

## September 22, 2008: Weekly Washington Update

The events that began last week on Wall Street are reshaping the American marketplace and the global economy. On Friday, I participated in a conference call with Treasury Secretary Henry Paulson and Federal Reserve Chairman Ben Bernanke. During the call, I had the opportunity to ask some tough questions and express my concerns about the Administration's proposed bailout.

It is clear to me that the Treasury and Fed took the necessary actions last week to prevent significant hardship for the millions of Americans. This week, it will be Congress' job to craft a responsible, long term recovery plan. As I write this, the details of the final recovery plan have yet to be resolved, but we do know that the price tag for the taxpayers will be high and the liabilities will be significant.

I have deep reservations about both the exorbitant cost and the greatly increased role of government in the private sector. While certainly some action is necessary to stabilize the marketplace, I do not think it is the place of the government to involve itself in the banking industry in the long run. Doing so only hurts businesses while exposing taxpayers to unnecessary risk. Furthermore, I have serious reservations about raising our national debt level to 11 trillion in order to accomplish a bailout.

In the end, Congress must go to great lengths to protect the significant investment that the taxpayers are making in this effort. Also of paramount importance are reform and accountability. We must implement reforms to the banking sector to ensure that this will not happen again. At the same time, we have to hold accountable those who have destabilized our economy through negligence and criminal practices.

It is my hope that Congress does not overreach in our reaction to this crisis. Without a doubt, there is a clear need for reform. However, we must bear in mind that free markets provide businesses the flexibility they need to contribute to our economy. Over the last several decades, the American free market has created unprecedented levels of job growth, wealth and opportunity for all Americans. Congress must be careful to target reforms in a way that does not stymie growth in the marketplace or unduly burden the taxpayers. Equally as important, we must enact reforms that prevent this type of situation from ever occurring again. These are the criteria that I will keep in mind as I consider this important legislation.