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House of Representatives

ALTERNATIVE TO WALL STREET BAILOUT
HON. THADDEUS G. McCOTTER
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Sunday, SEPTEMBER 28, 2008

Madam Speaker, before I was elected to Congress, we used to hear-and unfortunately with some justification-that when faced with a crisis, Members of Congress would invariably soil themselves, throw money at the problem, and hoped it went away. Unfortunately, in these dysfunctional economic times, we find that this process has continued. As American families face a potential meltdown of the financial sector, we have seen what I believe to be an inappropriate response starting with this administration.

From the time that we were informed that a potential financial meltdown was going to occur, the separate, equal branch of governance, which is the United States Congress, was told that we had but one alternative, and that if we did not pass it quickly in the time period specified by the executive branch, that our economy would be severely damaged.

It has been my opinion that we were elected to serve in this Congress by the sovereign people of the United States, to make important decisions on their behalf, to do it with our due diligence and our devotion that it's due, and to come up with a positive solution to their situation.

Last night, as I watched the President of the United States explain his view of this, I was struck by the fact that again we were told that if we did not give unlimited amounts of money, up to \$700 billion, and unlimited powers-with lack of adequate oversight-to the executive branch, that we were failing in our due diligence and responsibilities to the American people.

I heard the President of the United States say that if we do not support what they put forward as the only alternative to this crisis, we do not understand the need to act. That statement is false. We understand the need to act.

We heard from the President of the United States that if we did not support his plan and the Paulson plan, that we did not care about American families. That statement is false. We care very much about American families.

What we did not hear was a recognition that a three-page document that gives to the Treasury Secretary and the Chairman of the Federal Reserve unlimited powers-the likes of which Stalin and Mao killed people for-was not an acceptable response to give to this separate, equal branch of government.

Today, we are told that House Republicans are standing in the way of a \$700 billion use of your tax dollars to bail out the very people who caused this problem. Guilty as charged. House Republicans believe that there is an alternative.

The administration tells us that their first, last, only resort is to go to the taxpayers and bail out Wall Street. We fundamentally disagree with this. What we believe should happen is Wall Street should bail out Wall Street. House Republicans believe that the toxic assets that are clogging up our economy should first attempt to be recapitalized by the people sitting on the sidelines with their money waiting for you, the taxpayer, to be fleeced and put it in so they are confident that the market will work. This is not making the market work.

I heard from the President last night that the free market has failed.

The free market has not failed. The free market is correcting from the bad deeds of actors within that market. It is the government that is trying to interfere in the market for political purposes.

We cannot reflate the bubble to save the American economy. What we need to do is be responsible and lay forward a private recapitalization plan with appropriate backstop that first and foremost protects the innocent, namely the taxpayers. The people who on Main Street invested and saved and had good credit their entire lives should not be asked to go back in and help the cowboy capitalists who shot themselves in the foot. House Republicans understand this. Just as we understand the need to act quickly, we also understand the need to act appropriately.

This is not an attempt to engage in an argument with the President. I have admiration for the President. And I have supported the President, as have House Republicans, when he has been correct. But he is in error now. House Republicans stood and supported the Petraeus surge so our troops would have victory in Iraq. Today House Republicans oppose the Paulson splurge so that we can have prosperity in America over the long run. And make no mistake. We understand the gravity of this situation. But we will not engage in a rush to judgment that destroys the possibilities of a free market and prosperity for American families for decades to come.

We will not walk out of this room after a forced vote, waving a piece of paper in our hands and claiming "peace in our time." We will do the job we were entrusted. And we will get the job done.