

Bachus in USA Today: Down the wrong road

Obama's plan keeps taxpayers on the hook for Wall Street's bad bets.

USA Today

By Spencer Bachus

Last week, House Republicans released our proposal for reforming the financial regulatory system, and now the administration has put forward its plan.

The Republican and Democratic plans for reforming our financial regulatory system are a study in sharp contrasts. While the Democrats' plan keeps in place a system in which large financial institutions look to Washington and the U.S. taxpayer for relief when they become big enough or inter-connected enough to bring down the financial system if they fail, Republicans' response is "never again."

The American people want us to get out of the bailout business, but unfortunately, the administration's plan will do little to ensure that the government has an effective exit strategy from this cycle of taxpayer handouts. Instead, it adds a layer of bureaucracy and regulation over the failed system, and it incorporates and perpetuates the "too big to fail" policies that got us here in the first place.

In the famous Robert Frost poem, two roads diverged in the woods, and Frost chose the "one less traveled by."

Unfortunately, the road we have been traveling for the past year in this country is one in which government exercises day-to-day management over major industrial firms; makes decisions about which financial companies will be allowed to fail and which will be propped up with hundreds of billions of taxpayer dollars; and in which centuries of settled law can be cast aside in the name of tending to the needs of favored political constituencies.

The Republican plan puts us on a different road - one walked by our fathers and forefathers - where individuals are held responsible for their actions and government does not exist to rescue financial firms from the consequences of their imprudent risks or bad business judgments. We are committed to working to ensure that taxpayers are never again left holding the bag for bad bets made on Wall Street.

While that has been the road much less traveled in the recent past, it is a road we need to return to for the sake of our country's economic future.

Rep. Spencer Bachus of Alabama is the senior Republican on the House Financial Services Committee.