

Cons of auto bailout

Business



The foremost risk will not help regarding the already shrinking economy. The providers of federal loans will have the influence to have doable models of business. Consequently, that will implement fewer brands and dealers; along with with that the taxpayers are bound fund failure. Also, an auto bailout only considers saving a single industry thus, the money may eventually go down the drain without having a chance on having a stronger and leaner industry otherwise.

One of the major disadvantages of an auto bailout is that the oil crisis would still be looming overhead, fuel would still go up. Hence, expensive cars like SUVs wouldn't sell as they call for more costly automobile fuels. Taking into account that the Big Three were already losing share of the market due to soaring costs, unimaginative designs and image problems an auto bailout surely cannot be of any help.

Therefore, an auto bailout is not a practice answer to the automotive industry as they will probably continue to produce hybrid or electric automobiles to get ahead in the competition which will not be advantageous in the long run.