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Congress of the United States
House of Representatives

October 28, 2008

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The Honorable George W. Bush
President of the United States
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear President Bush:

I am writing to express my concerns about recent media reports indicating that the Department of the Treasury may use a portion of the recently approved financial "rescue package" to assist domestic automakers. Such an action would be shortsighted, and I respectfully urge you to resist calls to expand this already-sweeping bailout of private industry.

For a number of years, the big three domestic automakers have fallen behind their competitors in manufacturing cars that respond to consumer demands for fuel efficiency and performance. When paired with their retirement, health care, and other labor costs, a number of long-term financial problems have resulted. Because of this strain, they may now be considered potential beneficiaries of the massive \$700 billion bailout signed into law earlier this month.

While it is understandable that American automakers would like federal support in trying fiscal times, artificially keeping the industry afloat will only serve to postpone financial troubles, with taxpayers footing the bill. Expanding the boundaries of the federal bailout will also only serve to open the floodgates to other troubled industry sectors. This will likely solidify the government intrusion that has already taken place in the financial sector, rewarding those who have made poor business decisions and prolonging the financial pain associated with a transition to a more successful business model.

History has shown that economic growth is best promoted through a free market with only limited government regulation. It is unfortunate that the bailout legislation appears to provide the executive branch with unlimited discretion and expansive taxpayer resources. I respectfully ask that you narrowly tailor the reach of the bailout bill and request that you resist the urge to put taxpayers on the hook for additional quick fixes to other industries.

Sincerely,


JEFF FLAKE
Member of Congress