

## (October 3, 2008) Southwest News Herald: House Vote "No" for Bailout

Only Gutierrez Agrees as Lipinski and Rush Don't Agree

By DERMOT CONNOLLY

The House of Representatives this week was faced with reworking the so-called bailout bill addressing the national financial crisis after the original proposal, which local congressmen Dan Lipinski (D-3rd), Bobby Rush (D-1st) and Jesse Jackson Jr. (2nd) voted against, failed to pass on Monday.

Cong. Luis Gutierrez (D-4th) was the only Southwest Side representative to vote for the bill backed by congressional leaders and President Bush.

Other "yes" votes from Illinois were cast by Melissa Bean (D-8th), Bill Foster (D-14th), Danny Davis (D-7th), Rahm Emanuel (D-5th), Jan Schakowsky (D-9th), Ray LaHood (R-18th) and Mark Kirk (R-10th).

Reps. Judy Biggert (R-13th) and Peter Roskam (R-6th) opposed it.

Lipinski explained in a statement following the vote why he voted against the \$700 billion "bailout" or "rescue bill" officially known as H.R. 3997, the Emergency Economic Stabilization Act of 2008.

"The people of the 3rd District are hardworking Americans who pay their bills, pay their taxes and try to do the right thing," he said. "But in these tough economic times, they are working more and finding it increasingly difficult to make ends meet because of high gas prices, skyrocketing health care costs and stagnating wages.

"Multimillionaire executives on Wall Street created a system of risky financial instruments and made millions of dollars. Now that some financial institutions are failing, American taxpayers are being called upon to pay for these terrible decisions and irresponsible behavior.

"There is a need to help stabilize the financial markets so we can keep the problems from spreading to the rest of the economy and further threatening American families."

But, Lipinski added, the Bush Administration's plan "to give a \$700 billion blank check to Wall Street" was wrong.

He said the original 110-page bill had no accountability, oversight or regulatory reform, "and put far too many taxpayer dollars at risk" without holding those who "created the crisis responsible for their actions."

Lipinski said loopholes could allow excessive CEO pay, payments to foreign banks, and a lack of independent oversight

and reform of the financial industry.

Lipinski said he co-signed a letter to House Speaker Nancy Pelosi "calling for specific changes to improve the Bush proposal - changes that I believed would bring more accountability and oversight and implement real reform.

"These would include provisions that limit executive compensation and golden parachutes, prohibit funds from bailing out foreign banks, require strong independent supervision and oversight, and significantly lower the \$700 billion risk to taxpayers."

Noting that the bailout would drive the national debt over \$10 trillion, he said, "I do not believe our children and grandchildren should be burdened with an additional \$700 billion in debt."

Lipinski wants the legislation to include provisions ensuring that any proceeds and profits would be used to first repay taxpayers.

"If the American taxpayer is bailing out these companies, the American taxpayer should be given a real stake in these companies so that they can share in future profits," he said.

Lipinski said that more than 400 economists from leading U.S. universities - including Nobel Prize winners - have expressed concern about moving too quickly and passing a potentially faulty plan.

He said Treasury Secretary Hank Paulson "is simply given too much power and can set aside the accountability provisions in this bill. These are important issues that I feel have not been adequately addressed in this legislation.

"We should not have rushed to action. We should look at the root of the problem and try to solve it. We should carefully consider the ramifications of this proposal.

"We should act prudently and responsibly. We should do it right, so we don't leave American taxpayers on the hook for \$700 billion worth of bad debt and so we don't let this happen again.

"And let's make sure those who are liable for the mess are held responsible for creating it. Let us move prudently and rationally and work on a new and different bill that will do the right thing by the American people."

Jackson has been quoted as saying he was against the rescue plan because it did not provide any aid to homeowners, and that any bailout plan should include a moratorium on foreclosures to ensure that people do not lose equity on their homes.

The Federal Deposit Insurance Corp. already guarantees the first \$100,000 deposited in bank accounts, and one of the suggestions for improving the rescue bill has been to increase that amount to \$250,000.

Adolfo "Rudy" Romo, manager of the Archer Bank branch at 4730 S. Archer Ave., said that move may allay some people's fears.

"I think the financial crisis has affected everyone. People are not in panic mode yet but we do have a lot of customers coming in asking about their money when they see banks in trouble.

"We assure people that our bank is not involved in the crisis directly. We are well-capitalized and in no danger," Romo said, noting that bank officials will often show customers the FDIC Web site, <http://www.fdic.gov/>, which has a wealth of information on banks.

"That Web site will answer a lot of people's questions," he said.

Anita Cummings, executive director of the United Business Association of Midway, said she can understand why Lipinski and others voted against the original bill.

"People need to look at the big picture. I think the government needs to intervene... but we have to be a little bit careful and not jump into anything without thinking it through," she said.

Cummings said the financial crisis is a big concern to members of her organization, and the issue will be discussed when the policy analyst for Taxpayers United of Illinois speaks at the next UBAM meeting, which is at 8:30 a.m. Wednesday, Oct. 8 at the group's headquarters, 5680 S. Archer Ave.