
(October 8, 2008) Southwest News Herald: House OKs Second "Bailout"™

But Lipinski Is Lone Dissenter on Second Version of Plan

By DERMOT CONNOLLY

Following the Senate's approval, the House of Representatives last Friday passed by a vote of 263-171 a reworked version of the so-called Wall Street bailout bill aimed at addressing the national financial crisis after defeating the original version on Sept. 29.

But unlike other congressmen such as Bobby Rush (D-1st), Jesse Jackson Jr. (D-2nd) and Judy Biggert (R-13th), who voted against the first version but in favor of the second, Cong. Dan Lipinski (D-3rd) cast a "no" vote for both.

President Bush quickly signed the bill into law.

Those who voted yes for both bills included Cong. Luis Gutierrez (D-4th), 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).

Like Lipinski, Cong. Peter Roskam (R-6th) opposed both versions of the \$700 billion bailout, now being called a rescue bill by proponents.

"I cast this vote regrettably because I believe that we should be doing more to stabilize the credit markets so that small businesses and all Americans are not hurt by tightening credit," said Lipinski in a statement issued Friday.

"But it is more important to do the right thing than just doing something, especially when that something will cost the average American family of four more than \$11,000." He said more than 400 economists, including Nobel Prize winners, have said this is the wrong course of action.

Lipinski maintained that the bill, officially known as H.R. 1424, the Emergency Economic Stabilization Act of 2008, has grown in size and scope, from \$700 billion to \$850 billion.

"From three pages to 110 pages to over 3,450 pages to legislation, this bill proves the old adage still holds true. Bigger isn't necessarily better."

He said the Senate did not close the loopholes in the original version that made him vote against, but instead "simply added more problems to the bill." He said he supported some of the new legislation tacked on to the bill, but thought it was fiscally irresponsible for the Senate to add them to the bailout bill.

"They are not paid for and they will bust the bank."

He said following the first vote that 3rd District residents "pay their bills, pay their taxes and try to do the right thing," and they and other Americans should not be "called upon to pay for these terrible decisions and irresponsible behavior" of "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 .

Lipinski ticked off numerous problems he had with the bill, questioned the Bush Administration's plan "to give a \$700 billion blank check to Wall Street," and the lack of oversight included in it. He said there was nothing in the bill to prevent the money from being used to bail out foreign banks.

Lipinski said loopholes could allow excessive CEO pay, payments to foreign banks, and a lack of independent oversight and reform of the financial industry.

"The system is broke. The regulations are faulty. The loopholes are many. What's to prevent this from happening again? We need to completely revamp and overhaul the regulatory system that governs the financial industry. Without real reform, we will only be throwing good money after bad," said George Pappas, owner of Georgious restaurant at 5900 W. 79th St., Burbank, and a member of the Burbank Chamber of Commerce, was among the local business owners who said the financial crisis has affected people's spending patterns.

"But it has been going on for years," he said. "It started after 9/11 and it never recovered."

He said that while his restaurant used to be busy six days a week, with perhaps only one slow day, now he only has three "good days."

But he said it is caused by several factors, and was reluctant to say whether the bailout would be good or bad, for his business or the country.

Some local small business owners, who did not want to go on the record seemed to agree with Lipinski, and questioned why no one is there to bail them out if they go out of business, but the government is now jumping in when it is happening to big corporations.

The Federal Deposit Insurance Corp. had guarantees the first \$100,000 deposited in individual bank accounts, but the new bill raised that limit to \$250,000.

That move is aimed at reassuring people that their money is safe in banks, and one area banker said that might help calm fears.

Adolfo "Rudy" Romo, manager of the Archer Bank branch at 4730 S. Archer Ave., in Chicago, 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 direct worried customers to the FDIC Web site, <http://www.fdic.gov/>, which has a wealth of information on the financial status of all banks.

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