



## **No More Bailouts**

**Redstate by Rep. Michele Bachmann**

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It's official. Washington's favorite word this year is "bailout." It's been overused by Congress' elite in hopes of rescuing their corporate friends from poor decision-making. It's been used to pick the pockets of the already hurting taxpayer. It's become a euphemism for robbing Peter to pay Paul.

The last thing a struggling, hard-working family needs is another Washington bailout which forces them further into debt and financial turmoil – especially during these tough times.

Past bailouts have thus far failed. Whether it was Bear Stearns or the larger Wall Street bailout, these government handouts have not done what they promised. There's no stability in the marketplace. The Dow continues to plummet or yo-yo, at best. The only goals the bailouts have actually accomplished are to anger the American people and leave them — and their children — to foot a massive bill.

Next week, the Democrat-controlled Congress is expected to call Members back to Washington, with President-Elect Obama's blessing, to consider a second auto industry bailout. Yes, that's right, a second one.

In September, Congress passed legislation that established a \$25-billion loan program for the automotive industry. And, last month, Detroit automakers jetted back to Washington, asking for another \$25 billion. A couple weeks later, the Big Three revised their proposal and are now seeking \$34 billion — much of it they say they'll need by the end of the year. Didn't their mothers teach them to finish what's on their plates before asking for seconds?

There's little doubt that the American auto industry is in trouble. But, the Democrat-controlled Congress appears hell-bent on a bailout. They're reluctant to entertain all the potential reorganization options that may include short-term hardships but long-term, broad-based benefits. In fact, Speaker Pelosi stated that Chapter 11 bankruptcy – a form of bankruptcy that allows a corporation to reorganize their business without killing the company – is off the table.

Some have argued that the auto industry should be drawing on the money from the initial auto bailout instead of siphoning off additional money from the massive Wall Street bailout. In fact, the Administration and a bipartisan group of Senators has discussed restructuring those loans to be more helpful under the current circumstances. But, this commonsense approach gets little notice by Congressional leadership.

I understand that our nation's auto companies are hurting and that times are tough for many of its employees. But what these companies need are restructuring not bailouts.

The Big Three must readjust their product plans to create vehicles that Americans want to buy. The issue isn't that individuals are not purchasing cars; it's that they are not purchasing American cars. Foreign companies are unveiling vehicles that Americans want to buy. They're using technology and marketing that works. And because American auto dealers costs are so much higher- an estimated \$2000 more per car- their competitors are able to put in more extras without pricing their products out of the market.

In addition, a wholesale reorganization of management practices is essential to keeping Detroit automakers alive. Take General Motors for example, GM is drowning under the high costs of employee benefits. Due to the negotiation of long-term retirement and health packages, GM currently supports more retired employees than present employees. Taking care of your retirees is good, but not to the point where it's forcing you into a hole. The former head of the UAW, Walter Reuther, once said it best: "Getting more and more pay for less and less work is a dead-end street."

As Commerce Secretary Carlos Gutierrez recently said on CNN, "There's a line of companies of industries waiting at Treasury just to see if they can get their hands on those \$700 billion." If we use those funds for the automakers now, will troubled mortgage holders ever see any help? To add insult to injury, Congressional Democrats are reportedly working on a plan to send a \$500 billion stimulus plan to the Obama White House on Inauguration Day. Clearly, they haven't learned from their mistakes.

I opposed the massive Wall Street bailout package in October because I didn't think it was the right remedy for what ails our economy, and I supported serious and fundamental reforms in its place.

Washington needs to stop handing out your money like its Monopoly money. Each dollar is hard-earned and the men and woman who worked so hard for it deserve more respect from their government than to be treated like an ATM. Our economy grew strong on the backs of Main Street; from the ideas and sheer sweat of innovators and entrepreneurs flush with the American spirit. Risk-taking is part of that adventure. But when government guarantees against failure, risk and reward becomes meaningless. Eventually, that will crush our economy- and that eventually may not be that far down the road.

President-Elect Barack Obama recently noted in an interview on 60 Minutes that "we shouldn't worry about the deficit next year or even the year after," but I am concerned that it is precisely that type of lax attitude that will pull the taxpayers and the economy into far deeper economic problems. Future bailouts and more debt will break the backs of American taxpayers this is something that our nation cannot afford.