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Hensarling Statement on the Economy and Administration Plan for Financial Markets

WASHINGTON, D.C. – Congressman Jeb Hensarling (R-TX), Chairman of the [House Republican Study Committee](#), today issued the following statement after Treasury Secretary Henry Paulson and Federal Reserve Chairman Ben Bernanke briefed Members of the House Republican Conference on the economy and our financial markets:

“Crisis is a term that is used far too often in Washington, but this is one of the few times that I believe those using it. At such a critical moment for our nation, careful, sober, and thoughtful reflection and rhetoric is required.

“Over the past year, many of the ‘experts’ have been wrong, and the plan offered today recognizes that the ad hoc, episodic bailout strategy was clearly not working. While there is no doubt a growing crisis in our financial markets, we most not rush to act in a manner that worsens or creates an additional crisis for American families and taxpayers.

“The size, scope, and ramifications of the Administration’s plan make it absolutely necessary that we consider all possible options before moving forward. Given my strong preference for voluntary taxpayer capital, I wish to thoroughly study alternatives such as a temporary suspension of mark to market rules and a reduction of the massive capital gains tax burden.

“At this point, Congress is being asked to support an uncertain entity, costing an uncertain amount of dollars, for an uncertain duration – a decision that will have implications for generations to come and requires absolute certainty. We are being asked to go ‘all in’ with taxpayer dollars, and once our government and the taxpayer is on the hook, there is no fallback option. My fear is that taxpayers will be left with the mother of all debts, the federal government becomes the lender and guarantor of last resort, and our nation finds itself on the slippery slope to socialism.

“We are told that this is a choice between the lesser of two evils. If that is the case, I believe that we have an obligation to safeguard taxpayers above all else. Needless to say, though my mind remains open, at the moment I remain skeptical, fearful, and unconvinced that this is the proper remedy for our nation at this time.”

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