

## October 1, 2008 - Murtha Expects Bailout Legislation to Pass this Week

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Murtha expects bailout legislation to pass this week

By SHAWN PIATEK

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Dominic Cannizzaro has yet to feel the effects of the banking crisis, but he's not sure how long that will last.

Cannizzaro, CEO and founder of Pitt Bull Secure Technologies, a Richland Township-based information technology company, has plenty of reasons to be concerned about how the fallout from Wall Street will effect his company on Oakridge Drive.

Cannizzaro said he isn't too concerned about work drying up. Even in this difficult economy, his company has been able to continue to attract new business and maintain repeat clients.

What concerns Cannizzaro the most is the tightening credit markets. Small businesses such as his from time to time experience cash-flow issues even when their accounts receivable line is very healthy.

"If the banks shy away from lending to small business, it really put us in a bad position," Cannizzaro said. "When cash flow slows, you sometimes have to lean on your credit line to meet your expenses and even to pay your staff.

"We've actually recently gone for a loan locally. It doesn't seem like the issues are hitting us as badly yet. The banks, and even the local credit unions, are making the credit available. But what's happening on Wall Street makes you wonder."

The federal government is currently considering what has been dubbed the Emergency Economic Stabilization Act, which has more commonly come to be known as a federal bail out of the failing investment banking industry. The act would make available more than \$700 billion available to rescue failing financial institutions and help to stabilize the economy.

The House of Representatives voted against the act on Monday, 228-205. U.S. Rep. John Murtha, D-Johnstown, was one of the members of congress who voted in

favor of the legislation.

Murtha on Tuesday said part of the reason the legislation failed was because it and the current crisis have not been properly explained to taxpayers. He said legislators have failed to make it clear that inaction on the government's part would only serve to hurt the average American even more than those on Wall Street who bear some responsibility for the crisis.

"We were deluged with calls - probably 50 to one against it," Murtha said. "They said 'Don't let these fat cats on Wall Street get away with this.'"

"But I knew it would be bad for all Americans if we did nothing, which is why I voted for it."

Cannizzaro, along with other area residents who spoke to The Tribune-Democrat but chose not to have their names published, agreed that they do not like the idea of a bail out. But they have come to realize that whether or not they have had any hand in creating the crisis they believe they will feel the effects if nothing is done.

"It's something that I think, unfortunately, is becoming necessary," Cannizzaro said. "I would rather see the government controlling less than more, but it's something that is going to need to be done to keep things to get from becoming worse."

Murtha said he believes that the House will pass the legislation before the end of the week. He said many minds in congress have changed after witnessing the stock markets collapse after the bill was voted down on Monday, costing investors more than a trillion dollars.

Based upon the optimism generated from Washington on Tuesday that the legislation would pass, stock markets recovered more than half of Monday's losses.

The bank-stabilization package is necessary, Murtha said, to again create confidence both in consumers and the banks. He believe that if nothing is done that the flow of money could come to a standstill, causing even more adverse effects to the nation's economy.

"It's all about confidence," Murtha said. "We need to instill confidence in people to invest and confidence in the banks to continue lending."