



Written by [Jack Kenny](#) on January 25, 2011

Amendment Would Ban Government from Owning Corporations

Rep. Mike Turner, (R-Ohio) has introduced a proposed constitutional amendment to prohibit federal government ownership in private enterprises. Called the Preserving Capitalism in America Amendment, the amendment would prohibit the government from buying stock or equity in corporations.



In a statement posted on his [website](#) Monday, Turner said roughly 1,000 non-union retirees in the Dayton, Ohio region suffered up to a 70 percent reduction in pension benefits after the pension liabilities of the bankrupt Delphi Corporation, a former subsidiary of General Motors, were assigned to the Pension Benefit Guaranty Corporation in July of 2009. The federal agency took over \$6.2 billion in Delphi liabilities, the [Wall Street Journal](#) reported at the time. Turner told [The Daily Caller](#) that his father suffered a similar loss when the U.S. government became the majority shareholder of General Motors in the spring of that year.

"My father's a General Motors retiree and lost his health care as a result of General Motors' bankruptcy and as a result of the decisions that were made down in (Treasury) Secretary (Timothy) Geithner's office," Turner said. Now in his fifth-term, Turner was among the minority of representatives who voted in 2008 against the Troubled Assets Relief Program that authorized the Secretary of the Treasury to buy troubled assets of companies, but was used as authority for the government to takeover and run major corporations.

"The (Obama) Administration has fired CEO's, set compensation levels for private sector employees and picked winners and losers, deciding which employee pensions would be 'topped off' and who would lose their hard earned retirement," Turner said in his web posting. "Action is necessary to address the federal government's deepening involvement in the nation's private industry and financial sector."

Government takeover of private enterprise "is really something that goes against the heart of our American values," Turner said in his *Daily Caller* interview. "What happens when the federal government owns companies that do business with the federal government?" he asked. "There are clear conflicts of interest there."

The amendment says: "The United States shall not own, subscribe to, or otherwise have any interest in the stock or equity of any company, association or corporation: Provided, That the foregoing prohibition



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shall not apply to any investments through any pension funds.” It has 96 co-sponsors, all Republicans. The same amendment, with 104 sponsors, was proposed in the last session of Congress but did not pass. For a resolution by Congress to become a constitutional amendment, it must pass in each house by a two-thirds vote and be ratified by three-fourths of the states.

Turner announced this year’s effort with Speaker of the House John Boehner (R-Ohio) at his side. Boehner voted for the TARP bill when it passed during the waning days of the Bush administration in October of 2008. Turner also has the support of House majority leader Eric Cantor, Financial Services Committee Chairman Spencer Bachus and the Chairman of the House Ways and Means Subcommittee on Select Revenue Measures, Pat Tiberi.

“The \$700 billion Wall Street and Automotive Industry Bailout and the \$800 billion economic stimulus were poorly considered, did nothing to help those who lost their homes and jobs, and lacked specifics to show how these huge taxpayer investments would be spent,” Turner said in announcing his amendment. “The American public is increasingly concerned about the long-term potential of government control of our private sector businesses,” he said. “The most effective method to prevent government intrusion and manipulation of the private sector is through this constitutional amendment.”

But it might be argued that if the Congress heeded the Constitution its members take an oath to uphold, there would be no need for the kind of amendment Turner is proposing. The Constitution consists of delegated powers and there is nothing in it that empowers the federal government to take over corporations, bail out “financially troubled” companies or buy “troubled assets.” Congress has the authority to “regulate commerce with foreign nations and among the several States” (Article I, Section 8), but taking majority or even minority ownership of companies goes far beyond regulating commerce. So does spending the people’s money for the purpose of creating an “economic stimulus,” with or without “specifics” to show how the “investments” will be spent.

The Tenth Amendment states clearly: “The powers not delegated to the United States by this Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.” Members of the House of Representative took turns reading the entire Constitution aloud on the first day of the current session. It remains to be seen how many were listening.



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