



- [Follow us on Twitter, Facebook, and RSS, or by E-Mail](#)
- / Thursday, October 14, 2010

Search in site...



LIBERTY PUNDITS



- [Home](#)
- [Politics](#)
- [Nat'l Security](#)
- [Entertainment](#)
- [Religion](#)
- [Living](#)
- [World](#)
- [Science & Tech](#)
- [Constitution](#)
- [Media Bias](#)
- [Economy](#)
- [Business](#)
- [Health](#)
- [Culture](#)
- [Sports](#)
- [Tea Party](#)
- [Featured](#)

Click Here to Share

- [About & Contact Us](#)
- [Privacy & TOS](#)
- [Writers](#)
- [Archives](#)
- [Podcasts from LP dot com](#)
- [Subscribe to LP News](#)

Revisiting the auto bailout: Bills the company can never pay back



Posted by [Clyde Middleton](#) on Oct 14 2010 Filed under [Economy](#), [Newsstand](#). You can follow any responses to this entry through the [RSS 2.0](#). You can leave a response or [trackback](#) to this entry

It's the precedent, stupid. It's the political threats and bypassing established bankruptcy rules. [It's the rewriting of corporate debt expectations:](#)

Hopkins says the bailouts have not turned out as badly as he initially feared they would – not that they've turned out well. "It's very hard to think that the taxpayer is ever going get compensated anywhere near fully. The government will eventually get out of the auto business but the taxpayer will be left with a significant, I suspect, unpaid bill."

[Ted Frank](#), adjunct fellow at the Manhattan Institute, sees more than an unpaid bill on the horizon. "The worst part of the bailouts was the way the administration used political threats to trample over established bankruptcy law and settled expectations," he says "In the long run, the bailout will cost far more jobs than it saves, even in the unlikely event that GM and Chrysler pay back the government in full."

Cato Institute senior fellow Daniel Mitchell doesn't mince words. "I hope Ford does well since they demonstrated integrity," Mitchell says. "Unlike GM and Chrysler, which evaded the normal bankruptcy process to steal from taxpayers."

This poorly implemented bailout will haunt not just the auto companies, but the debt markets for a generation.

Related Posts

1. [Noted Auto Expert Barack Obama Cuts Chrysler Ad Budget in Half](#)