

**COMMITTEE ON FINANCIAL SERVICES**  
U.S. HOUSE OF REPRESENTATIVES  
WASHINGTON, D.C. 20515

**Donald A. Manzullo (IL-16)**  
**Opening Statement**

September 24, 2008

Mr. Chairman: Thank you for holding this hearing today to discuss the proposal recently put forward by Secretary Paulson and Chairman Bernanke. Gentlemen, thank you for being here on such short notice. I appreciate the position that you are in, and commend you all for your hard work and tenacity in this time of financial turmoil.

As our witnesses know better than anyone else, our economy is in crisis. The Administration is correct that decisive action is necessary, but hastily nationalizing every mortgage in America—and putting taxpayers on the hook for \$700 billion—is not the correct remedy.

When it comes right down to it, we are being shoved into a corner, told the sky is falling if we don't act now and the only remedy to save the world is the largest corporate bailout in American history. Nevermind the fact that we just received legislative language a mere five days ago, or the fact that we have no guarantee that this unprecedented government intervention will actually work. We are nevertheless expected to authorize a proposal that fundamentally alters the nation's freemarket system without so much as a reflective breath or backward glance.

This is a monumental decision to make after only a few days of cursory consideration, and I resent being forced into a corner and told that the sky is falling. Before we vote to put a \$700 billion burden onto the American taxpayers, this Congress should stay in session suggesting, discussing, and analyzing any and all alternative solutions. And should we come to the conclusion that we should implement a corporate bailout, we must find a way to pay for it to spare our children and grandchildren from the scourge of higher taxes and government intervention that will inevitably follow.

Before we seek to rescue Wall Street, we need to enact true reform to ensure that a crisis of this magnitude never happens again. The mission of Fannie Mae and Freddie Mac should be reexamined, and their regulatory structure altered accordingly. Responsible regulations should be implemented to ensure more transparency and accountability in the derivatives market. And finally, the Wall Street executives who drove our financial sector to the brink of bankruptcy, should be forced to exchange their pin stripes for jail stripes.

Congress and the Administration should analyze and debate a myriad of reform proposals, not jammed through without regard to the consequences. I am loath to support anything that puts the American taxpayers on the hook for \$700 billion without thoroughly considering the consequences, or examining the alternatives.