

Financial Services Committee Hearing
Rep. J Gresham Barrett
“Review of Industry Plans to Stabilize the Financial Condition of the American Automobile Industry.”
Friday, December 5, 2008

Honestly, I am unclear as to what we are all doing here, trying to evaluate the competitiveness of your business plans and determine whether taxpayer money should be used to save your businesses. I mean no disrespect, but two weeks ago you came here on your private jets, telling us how your businesses were failing and asking the American taxpayer to bail you out. I understand your situation, and I appreciate you are concerned about the jobs that would be lost as a result of your closing your doors. None of us here want to see that happen, but as we sit here, there are countless people all across this country watching this hearing that have lost their jobs. I'm concerned about them too. Just yesterday I read that in my home state of South Carolina we lost 1,000 manufacturing jobs just last month. And I'm sure all those folks are wondering why their company wasn't bailed out, and honestly, I can't blame them. If I were in their shoes, I'd be asking the same question. Like them, I'm wondering why Congress is placing a different value on the auto industry jobs than those of any other industry.

I know there are some that will say that's exactly what we did with the financial industry. I was no fan of what we did in that situation, but what was occurring in the financial industry threatened all industries throughout the nation, because if our banking sector collapsed it would be impossible for any business to succeed. However, this is one industry, and while I know there will be a ripple effect felt in many parts of the economy, I have to question whether it is the responsibility of Congress to save an industry. What do I tell my textile folks back home that have watched their jobs all but leave the nation?

What do I tell the small business owner that is struggling to keep their doors open? That their jobs don't rise to the level of national concern? When did we become a nation of handouts? That is not the American way.

I know these are tough times, but the discussion we are having doesn't make sense. We are sitting here, trying to evaluate the business plans of corporations. But trust me; Congress is no authority on how to spend money effectively and efficiently – the new visitor center is a classic example of what happens when we are in charge – long delays and over budget. And we certainly can't predict the direction of a marketplace. I am concerned that businesses are rightly going to start thinking they can just come to Uncle Sam and he will bail them out. Let me tell you - Uncle Sam is broke.

We are not a bank, and we are not a management consultant. I owned a small furniture store, and the last thing I wanted was for the government to come in and tell me how to run my business. But I am worried we are going down that road. Because we are supposed to ensure taxpayer money is protected and spent appropriately, does this mean the federal government will review your books? Is that what you want? The federal government has to get out of the business of trying to save businesses. Instead, we should be creating an environment where businesses can succeed, not micromanaging the affairs of private industries and determining which businesses fail and which grow.