

Washington, DC - Congressman Maurice Hinchey (D-NY) today released the following statement regarding the revised Wall Street bailout bill that passed the House today. Hinchey voted against the bill. The congressman also voted against the original bailout bill that was brought to the House floor earlier this week.

"The U.S. economy is in very bad shape. While the notion of "bailing out" Wall Street firms understandably doesn't sit well with many people, including myself, I recognize the potentially severe implications to the credit market and the overall economy if Congress doesn't act swiftly. That said, the \$700 billion plan brought to the House floor for a vote today is far too big and ignores the pressing need to directly help working and middle class Americans make ends meet and survive these tumultuous times. The measure also fails to reinstate any real regulatory authority over the financial markets to prevent Wall Street from abusing the system again and creating a similar crisis in the future.

"We must provide stability to the financial markets. Unfortunately, President Bush and Treasury Secretary Paulson pulled this \$700 billion figure out of thin air and I simply cannot give my approval on such an enormous sum of money that is excessive to addressing the situation as it stands currently. Based on testimony from Federal Reserve Chairman Bernanke, it is clear to me that a much smaller package of \$150 billion would be sufficient to enable the federal government to intervene and bring stability to the financial markets over the next several months. Were Congress to pass a \$150 billion package instead of a \$700 billion figure, we could help stabilize people's retirement accounts, prevent the dramatic loss of revenue for the State of New York as well as local municipalities throughout the state who are facing major budget shortfalls and prevent the very real possibility of raising state and local taxes; and we could do so without placing such an enormous burden on taxpayers. Passing a smaller package would then allow us to reassess the economy and make a determination whether we need to authorize the use of more federal dollars to stabilize the markets. I have worked very hard in Washington to convince my colleagues in Congress to pass a scaled down package, but unfortunately the \$700 billion figure remains intact.

"Any financial rescue plan would be incomplete without an economic stimulus plan attached to it that builds up our economy rather than just allegedly bailing it out. We need to make dramatic investments in our infrastructure, health care system, and education system. All across New York communities are lacking the revenue needed for many important initiatives that help create job growth and will either ignore them or resort to unwanted tax increases to meet those needs. By investing in our own country we will create jobs, spur economic growth, and begin to lift the working and middle class out of this economic mess. Without question, the problems on Wall Street affect Americans on Main Street. However, our solution must not be to just throw money

at fixing Wall Street. We must invest directly in Main Street to help strengthen the working and middle class.

"Because this bill fails to include an economic stimulus component, is far too large in cost, and does nothing to fix the underlying lack of regulatory authority that got us into this mess in the first place, I simply could not support it. However, now that the bill has passed, I will aggressively use my oversight authority to ensure that the measure is enacted and executed as effectively as possibly and will look for ways to strengthen our economy with future supplemental legislation."