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Garrett to Introduce Legislation Establishing Select Committee on Bailouts

(Washington, DC)— **Rep. Scott Garrett (R-NJ05) will introduce legislation to establish a Select Committee on Bailouts on Wednesday, September 17, 2008.** This committee will be charged with investigating the actions taken by the Federal Reserve and Department of The Treasury with regard to Bear Stearns, Fannie Mae, Freddie Mac and AIG. Additionally, this committee will make recommendations to prevent future bailouts and examine the role of political activities and influence in exacerbating the current market situation.

This bipartisan committee will be comprised of a total of 10 members, five appointed by the Speaker of the House of Representatives, and five appointed by the Minority Leader of the House.

Over the course of this year, the Federal Reserve and the Department of The Treasury have acted multiple times behind closed doors to intervene in the private marketplace. The American people have a right to know how their tax dollars are being allocated for these bailouts.

“We were assured that the government intervention on behalf of Bear Stearns was necessary in order to avoid a complete financial collapse,” said Garrett. “Rather than stem the tide, the government bailout of Bear Stearns opened the flood gates. This storm was further worsened when Treasury Secretary Henry Paulson used his newly acquired authority to facilitate a government takeover of Fannie and Freddie. The Federal Reserve’s actions last evening to intercede on behalf of a private insurer – not a bank – extends the extraordinary and unprecedented interference by our nation’s financial regulators. I fear that in the future, Wall Street CEOs will first look to the American taxpayer to solve their problems, rather than to the private marketplace.”

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