

Bachus on Public Private Partnership: "America is not about punishing the wise and rewarding the foolish."

March 24, 2009

Congressman Spencer Bachus (AL), the top Financial Services Committee Republican, made the following statement today regarding the Administration's latest proposal to address illiquid assets:

"The American people are struggling to make ends meet during this economic crisis and are angry that their money continues to be taken from them and given to a few large companies on Wall Street.

"As with the Paulson plan offered last fall, the administration's biggest challenge is in pricing the 'toxic assets.' Even though this is being characterized by the Administration as a private market mechanism to establish an appropriate price for these assets, the taxpayers will bear 95% of the risk of loss if the prices paid are excessive. This is not what most American taxpayers expect or deserve.

"Private capital has been frozen on the sidelines by questions about the nature and probability of the next government intervention. What we need is for the Administration to execute an exit strategy from the continued cycle of interventions and bailouts.

"We must protect the taxpayer and develop equitable solutions that benefit the vast majority of Americans, those responsible individuals and companies whose actions did not contribute to the present financial woes. Instead, altogether too much of the government's focus to date has been on propping up a small number of large corporations whose irresponsible actions precipitated this crisis.

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