The Daily Dish

May 7th Edition

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The New York Times is reporting that roughly eighty percent of those who signed up for health insurance through online exchanges have paid their premiums. Even more concerning, “the health insurance industry said the total of eight million people who signed up included ‘many duplicate enrollments’ for consumers who tried to enroll more than once because of problems on the website.” HealthPoint's numbers are showing only seventy percent of people who signed up for their plans between October 1 and April 15 have paid. We will have to wait a few more months for final statistics, but these preliminary numbers show a growing gap between the White House’s fantasy and reality.

The Keystone pipeline is hanging in the balance as Senator Reid is ready the pull the plug on the possibility for a straight up or down vote. As The Hill reports, the argument stems from the Majority Leader’s reluctance to include votes on five Republican sponsored amendments on a bi-partisan energy efficiency bill. AAF has already explained numerous benefits (hereand here) to the US approving the pipeline. It shouldn’t take insider vote trading to bring jobs.

ICYMI: The full video for AAF’s Education Google Hangout is now live on our site. Click here to see the great conversation.

Eakinomics: The GM Bailout in Retrospect

The Special Inspector General for the Troubled Asset Relief Program is reporting that the finally tally for the budget cost of the bailout of General Motors comes to $11.2 billion. A Treasury spokesman is reported as saying “The goal of Treasury’s investment in GM was never to make a profit, but to help save the American auto industry, and by any measure that effort was successful.”

Is that really the only conclusion to draw?

The first reminder is that the GM (along with Chrysler) bailout is part of the TARP (Troubled Asset Relief Program). The TARP has terrible street cred because it “bailed out too big to fail banks.” Its reputation notwithstanding, the big TARP losses are in autos and smaller banks — not large financial institutions. The lesson is to beware of urban legends and other myths: (a) too big to fail is evidently not something exclusive to the financial sector, and (b) the TARP was not a big-bank bailout.

The second point to examine carefully is the notion that the administration saved the U.S. auto “industry.” Ford? Toyota? Honda? No to all of the above. Hyundai? Did not even lay off a single worker. In reality, the administration bailed out only its favored portion of the industry (or, perhaps, just one of its favored constituencies — unions).

At least GM avoided bankruptcy, right Wrong. GM was forced to go through bankruptcy reorganization, shutting down divisions and dealerships nationwide. That would have happened in any event. The only difference was that the bankruptcy laws were warped for political purposes, undermining the certainty of the

Chapter 11 process.

In sum, the GM bailout is hardly a policy no-brainer. It cost the taxpayer a bundle, damaged the bankruptcy reorganization process, and still imposed inevitable economic pain on the corporation. Traditional bankruptcy and market forces would have delivered a similar 21st century GM at a much lower cost.