

Bailouts – the payment of public funds or resources to rescue or support a private enterprise – are politically very unpopular. The primary challenger who defeated Republican House Majority Leader Eric Cantor in Virginia [excoriated Cantor for supporting big banks in the wake of the financial crisis](#). The bailout of banks after the crisis that Cantor and many other Congressmen supported [remains unpopular](#). Governor Romney famously opposed the Obama Administration's bailout of the US auto industry, calling for the government to [let Detroit go bankrupt](#). At times Republicans have [attacked Obamacare with the argument that it provides a bailout for health insurance companies](#).

What is strange is that the focus in politics is on bailouts with cash payments from the government – either explicit, or implicit (as in the [effective promise by the federal government that it would rescue the giant mortgage finance companies Freddie Mac and Fannie Mae, a promise fulfilled during the financial crisis](#)).

But there are many other public resources that we give away to private enterprises in order to support them. These are bailouts as well, and we should be equally skeptical or critical of them as well.

Consider proposals by House Republicans to [exempt farmers in the Central Valley from endangered species laws during the ongoing drought](#). This is a bailout – it is a giveaway of a public resource. Both the water that the farmers wish to use, and the endangered species that would be destroyed with that water use, are public resources.

Or take the current controversy over the Obama Administration's proposal to regulate greenhouse gas emissions from current power plants under the Clean Air Act. Republicans have [decried the economic costs of these regulations on the coal industry](#), calling it part of a “War on Coal”. But allowing unregulated carbon emissions into the air is a bailout of the coal industry – we are giving away the right to use a public resource (the atmosphere), and Republicans call for this state of affairs to continue in order to protect jobs and industry. Why is this kind of bailout for the coal industry acceptable, but one for the auto industry isn't?

Perhaps it's because bailouts with money are clear and obvious – and easy to attack politically. Bailouts with other public resources are harder to identify, and therefore easier to support politically.

There isn't necessarily a conservative-liberal dichotomy on the appropriateness of bailouts with public natural resources. Richard Epstein – a famous conservative law professor – has argued that courts should be [more searching of “givings”](#) by government to private interest,

including giveaways or bailouts using public natural resources. I hope (perhaps naively) that this perspective might come into more vogue in Republican politics in the future.