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U.S. Congressman John Culberson, 7th District of Texas

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Dear Paul:

Last night, the House of Representatives approved a new plan that will provide \$14 billion in emergency loans to the Big Three Detroit automakers. While it may be described as a compromise between the auto industry and Congress, I do not support the federal government's continued bailing out of private businesses with taxpayer dollars.

The American automobile industry is a vital part of the national economy, but no amount of additional taxpayer money can fix the Big Three's outdated business models. It is worth noting that none of the foreign owned auto makers who build cars in America are asking for a bailout. They had the foresight to avoid the union contracts that are burying Detroit, and they build cars that consumers want. If we would simply keep the tax collectors, lawyers, regulators and bureaucrats away from the auto industry, I am confident it would thrive.

Congress has gotten no assurance that a \$14 billion "bridge loan" will not lead to a \$34 billion "bailout," as auto executives requested last week, further down the road. Detroit's problems are myopic. Their platinum level union contracts put them at a competitive disadvantage with foreign auto makers (click [here](#) to see a brief NPR comparison

between GM and Toyota). Since the unions are not offering any major concessions in exchange for the bailout, the Big Three will still go broke once the money is all spent.

Chapter 11 bankruptcy has been used successfully by other struggling corporations over the years and would allow for the renegotiation of these crushing labor contracts. New management and common sense would lead to prompt restructuring and innovative, new products that can compete in today's markets.

Instead of increasing the debt burden on taxpayers, Congress should give American car manufacturers an immediate and drastic cut in their corporate tax rates and relief from the strict fuel economy standards passed last year. I also support the temporary tax incentive proposal set forth by Democrat Senator Barbara Mikulski, which would reward car buyers with tax deductions on interest payments, car loans, and sales and excise taxes on cars purchased through the end of 2009. These tax breaks would reduce the purchase price of a \$25,000 Dodge minivan by an estimated \$1,553, and would apply to loans of up to \$49,500.

Each passing day reaffirms my "no" votes against the Wall Street bailout in October and against the Freddie Mac and Fannie Mae bailouts in July. I oppose bailouts as a matter of principle, but also because bailing out failed companies is like feeding sharks - they only get hungrier and you are guaranteed to attract more of them. The total unfunded liability owed by every American now exceeds \$60 trillion. We have to stop spending money and stop bailing out failed private companies with debt our children and grandchildren will have to repay.

You can count on me to lay out fiscally conservative, common sense solutions to these urgent financial problems. I will keep you posted on the progress of this latest bailout, and my work to oppose it.

Thank you for taking the time to read this long email, but above all, it is a privilege and an honor to represent you in Washington, D.C.

Sincerely,



John Culberson

Member of Congress

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