



It's more car  
THAN ELECTRIC.



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## The Value of the Volt

How much is a new Chevy Volt electric car worth?

The sticker price is \$41,000. However, with [federal subsidies](#), you could pay as little as \$33,500. Additional subsidies provided by the state of California could knock it down even lower, for residents of the Golden State. So what's the price?

\$41,000, of course. The subsidies just mean *you* don't pay all of it. The utterly bankrupt federal government takes money from other taxpayers, and uses it to discount your purchase. Since California is teetering on the edge of total collapse, and may well require federal bailouts in the near future, taxpayers across the country could end up paying additional sums to support Volt purchases that happen to occur within the state of California. These transfer payments are mixed into the thickening concrete surrounding the American economy, making it just a few inches deeper.

But wait, there's more. Almost four hundred million dollars in federal subsidies were pumped directly into the [design and production](#) of the Volt. The initial production run consists of just ten thousand units, with [45,000 more planned](#) for 2012 if sales are good. This would add just over \$7200 more in taxpayer subsidies to each Volt produced over the next two years. Since 2012 production will be scaled back if early sales are disappointing, it might be more logical to add the subsidies to the first 10,000 units only, which would leave early adopters outside of California paying \$33,500 for a car which actually costs **\$81,000 per unit**, with taxpayers picking up the remainder. It's actually even *worse* than that, because GM expects to [lose money](#) on every Volt sale. Those losses will be spread among other GM products, or perhaps wiped out with further taxpayer subsidies.

The Volt would not exist at all, if the government had not performed an elaborate voodoo ritual which involved burning \$50 billion in taxpayer cash and sprinkling the ashes over the United Auto Workers union. This raised General Motors from its free-market grave, and placed it at the service of those who killed it. How much of this fifty billion should be divided among the Volt production run to calculate its true, final value?

There was no great consumer demand for the Volt. Toyota has been doing quite well selling the Prius, and Nissan has its own electric car, the Leaf, on the way. The purpose of seizing money from taxpayers to finance the Volt was preserving the jobs of union members politically connected to the Democrat Party, a point President Obama [underlined](#) in a recent speech in Detroit:

“If some folks had their way, none of this would be happening,” Obama said, as Chrysler workers booed his reference to Republicans who voted against the bailout. “Just want to point that out. Right? This plant and your jobs might not exist. There were leaders of the ‘just say no’ crowd in Washington. They were saying, ‘Oh, standing by the auto industry would guarantee failure.’ One of them called it ‘the worst investment you could possibly make.’”

The folks who would have prevented this glorious moment in State engineering would be *you*, the taxpayers, who would **never** have agreed to pay almost fifty grand apiece to underwrite the production and sale of a little fleet of tiny cars with laughable battery cruise ranges... and overall fuel efficiency that would take *decades* to equal the cost of purchasing and fueling a more attractive, existing vehicle that didn't require massive government subsidies.

Obama is lying through his teeth when he refers to the GM bailout as an "investment" Politicians love to throw that word around, because they think it makes them sound like savvy businessmen. Investments are *voluntary* acts, conducted with the expectation of return. You were **compelled** to pay for the development of the Volt, and unless you're one of the tiny percentage of the public who purchase one, you will receive nothing in return for these payments. You paid to preserve the jobs of rich and powerful labor unions, and provide a handsome discount to the few buyers who find the emotional satisfaction of saluting Green dogma to be worth \$33,500. Virtually *no one* would be willing to pay the true price of \$81,000 for that satisfaction.

Subsidies and mandates based on ideology hopelessly distort the value of products, confusing the marketplace in the same manner as consumer fraud and theft. It's as if car dealers were in the practice of routinely stealing automobiles from other states, and reselling them at steep discounts. The ability of the consumer to assess value and make rational purchases, expressing their demands and allowing the distributed intelligence of the markets to allocate resources efficiently in response, is destroyed.

Worst of all, consumers never see the opportunity costs of enforcing political mandates on the economy. They never see what *could* have been done with all the money taken from them to provide subsidies to the politically connected. They'll never know what other auto manufacturers would have done to win over the market share released by the richly-deserved death of General Motors, or how many jobs would have been created by the production of goods the free people of the United States actually *want*.

The number of Chevy Volts desired by those free people is zero. By government decree, there will be up to 55,000 of them gathering dust in the far corners of three-car garages by 2012. The government didn't subsidize this boondoggle. The "government" doesn't subsidize *anything*. **You do.** Imagine what the taxpayers of America might have done with the billions taken away from them to produce those cars, divide that lost value by 55,000, and you will begin to comprehend the **true** cost of a Chevy Volt.