The Detroit News
detnews.com

Wednesday, November 26, 2008

Bankruptcy vs. bailout debate still rages

Put aside political double standards; Detroit automakers need bridge loan

Rep. Thaddeus McCotter

Back home after the congressional circus recessed with no relief for the working men and women of America's auto industry, I was driving past a Detroit assembly plant when Bob Seger blared from my speakers:

"The big line moved one mile an hour
So loud it really hurt
The big line moved so loud
It really hurt
Back in '55
We were makin' Thunderbirds..."

It wasn't the "big line" that was so loud it really hurt during the House and Senate hearings on the auto industry's bridge loan. What hurt were the condemnations and ridicule both political parties, late night talk shows and even "Saturday Night Live" delivered at the expense of America's auto industry. Implicit in their attacks was an inexplicable ignorance of the human cost we've endured throughout our auto industry's painful restructuring.

For years, we've felt our families' and friends' lives ripped apart by this restructuring -- white- and blue-collar layoffs and buyouts, retiree benefit cuts and plant closures. Through it all, we gritted our teeth as our auto companies and the United Auto Workers faced and made the hard decisions needed to compete globally and preserve America's precious manufacturing base.

And we know there are more difficult days ahead.

Amid this suffering, we never begged for a bailout. All we asked for was Washington not to make matters worse. As Seger sang:

"We filled conveyors
We met production
Foremen didn't waste words
We met production
Foremen didn't waste words
We were young and proud
We were makin' Thunderbirds..."

We were ignored. This Congress passed a huge increase in fuel economy standards. The cost -- estimated at nearly $100 billion -- was placed on our struggling industry (the damage would have been far worse had it not been for the heroic efforts of the dean of the U.S. Congress, John Dingell).

Then, the Wall Street whiz kids decimated America's credit market. Racing to save Wall Street from itself, Congress appropriated $700 billion of hard-working Americans' tax dollars to bail out the people who caused the problem -- including hundreds of billions of dollars slated for "healthy banks," many of which don't want your money. Still, the credit market has yet to "thaw."

Only after these failures of Washington and Wall Street did our auto industry ask the federal government for a bridge loan to survive. But rather than admit its failings, Washington blamed the victim and, in stark contrast to its servile catering to Wall Street, applied a double standard to our domestic auto industry.

If this double standard persists and auto workers and their families are callously subjected to the stresses and strains of an industry-wide bankruptcy, our nation will suffer irreparable damage:

• Up to 3 million jobs will be lost for hard-working Americans who pay their bills and play by the rules.

• Foreclosure rates will skyrocket as more families lose their ability to pay their mortgages and stay in their homes.

• Tens of billions of dollars in "shed labor costs" will fall upon and fray local, state and federal governments' social safety nets.

• America could become dangerously dependent upon manufacturers outside of our borders for the production of our military equipment and, thereby, lose the ability to unilaterally defend her liberty.

• The America we have inherited and cherished will lose the engine of her prosperity and the arsenal of her democracy -- our domestic manufacturing base.

These are the most obvious bitter fruits of a Big Three bankruptcy. Will they provide Congress with the lucidity to approve the bridge loan necessary for our

auto industry's survival? Or will Congress continue to care more about people in Guccis who trade T-bills than about people in Levis who make T-Birds?

As the questions lingered and the auto plant faded in my rearview mirror, Seger drove to a climax:

"Now the years have flown and the plants have changed
And you're lucky if you work
The big line moves but you're lucky if you work
Back in '55
We were makin' Thunderbirds...."

Now in '08, if Washington and Wall Street would just stop treating our "Arsenal of Democracy" as an enemy, a restructured, resurgent domestic auto industry will remain the engine of American prosperity.

U.S. Rep. Thaddeus McCotter, R-Livonia, is chair of the Republican House Policy Committee.