

Michigan rep. proposes plan to help auto industry

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WASHINGTON, Dec 5 (Reuters) - Michigan Rep. Thaddeus McCotter proposed on Friday a plan to give the struggling U.S. auto industry a much needed bridge loan while also punishing the financial industry for its handling of bailout funds.

The chief executives of General Motors Corp (GM.N: [Quote](#), [Profile](#), [Research](#), [Stock Buzz](#)), Ford Motor Co (F.N: [Quote](#), [Profile](#), [Research](#), [Stock Buzz](#)) and Chrysler Corp were on Capitol Hill again on Friday, appealing to lawmakers for \$34 billion in loans to head off the collapse of one or more of the companies, which would add to accelerating job losses in the U.S. economy,

Under McCotter's plan, Congress would refuse to approve the next \$350 billion in funds for the \$700 billion Troubled Assets Relief Program (TARP), and instead approve a \$25 billion auto bridge loan, coming from the TARP and the Energy Department's loan program to encourage more energy-efficient cars.

"The \$25 billion will not be a new appropriation," he said in a statement.

The TARP funds would be used to prevent a flood of new foreclosures from newly unemployed homeowners, and the Energy Department funds would help preserve the domestic auto industry's existing research and development of energy innovations.

McCotter's plan would also include "maximum taxpayer protections" to ensure the bridge loan will be repaid and would require the chief executives of financial institutions that took TARP money to appear before Congress.

"Every American demands and deserves an accounting before Congress by the CEOs of the financial institutions that have already received over \$300 billion in bailout money from taxpayers," said McCotter.

Broad consensus exists between Congress and the Bush administration that the automakers need help, but officials are refusing to budge from their views on how to do it, with some lawmakers opposed to doing anything at all. (Reporting by Diane Bartz; Editing by Tim Dobbyn)