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From: Rep. Rodney P. Frelinghuysen [Congressman.Frelinghuysen@mail.house.gov]
Sent: Tuesday, September 30, 2008 6:59 PM
To: Lashway, Lisa
Subject: Congressman Rodney Frelinghuysen's e-Newsletter



eNews - September 30, 2008



What's Inside


Frelinghuysen Statement on Emergency Economic Stabilization

Statement of Rep. Rodney Frelinghuysen:

"All Americans are concerned about the stability of our economy and are worried about the current condition of the financial markets. Our economy is built on credit, and we need to get credit back into the markets to help large and small businesses keep and create jobs!

Clearly, Congress and the Administration have more work to do, and we should resolve to work every day from now on until we have done what is needed to stabilize financial markets and protect the American taxpayer.

Many Americans correctly questioned the \$700 billion price tag of the legislation that was defeated yesterday on a bipartisan basis.

 But for my part, there were other considerations:

- The legislation lacked clear parameters and shifts major powers to unelected bureaucrats in the Treasury.
- The bill failed to get at the core problem which created this mess – a plummeting housing market.
- Finally, this measure overlooks opportunities to attract new, private capital into the market to help stabilize the marketplace.

I repeat: there is clear need for a bipartisan solution.

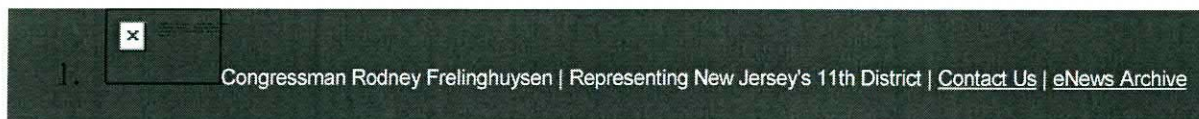
We will never get a perfect bill. There is no 100% solution. And I recognize that some use of taxpayer dollars will probably be necessary – but we must minimize the use of federal funds, have aggressive oversight and strong taxpayer protections.

Congress will act. But, how we act is as important as just acting. I have been on the telephone with friends and family and heard from hundreds of constituents and many financial experts. There is no lack of creative solutions to consider. To name a few:

- We should look at a government-backed insurance plan which could go a long way toward returning market value to many of the so-called “toxic securities”. We need to know if such a program could address the market’s aversion to these investments, and if it could be entirely funded by risk-based premiums levied on the holders of the assets – not taxpayers;
- We should determine if modifications to our tax code, especially in the area of capital gains, can be used to inject private capital into the markets to provide liquidity;
- We should determine if any federal regulations, like the relatively new “mark-to-market” rule, can be suspended to allow financial institutions access to some of their own money;
- Americans depositors need to know that their money is safe. We should act now to increase the FDIC limits from \$100,000 to \$300,000 so all Americans know that their money is protected and backed by United States Government.

These are just some of the ideas that deserve our consideration. There are undoubtedly more.


Everything should be on the table. The American people should be at that table as we work together to craft a workable and effective bipartisan solution.”



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