

COOPER: FINANCIAL CRISIS

by Jim Cooper

It's outrageous that Wall Street has put America in the position of having to use tax dollars to keep our economy from collapsing, but that's the situation we face. If the federal government fails to act, we risk an economic downturn not seen since the Great Depression. After studying the data, I am persuaded that immediate action is required. So what's a good solution to this bad situation?

I don't support the Wall Street bailout proposed by Treasury Secretary Paulson. I do support a "depression prevention" plan that rescues the economy while protecting taxpayers. As a teacher, former businessman, and congressman, I have never seen a more serious threat to the American economy—one that imperils Tennesseans' jobs, homes, and ability to feed their families—in my lifetime. Our economy is built on credit, and if it dries up then no one can get a car, student, or home loan or even a decent credit card. People's savings and retirement accounts must be kept absolutely safe.

The Bush administration presented Congress with a three-page bailout plan that proposed giving the Treasury Secretary \$700 billion dollars of your tax dollars to inject in the capital markets. It attached no conditions to that funding and provided for no oversight by Congress. It even said the Treasury Secretary's decisions would be considered above the law, unreviewable by federal courts. Needless to say, that proposal was dead on arrival because it gave Wall Street a blank check.

Congress quickly began negotiating with Treasury to develop a better rescue package.

First of all, if we are going to ask taxpayers to loan money to our financial system, we should make sure that taxpayers benefit. The American people should be paid back first, and the Treasury should buy assets at prices that unclog credit markets, return solvency to our financial sector, and position taxpayers, if possible, to make a profit.

Next, we should punish the Wall Street executives who got us into this mess. Third, we should provide relief to homeowners trapped in bad mortgages, relief that will both help Ten-

nesseans avoid foreclosure and keep the economy moving. Fourth, we must—repeat, must—reform financial market regulation once we get past the current crisis. It's time to watch over Wall Street so our country never faces this crisis again.

Finally, Congress and the President must immediately begin working to dig America out of our deep deficit hole. I have a bill with 100 cosponsors that would bring Democrats and Republicans together to begin tackling our long term fiscal problems. It's called the SAFE Commission (HR 3654), and it's so important to our country's economic health that a leading Capitol Hill newspaper, *Roll Call*, editorialized that Congress needs to pass my bill before another crisis occurs.

I believe a majority of members of Congress are trying to do the right thing for America. A handful are clinging to ideology or politics instead of working in good faith to solve problems. I am working hard and praying that Congress will act in the best interest of our country. ■

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PREVENT DISASTER, THEN REDUCE DEBT