

[Forbes attacks Volt, omits shilling for oil industry](#)



[Justin Hyde](#) —In the latest issue of *Forbes* magazine, writer Patrick Michaels trashes the Chevy Volt and General Motors, saying the Volt is the socialist evil Ayn Rand warned of. What Michaels doesn't mention? How the oil industry pays his bills.

Michaels argues in "[Chevy Volt: The Car From Atlas Shrugged Motors](#)" that the Volt sucks, no one wants one and it's just socialism by the government and corporate cronies such as General Electric that's shoving it down Americans' throats. His opinion currently draws from [Consumer Reports](#) and a few minutes sitting in a pre-production Volt during an auto show several years ago.

We believe in Libertarianism as much as the next car guy, but we like informed dissent even more. I lack the energy or enthusiasm to run down every error in this piece, so let's just hit the big ones. The federal subsidies the Volt gets are set by its battery size, not whether it's all-electric or a plug-in hybrid. GM decided to build the Volt because it needed a fuel technology calling card, and did so well before its bailout or the subsidies — lobbied for by the entire auto industry, not just GM — came into law.

And Michaels is certainly right to wonder how much demand there is if GM has only sold a few hundred Volts a month since December. But he doesn't connect the dots that [Consumer Reports](#) — which buys scores of new vehicles at retail every year, and sells its car-bargaining tips — had to pay a \$5,000 dealer markup for its Volt, suggesting that supplies are far below demand. A quick check of Cars.com's national inventory of new Volts for sale finds a total of 322 in stock as of today, up from less than 200 at the start of the month, and not much more than the 281 GM sold in February.

There's also a few things missing from the takedown; any mention of rising oil and gas prices, for example, and how that might make people think kindly about a car that runs — even partially — on electricity. Michaels does identify himself as [a fellow at the Cato Institute](#), where he often opines that global warming science is deeply flawed and politically driven. But he leaves out his own history as a consultant to GM, a relationship that ended in controversy.

In 2006, Michaels was [hired as an expert witness by GM, DaimlerChrysler and the Alliance of Automobile Manufacturers](#) to testify for them in a lawsuit against the state of Vermont over greenhouse gas regulations for cars and trucks. But Michaels withdrew from the case after Greenpeace asked the court to force open the clients of Michaels' consulting firm, New Hope Strategies.

Michaels pulled out in April 2007, telling the court:

Large companies are understandably adverse to negative publicity. Thus, the global warming controversy has created an environment in which companies who wish to support New Hope's research and advocacy about global warming science are increasingly willing to do so only if their support remains confidential.

And who paid the freight at Michaels' business? Utilities opposed to global warming regulations and oil companies, the latter of which Michaels told CNN in August of last year totaled [about 40% of his income](#).

So the guy who's paid by the oil industry doesn't like cars designed to avoid oil consumption. Good times, *Forbes* magazine. That beep-beep sound you hear is us backing up the intellectual garbage truck.