

U.S. Representative Danny K. Davis In Support of a Bailout to Assist the Automotive Industry

Washington, D.C. - On December 11, 2008, Rep. Davis stated, the U.S. economy as a whole is struggling in the midst of the worst economic crisis since the great depression. Few, if any, sectors of the economy have been spared but special attention has focused on a few key sectors because of the impact that their failure would have on the economy as a whole.

The U.S. economy as a whole is struggling in the midst of the worst economic crisis since the great depression. Few, if any, sectors of the economy have been spared but special attention has focused on a few key sectors because of the impact that their failure would have on the economy as a whole.

The automobile industry has been at the heart of the manufacturing sector of our economy for over one hundred years. Expert testimony and analysis have demonstrated the widespread disastrous impact of the collapse of one or more of the "big three" auto manufacturers. Their failure would not only impact blue and white collar workers employed by the company but a long chain of suppliers, dealers, repair and part supply shops and a wide array businesses dependent on the consumer spending of auto workers and the workers in the auto supply chain. It is estimated that a bankruptcy in the auto industry could eventually threaten over 150,000 jobs in Illinois.

I believe it is the responsibility of the federal government is to prevent the catastrophic consequences of a loss of millions of jobs in this nation if possible, especially in view of the profound economic crisis we now face. I also believe that now is the time to reclaim the opportunity to commence a new era of U.S. pioneering leadership in the global auto manufacturing and manufacturing in general.

However, I do not believe that we can just fork over billions of dollars with no strings attached. Any bridge-loan must have incorporated with it a comprehensive suite of provisions that safeguard America's investment, provide rigorous oversight with clearly defined accountability measures. We must include provisions for accessibility to credit for auto dealers so that consumers can once again afford the purchase these vehicles. Most importantly we must demand a solid restructuring plan that leads to the long-term economic sustainability of these companies and the repayment of these loans. I do not favor "just another bailout," but I do support, and view as timely and critical, this opportunity to invest in our own economic and energy security and to position ourselves in the global marketplace.