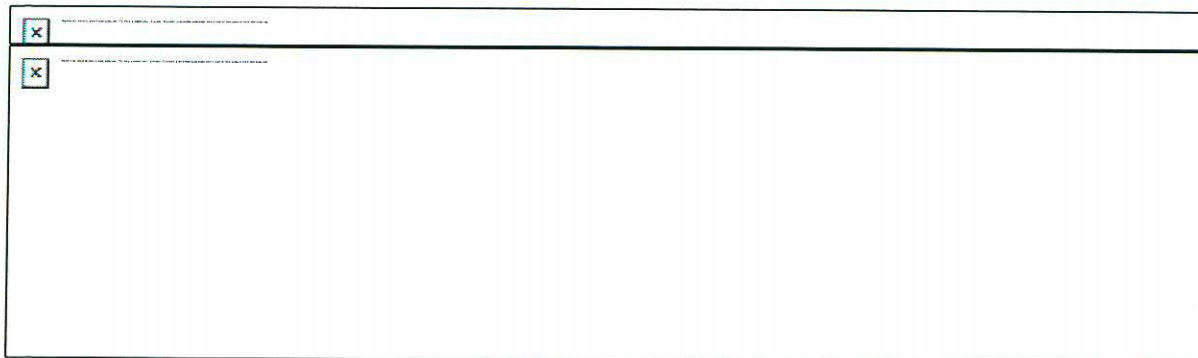




**Lashway, Lisa**

**From:** Rep. Rodney P. Frelinghuysen [Congressman.Frelinghuysen@mail.house.gov]  
**Sent:** Friday, October 03, 2008 1:35 PM  
**To:** Lashway, Lisa  
**Subject:** Congressman Rodney Frelinghuysen's e-Newsletter



## eNews - October 3, 2008



### What's Inside

#### Frelinghuysen Supports Improved Financial Rescue Package

*Statement of Rep. Rodney Frelinghuysen  
H.R. 1424, the Emergency Economic Stabilization Act of 2008  
October 3, 2008*

"Madam Speaker: I rise in support of H.R. 1424, the Emergency Economic Stabilization Act of 2008.

Our nation is facing unprecedented challenges and Congress needs to act, with bipartisanship, to restore confidence in our financial markets and get our economy back on the right track. People are depending on the government to help restore stability.

This legislation before us today, passed by the Senate Wednesday, is substantially improved from the version this House rejected on Monday.



Some of my concerns from the earlier bill have been addressed, but not all. But I am in Washington to look for the best deal for the taxpayers.

The most significant change is that this rescue package now includes Alternative Minimum Tax relief for my constituents in New Jersey, not just relief for Wall Street.

The previous bill presented the taxpayer with a huge bill. This measure contains real relief for the hard-working New Jersey families and I commend the Senate for including what House Democrats have resisted.

My Colleagues, no one likes the concept of an unprecedented and expensive federal government intervention in our financial markets. But the cold, hard reality is that this rescue package, however oversized, is designed to shield millions of Americans from economic shock waves from problems they did not create!

Our economy is built on credit and we need to get credit back into the markets.

There can be no doubt that our financial markets are in crisis, suffering from number of problems:

1) Banks and other financial institutions have billions of dollars of bad housing-related debt on their books, to the extent that many are technically insolvent.

2) But we also have a problem stemming from a serious crisis of confidence that has frozen the credit system. Financial institutions are, in essence, "hoarding" capital. Most are not lending money.

As a result, we see credit markets which are limiting the ability of people and businesses to borrow. It's a crisis that is affecting a wide range of Americans:

- Employees working for businesses dependent on available credit to cover payroll or buy inventory;
- Retirees who count on their stocks and other investments to pay their bills and for future expenses;
- Workers who have built pension funds and 401(k)s for their future security;
- Families who have seen their home values drop precipitously, and their nest eggs are directly related to that value;
- Families trying to buy homes or cars or secure student loans for college;
- Men and women who work every day to keep their small businesses afloat. Without reliable credit, they cannot stay in business, let alone create jobs.

