

# History of general motors and how the company handled bankruptcy

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General Motors was established in the early 1900s and is best known as an automaker and Ford competitor. But they also had subsidiaries involved in a myriad of other industries such as the appliance industry with Delco, which used asbestos insulations in their boilers and appliances. GM also was involved in making tanks and fighter planes during the second world war, which caused many veterans to be exposed to asbestosis. Once auto sales began taking off between 1950-1960, GM's car business boomed and they began further diversifying to become involved in even more industries, including locomotive maker Electro-Motive. GM and its subsidiaries utilized asbestos-containing appliance parts, gasket and engine parts, brake and clutch lining, transmissions, locomotive brakes, adhesive and more, which caused many people to develop asbestosis, lung cancer, and mesothelioma. Before filing for bankruptcy in the 2000s, GM faced an onslaught of litigation for illnesses and cancer deaths, the majority of which stemmed from GM's involvement in the auto industry, which was known for utilizing asbestos-based linings for car brakes and clutches. While the industry generally stopped utilizing asbestos-linings in its new automobiles, these linings were still present in older vehicles.

Mechanics working with brake repairs had risk for exposure due to the way asbestos-fibers must be released into the air for this type of work. Inhaling the dusts proved deadly for many who did this work, as over the years their lungs became diseased. Since people who worked with these car parts had no warnings of the potentially fatal hazards, they did not have knowledge of the risks they were taking with this type of work until it was too late.

The courts have held GM liable in a variety of multi-million-dollar suits, many filed by mechanics. Other legal claims were brought to court by warehouse-workers and their surviving family members. A smaller number of cases involved secondhand-exposure, which resulted from GM workers who brought home deadly asbestos-laden fibers to their families who became sick or died. Secondhand-exposure mesothelioma is less common than contracting the cancers firsthand, but it typically results from wives washing asbestos-filled clothing or work uniforms. Since workers had no idea of the carcinogenic dusts they were bringing home to their families, they had no way to know that their families could become sick or die as a result of their jobs.

Since GM's bankruptcy, which was handled a bit differently than many other asbestos-company bankruptcies since the government bailed the company out, General Motors has become quite profitable. Still, asbestosis claims are handled through a trust established by the bankruptcy courts. The Motors Liquidation Company's personal injury trust documents state that auto mechanics who have documented diagnoses of mesotheliomas are scheduled to be paid out at \$175, 000, while mechanics with lung cancers are scheduled to be paid out at \$50, 000.