

October 1, 2008 - Murtha: 'Failure to act will hurt every American'

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By Michael Cope

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Rep. John

Murtha said the failure of Congress to "restore confidence in the market" with a \$700 billion Wall Street bailout bill could plunge the nation into a depression.

Murtha,
D-Johnstown, told constituents Tuesday that "failure to act will hurt every American."

The House voted
228-205 Monday against the bill designed to stabilize a reeling financial system. The defeat triggered the biggest one-day sell-off on Wall Street since the September 2001 terrorist attacks, with the Dow Jones industrial plummeting 778 points.

The lawmaker
was inundated with calls prior to Monday's vote, with callers by a 10-1 margin asking Murtha to vote against the bailout. The callers' sentiment resulted in a Legislature reluctant to act without the support of voters, Murtha said.

"We were
deluged with calls," he said. "The callers were saying 'Don't bail out those fat cats,' not realizing Main Street is affected."

Under the bill,
the government would take over huge amounts of devalued assets from beleaguered financial companies in hopes of unlocking frozen credit.

Many people misunderstand the bailout because the problem "was explained so poorly," Murtha said.

As a result of market failure, Americans would have a hard time getting mortgages, vehicle financing and student loans, Murtha said. The crisis could cause workers to lose their retirement savings, including 401(k) and pension funds.

"The financial crisis is having an impact on all Americans," Murtha said. "After consulting with numerous financial and economic experts, I came to the conclusion that we simply cannot ignore this crisis, and that Congress has to pass legislation that will free up our credit markets while at the same time protecting U.S. taxpayers."

As part of the bill, safeguards will ensure taxpayers see a return on the investment and prevent Wall Street executives from profiting excessively, Murtha said.

"The party is over for Wall Street," he added. "This legislation puts controls over them, and they are going to have to live with it because they brought this on themselves."

To those who deride government involvement in the market, Murtha said the bailout is not a function of socialism. "We should have the least government intervention as possible, but in this case we have to get in with both feet."

Murtha predicted the \$700 billion would be recouped by taxpayers within five years.

As a result of Monday's dramatic dip in the stock market, Murtha predicts the bill will move quickly through the House this week. Congress was not in session Tuesday in observance of the Jewish holiday Rosh Hashanah.

"You're going to see this thing pass by a pretty big majority on Thursday," Murtha said.