



## Too Much Government Involvement?

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The government has an ultimatum for General Motors: Restructure in two months, or else.

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"The government has stepped in and said, 'It's serious folks. You have 60 days and if you don't do it then we will force the issue,'" says Robert Wiseman, professor of strategic management at Michigan State University's Eli Broad College of Business.

Meaning force GM into bankruptcy. This as the Obama Administration forced out GM Chairman and C.E.O. Rick Wagoner over the weekend. □

"He's done a pretty good job cutting costs, but he's not been as effective as needed to be, in terms of renegotiating with his other stakeholders," Wiseman says. "So they're bringing in a new pitcher, who can throw strikes maybe."

But should the government be able to do that?

"The government has bought a seat at the table to impose certain things," explains Wiseman. "They don't have to give money at all, and if they don't give any money, then General Motors is going to go bankrupt for certain."

But Patrick Anderson, principal and C.E.O. of Anderson Economic Group, believes GM is now headed in that direction.

"There is no question that the actions of the federal government today are pushing GM closer to bankruptcy," Anderson says.

He says ousting Wagoner was a Washington misstep.

"The government's actions here were very heavy-handed in forcing out a chief executive officer that

was very competent and aggressively moving in the direction of restructuring GM in the right way," says Anderson.

In fact, Anderson calls the government's actions a double standard.

"A lot of financial companies, C.E.O.s, boards, senior executives not only have stayed, but have gotten big bonuses after receiving bailout money," Anderson explains. "Rick Wagoner, in this case, received a loan that was securitized, and he's being forced out. I think that's really unfair."

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