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## McCotter: GM, Chrysler did what they had to do

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The new restructuring proposed by General Motors and Chrysler to obtain additional federal loans is as painful as expected, said U.S. Rep. Thaddeus McCotter, R-Livonia, who serves on the House Financial Services Committee.

"It will save some workers' jobs and there will be others they can't save," he said Wednesday in a phone interview.

On Tuesday, General Motors and Chrysler came back to Congress with extensive cost-cutting proposals and requests for \$21.6 billion in loans, in addition to the \$17.4 billion loaned to the companies in December. GM proposes closing 14 plants, cutting 47,000 workers, eliminating several brands including Hummer and Saturn and reducing its number of suppliers. Chrysler is proposing cutting 3,000 jobs, eliminating some brands including the popular PT Cruiser and reducing production capacity by 100,000 vehicles.

McCotter has complained that the auto industry has been treated unfairly in Congress compared to the no-questions-asked \$300 billion plus bailout for the banking industry.

"If you tell them no after this, you say that the people who didn't restructure and got more money were in the right," he said. "They did what they had to do."

President Barack Obama has created a task force led by Treasury Secretary Timothy Geithner and Lawrence Summers, chair of the National Economics Council, to replace a "car czar" as originally proposed by the Bush Administration.

"The task force will have to do due diligence," McCotter said.

He said he wants to see if someone with experience in the auto industry will be on the task force. He said he believes that someone other than Geithner or Summers will be the point person for handling the next loans and that the terms will actually be worked out between the auto companies and the president's task force.

While supportive of the bridge loans for auto companies, McCotter joined the other

Republican members of the House of Representatives in opposing the economic stimulus package signed into law by Obama on Tuesday.

"I was open to do it, seen from Michigan's point of view," McCotter said.

He said an amendment by Sen. Babara Mikulski, D-Maryland, would have been good for Michigan. The amendment in the original Senate bill would have given a tax break to car buyers, allowing them to deduct loan interest and state sales taxes on purchases of new vehicles. McCotter said that was replaced in the end by a high-speed rail proposal by Senate Majority Leader Harry Reid, D-Nevada.

McCotter called the stimulus package "a post-manufacturing" bill with more emphasis on government programs than on helping businesses. He also said the bill could lead to the "stagflation" problems of the late 1970s, making Michigan's situation worse. Stagflation is when the economy remains sluggish but prices continue to rise.

"The auto industry is still hanging. It doesn't matter what you do if our industry fails," he said.

But he said more could have been done to win over Republican votes with more emphasis on shovel ready public works projects.

"It should have been a relatively easy bipartisan vote," he said. "I don't blame the president. It doesn't matter what the president wants when he's jammed up by the old bulls."

The White House issued a projection that the stimulus package would create or save 7,800 jobs in McCotter's 11th District. He said he didn't know how they could project how many jobs would be "saved."

"In the end people will make a determination whether it helped them or not," McCotter said.

He said he wanted to see more tax help for small businesses and more proposals like Mikulski's. He said there was a "myriad of things" that could have been done to improve the bill.

"All along, we supported a shovel-ready stimulus. A lot of Republicans in the Midwest and Northeast were supportive," he said.

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