

Statement of Ranking Member Spencer Bachus During Consideration of H.R. 384, the TARP Reform and Accountability Act

January 14, 2009

In September Congress rushed to approve \$350 billion to prevent a doomsday scenario that Secretary Paulson and Chairman Bernanke warned could happen if we failed to act to stabilize our financial markets. I repeat, stabilize our financial markets. Just last week in a letter to Congress, we were told by Secretary Paulson, and I quote "We have in fact met our original, stated objectives, which were to immediately stabilize the financial system by strengthening financial institutions, arrest the wave of financial organization failures, and establish a basis for recovery."

What in September began as an emergency response to stabilize our financial markets has morphed before our very eyes into a string of taxpayer funded bailouts. Trillions of dollars in taxpayer backed guarantees and loans have been extended. Now a week after Secretary Paulson announced that the September legislation has met its original goals, they are back again. The government and its agents are ready to dole out another \$350 billion dollar grab-bag of "free taxpayer money."

But before the government and the new Obama administration can spend this additional \$350 billion, they're required by law to submit a detailed plan telling us just how they intend to spend the taxpayers' money. They are required to tell us just how they intend to spend it and what they are going to do with it.

At a time when Americans are struggling to make ends meet, that's only fair. We need to be informed. We need all the facts. We do know that special interest groups and their lobbyists are lining up to grab their piece of a very expensive taxpayer-funded pie. And we know for sure that the Barney Frank bill before us today isn't going anywhere. The Senate has repeatedly indicated they have no intention of taking it up, much less of passing it. To quote the Chairman of the Senate Banking Committee, "Congress doesn't have time to take up Chairman Frank's plan to spend the money. Trying to flesh out a bill form is really impossible."

What about the detailed plan requiring the administration to tell us how they intend to spend these additional hundreds of billions of dollars, which was essential in convincing Members to vote for the bill in September? Instead of a detailed plan, here is what we got. All we have are these 322 words, to spend \$350 billion dollars. Mr. Chairman, that is more than a billion dollars per word. We get a document that basically consists of six talking points. Some of which sounds good but does nothing to inform us or the American people as to how this money will be spent. For example, the Administration says that it will "Focus resources on measures that achieve goals in the most effective and efficient manner, based on current and forecasted financial market conditions" and "TARP programs should encourage broad participation." This is not even close to a detailed plan.

Perhaps we are supposed to rely on the incoming Administration to provide us with the details of how this money will be spent, since they are, after all, the ones who asked the current administration to send up this request. Nope, the new team certainly hasn't attached the detailed plan required by Congress. Instead, they sent us a three page letter signed by one of the President-elect's economic advisers which fails to even meet the standards of Congressional Democrats, who have said they need more details than the letter provides. A letter is not a law. So here we are three months after this House passed legislation without any clue as to where the money was going, with embarrassing consequences, and we are at it again. Chairman Barney Frank and the Democratic leadership are again on the floor, claiming there is no time for careful consideration under regular order, with a 75-page bill introduced less than a week ago. No Committee markup will ever be held on this bill, and why not? Its only purpose is to grease the skids for congressional approval of yet another

bailout. It didn't come from a committee and it is going absolutely nowhere from here.

And where should the request for \$350 billion go? I say back to this administration and the new administration until the American people and this Congress get the facts. Why they suddenly need another \$350 billion? Who exactly who gets that money? Under what conditions? The American people are due more than some suggestions in a bill to nowhere.

We need to do what's right. But to do what is right, we need to be informed. To be informed we need the facts and we don't have them.

Mr. Chairman, there was a time when it was the banks that loaned money to people. Today it is unfortunately the other way around. Banks are asking the people to loan them money. We need to put a stop to it and we can do that by telling the current administration and the next administration no to yet another open-ended \$350 billion blank check bailout. Enough is enough.

#