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Hensarling Statement on the Bailout Bill & Financial Markets

WASHINGTON, D.C. – Congressman Jeb Hensarling (R-TX), Chairman of the [House Republican Study Committee](#), today issued the following statement after voting against the bailout bill:

“Conservatives have understood from the beginning that inaction was not an option. The crisis on Wall Street is inflicting Main Street. There is panic in our credit markets, which are freezing up and are in great need of calm and capital. As much as it pains our principles, most House conservatives concluded that some temporary form of the full faith and credit of the United States was necessary to address the crisis. We understand without action, many of our fellow citizens could find themselves laid off from their jobs, unable to refinance their homes, or perhaps find their credit card limits curtailed as they attempt to buy food or medicine.

“House conservatives worked tirelessly to put forth a number of different plans, ideas, and legislation to remedy the crisis. On their behalf, I take great pride in the role that we played in improving the legislation before us. Thanks to our efforts, there is greater accountability in this legislation. The insurance workout model of Mr. Eric Cantor and Mr. Paul Ryan now has an opportunity to work. Executives of troubled firms seeking money from taxpayers will have their compensation limited. There is greater opportunity for taxpayer upside, mark-to-market rules are now in revision, and FDIC limits have been increased. These are all Republican improvements to the original Paulson bailout plan that we sought to ensure.

“Despite these improvements, no one truly knows if this plan will work – though we all hope that it does. No one knows the true amount of taxpayer exposure. Treasury could spend \$700 billion in no time flat and come right back to Congress for \$700 billion more. Some believe the taxpayer will actually make money in the deal and I hope that proves true. But history as a guide, I have strong fears it will not. At what point do we finally bailout the American taxpayer from the unconscionable burden he or she faces from out of control Washington spending?

“I fear that the legislation passed by Congress remains more of a bailout than a work out. I fear it undermines the ethic of personal responsibility. I fear that it rewards bad behavior and punishes good. But my greatest fear is that it changes the role of the federal government in our free market economy, which despite its current problems, remains the envy of the world. How can we have capitalism on the way up and socialism on the way down? If we lose our ability to fail will we not in turn lose our ability to succeed? If Congress bails out some firms and sectors, how can it say no to others?

“We must always be very careful to ensure that any remedy does allow short-term gain to come at the cost of even greater long-term pain – that being the slippery slope to socialism. The thought of my children growing up in America with less freedom and less opportunity is a long-term pain I cannot bear, which is why I voted against the bailout. It was a vote that I casted with some doubt.

“Some conservatives supported this legislation because they felt it was the last opportunity to address the crisis. They may be right. Some conservatives supported this legislation because they viewed it as the lesser of two evils. They may be right. Some very principled conservatives concluded differently than me, and I respect each and every one of them. We have all struggled to do our duty and cast the vote we believed to be right in our hearts. Though I disagree with it, for the sake of our children and the stability of our nation, I hope and pray that the action taken by Congress today is the right one.”

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