudos from the President for having paid off its original loan “in full.”

Fortunately, the American people are not as easily bamboozled as President Obama and his cohorts in the GM and UAW union hierarchies seem to think they are.

A year ago this month, a nationwide survey by the respected Rasmussen polling firm found, in the pollster’s words, that just “18% of Americans” thought “the United Autoworkers union [hierarchy] and the federal government” would “do a good job running” GM and Chrysler. Far from persuading them they were wrong, the President’s fork-tongued reassurances that all is going well with the bailouts are likely to make Americans angrier and angrier as time goes on.

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