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Hensarling Statement on the Paulson Plan & Financial Markets

WASHINGTON, D.C. – Congressman Jeb Hensarling (R-TX), Chairman of the [House Republican Study Committee](#), today issued the following statement on the agreement reached by House and Senate negotiators on the Paulson plan, and his intentions on the the final bill:

“My top responsibility as an elected official is to protect the families and people who trusted me to represent their interests in Washington. I do not take lightly the critical nature of this credit crisis that our capital markets face today and the grave situation that every American will face should our credit markets freeze and remain frozen. Inaction has never been an option, but the Paulson plan should have never been the only option.

“In my heart and in my mind, I believe that this plan is fraught with unintended consequences, would force generations of taxpayers to pick up the tab for Wall Street losses, and could permanently and fundamentally change the role of government in the American free enterprise system. Once the government socializes losses, it will soon socialize profits. If we lose our ability to fail, we will soon lose our ability to succeed. If we bail out risky behavior, we will soon see even riskier behavior.

“I also believe that this Congress, in a rushed effort to provide stability to a troubled credit market, did not adequately discuss or investigate potential alternatives that would have constituted a work out and not a bail out. Even at this moment, it still remains more important for Congress do it right than to do it fast. I stand ready as do many of my colleagues to stay here for as many days as it takes to do this right.

“For the last week, House conservatives have fought to protect innocent taxpayers from an unprecedented government raid on their wallets to bail out Wall Street from their bad decisions and financial losses. Principled Republicans like Paul Ryan and Eric Cantor helped improve the legislation before us by adding increased taxpayer protections and additional Wall Street accountability. But mere improvement is not the test for support. The test is whether, after weighing both the good and the bad, you believe that the plan ultimately leads America in the right direction. Using that test, I cannot in good conscious support this legislation.”

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Congressman Jeb Hensarling is Chairman of the Republican Study Committee (RSC).

For an online version of this release, please click:

http://www.house.gov/list/press/tx05_hensarling/rsc/092808PaulsonPlan.html