With that said, I recognize that many people may not like the expensive rescue plan. But we have no alternative but to approve this legislation and do it quickly.

Madam Speaker, the package that this House rejected, on a bipartisan basis, on Monday was much stronger than the original proposal offered by the Treasury Secretary two weeks ago. That bill cut the Treasury's upfront spending authority in half, included several important taxpayer protections, limitations on executive bonuses, improved bipartisan oversight and deleted "slush fund" financing for such partisan groups as ACORN, and trial lawyer giveaways.

I am pleased that the package before us today is vastly improved over Monday's bill. That legislation, in effect, handed the American people nothing but huge bill to pay. This measure protects middle income Americans from tax increases and gives businesses the financial support they need to create and maintain jobs.

Specifically, we are shielding tens of thousands of New Jersey taxpayers from the unfair Alternative Minimum Tax increase.

New Jersey has the highest per capita rate of citizens subject to the AMT in the country! Without this fix approximately 1.6 million residents of New Jersey, including over 141,000 families in my district, would be subject to the AMT this year. The provisions included in the Emergency Economic Stabilization Act will prevent approximately an additional 100,000 residents of my District from paying this unfair tax!

It is never a "good time" to raise taxes, but I cannot imagine a worse idea in times of economic slowdown.

The bill also expands Federal Deposit Insurance Corporation protection for bank accounts to \$250,000 per account from \$100,000. This provision is designed to send a strong signal to depositors, individuals and small businesses alike, that their money is backed by the United States Government.

The bill also includes:

- Tax relief for middle-class families and American businesses – the engine of job creation. These include credits and deductions for college tuition, children, and research and development.

- The extension of renewable energy tax incentives designed to build momentum toward reducing our dangerous dependence on foreign oil.
- Landmark mental health “parity” legislation which will increase health care coverage for Americans suffering with mental illness.

I am also encouraged that the Securities and Exchange Commission (SEC) has issued accounting guidelines that allow banks to move away from “mark-to-market” accounting rules that artificially undervalue good mortgage assets and have helped aggravate this economic crisis. My Colleagues, I am confident that, given additional time, we could make even more improvements to this legislation after we listen further to our constituents. However, it has become very apparent to me that we do not have additional time.

We are in “panic mode” brought about by the unwise use of leverage, poor accounting rules, program trading, an explosion in the use of financial instruments, and lax regulation of our markets.

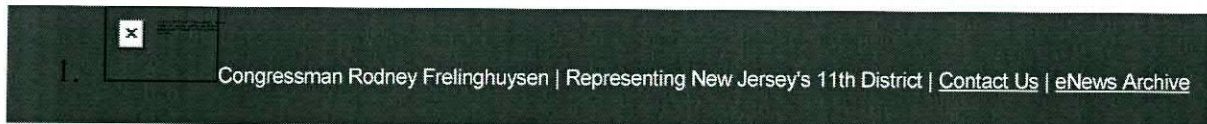
Credit markets have frozen. Americans everywhere are feeling the pain through their businesses, through their jobs, through their inability to get a mortgage, or a loan to buy a car, complete a home renovation, or finance a college education. As I stated initially, our economy faces historic and unprecedented challenges. Congress must take swift, decisive and bipartisan action to restore immediate confidence to the markets and set our economy back on the right track.

This is a rescue package designed to shield millions of Americans from catastrophic shock waves of problems they did not create.

We need to vote yes, and we need to vote now.

But even after this vote, our work is not done. We need aggressive oversight over the actions of the Treasury and the Federal Reserve and more transparency in our financial markets.

I urge passage of H.R. 1424.”



This message was sent from Rep. Rodney P. Frelinghuysen to clerk@mtolivetwp.org. It was sent from: Office of Congressman Rodney Frelinghuysen, 2442 Rayburn Building, Washington, DC 20515. You can modify/update your subscription via the link below.

 [Manage your subscription](#) 

Share this message with others:  [del.icio.us](#)  [Digg](#)  [Reddit](#)  [Facebook](#)  [StumbleUpon](#)