

Committee Republican Leadership Views on TARP Program

Following is the consensus view of the Republican Committee leadership regarding the TARP program.

COMMITTEE TARP POSITION

A majority of House Republicans opposed the TARP from the outset because it left the American taxpayer on the hook to pay for a \$700 billion dollar bailout and injected government into private sector corporations and the free market.

Those Republicans who supported the first tranche of the TARP did so reluctantly because they were warned by the Secretary of the Treasury and the Chairman of the Federal Reserve that we were on the cusp of a global catastrophic event the likes of which have not been witnessed in our lifetime and that failure to act would have resulted in the demise of the free enterprise system that has made our country great.

House Republicans did make significant changes for the better, yet despite those changes, both Republican supporters and opponents of TARP felt the legislation was not thoroughly vetted, failed to include the necessary oversight on how this money would be spent and that the standard of "too big to fail" had the government picking winners and losers rather than stabilizing an environment in which participants in the market could compete freely.

Today we are being asked to start consideration of the second tranche before the case has been made that it is needed. Yes it is true that the economy is in a recession and many Americans are struggling to make ends meet, which is exactly why we feel we should proceed with caution and deliberation before burdening the American taxpayer with an additional \$350 billion bill, particularly when there have been commitments of trillions of dollars made outside the TARP program and without Congressional authorization or oversight.

There have been no emergency meetings with the Secretary of the Treasury, no daily statements from the President about the need to act. Certainly banks should be lending more and the credit markets are still experiencing stress, but both are functioning unlike the situation last fall.

With respect to the Chairman's proposal to apply certain conditions to the second tranche of the TARP, we would be happy to engage in a discussion and could even support some of the conditions he wishes to apply, but participation in this debate should in no way be interpreted as support for the further release of any TARP money.

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