

# Lookin' For a Handout

“Bush and Big Three Meet as Democrats Weigh In”

*Wall Street Journal* Page A3, November 14, 2006

***"We're not seeking any relief exclusive to our industry," said GM spokesman Greg Martin, "but we do hope the meeting with the president will encourage a renewed focus on issues...that affect the entire manufacturing sector." Automotive Industry Representative in the article above***

President Bush is meeting with representatives of the Auto Industry in order to discuss several issues, including energy, health care, trade, and material costs. Chief among these issues is most likely to be healthcare because, as the article suggests, it adds over \$500 per car to the production cost at Ford, and over \$750 per car to the production cost at GM. Remember, **this is JUST HEALTH CARE; it does not include any pension costs.**

When an industry representative tells a politician that he isn't seeking any *exclusive* relief, you should be reaching for your wallet, because the representative is certainly seeking “relief”, and of course the only relief a politician can give is in the form of a government bailout, which we as taxpayers will have to fund.

This is the beginning of what we have been discussing for over a year now. The time of automakers and other large, old-line employers shouldering the burdens of their own costs as they relate to health care and pensions is probably coming to an end. As the situation progresses, it will be messy, as Delphi, Dana, United, and Delta have already proven. The fall-out on retirees is messy, too, as they have to adjust to substantially reduced pension income.

However, we as a nation will not let these companies just crumble under the weight of their expenses. Instead, it is very likely that our government, through the PBGC and other agencies, will come to their rescue - **a rescue funded by taxpayers!** With the recent election, such developments have probably been quickened. The concept of wealth redistribution, as determined by lawmakers, just got another shot in the arm.

The implications are wider than many anticipate. Municipalities are under new mandates as of January 1<sup>st</sup> to account for their pension and health care liabilities in a manner consistent with public corporations. The demand for additional tax revenue may start with the federal government not extending current tax rates. However, state and local governments will soon be asking voters for additional taxes to shore up retiree benefits. The “tip of the iceberg” has been spotted! There is a great deal more that is yet to be disclosed. Stay tuned. This will impact you.

This is the **sixth consecutive year** Investor Resources, Inc. has been listed among the country's top advisers in *Wealth Manager*<sup>™</sup> magazine. Now, in **Southwest Airline's Spirit**<sup>™</sup> magazine, the company has been selected through an independent research firm to be included in its December listing of *The 10 Most Dependable Wealth Managers of the West*.