

Bachus Statement on Demand for Automobile Industry Restructuring Plan

November 20, 2008

Congressman Spencer Bachus, Ranking Member of the Financial Services Committee, made the following remarks today after the Democrat leadership announced that the Big Three automakers will have to submit to Congress a restructuring plan before receiving a taxpayer bailout.

Ranking Member Bachus said, "At the Financial Services Committee hearing yesterday I made it clear I believe our domestic automobile industry is vitally important and there are millions of jobs depending on it. But if they want taxpayer assistance, it is also essential that they come up with a game plan, some strategy that assures their long term viability so we will have some assurance the money will be repaid. If we put \$25 billion into an automobile industry that is burning over \$10 billion a month without operational changes, it's almost a guaranteed taxpayer loss.

"The withdrawal of the plan for a bailout without conditions demonstrates that Congress is able to deliver solutions that address the problem when the legislative process is followed. The hearing yesterday with the Big Three made it clear that the bailout was not the solution to the fundamental issue. The Democratic leadership press conference shows they got the message- no bailouts without changes and accountability.

"I'm glad there now seems to be broad consensus in Congress for the Big Three to take action that will allow them to become competitive and thrive in the long term. We will be watching carefully to see if the auto industry can meet this challenge."

Ranking Member Bachus made the following pertinent remarks at the Financial Services Committee hearing yesterday.

"A bailout of the auto industry without fundamental changes will just push the problem further in the future. Both management and labor at the Big Three have pay and wage scales that are substantially higher than their competitors. That's not being anti-management or anti-union, it is just being truthful. To survive, the Big Three are going to have to change and become more efficient and competitive.

"The American way to solve it is for all the parties to sit down at the table and hash out a solution that will make these companies competitive for their long-term survival. That is what I believe can and needs to happen. Unfortunately, in the case of the Big Three, the parties have been unable to make some of the difficult decisions that could have strengthened their businesses. The parties have not had the fortitude and foresight to make the admittedly difficult decisions that needed to be made. It is important management and the unions stop kicking the can down the road and sit down and resolve these important issues. Sacrifices are required as in the case of all challenges and changes."

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