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U.S. Congressman John Culberson, 7th District of Texas

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Dear Paul:

My preferred solution to the credit crisis was to repeal the mark-to-market accounting rule and raise the \$100,000 FDIC insured limit on bank deposits to \$250,000. Unfortunately, this bailout bill also included \$42 billion in tax increases and pork barrel spending, and I could not support it. I am committed to finding a solution that restores liquidity to the banking system, and these two steps will help immensely, giving Congress and the Administration time to think the problem through carefully. While I am glad the SEC Chairman Chris Cox repealed the mark to market rule, and that the bailout bill raised the FDIC insured limit to \$250,000, I co-sponsored the conservative alternative, H.R. 7223. To read about the Free Market Protection Act, click [here](#).

The White House and the Treasury both tell us that nothing in this bill will prevent this crisis from happening again, or bring those responsible to justice and that \$700 billion may not even be enough. The bill grants the Treasury Secretary unprecedented authority - he can bail out any financial institution operating in the United States by paying any price he wants for any financial instrument, for any reason, and no one can stop him or restrain him in any way as long he makes a phone call or writes a letter to Congress telling us what he has done.

Since we will have to borrow the \$700 billion by selling TBills on the international bond market, and the largest percentage of TBills are bought by the Chinese or other hostile powers through Middle Eastern sovereign wealth funds, under this bill, American taxpayers will borrow billions of dollars from Chinese and Middle Eastern banks to bail out Chinese and Middle Eastern banks.

This bill also raised the national debt to \$11.3 trillion, doubled the deficit overnight, and saddled our children with at least \$1 trillion in new unfunded obligations. All for a bill the Treasury Secretary admits won't prevent the problem in the future and may not solve the urgent problem in front of us.

Federal property managers will be able to rewrite mortgages to reduce principal and lower interest rates to zero if they wish, and they can give away foreclosed or distressed-loan homes in your neighborhood to anyone they wish. Liberals who manage these programs will give away millions of free or reduced homes in neighborhoods all over America to families who could not otherwise afford them. The federal government now has the power to create federal housing projects, house by house, in neighborhoods all over America. Just imagine what that means for property values and the safety and security of your neighborhood.

I was one of only seven House members to vote against loosening lending restrictions on FHA home loans in 2007, I opposed the taxpayer bailout of Fannie Mae and Freddie Mac earlier this year, and I strongly supported the unsuccessful Fannie/Freddie reform bill of 2005, which would have helped avert this crisis.

We need Congressional action to help forestall and ease the credit crisis, but this bill won't solve that problem, won't prevent future problems, and was rushed through far too fast for us to be thoughtful and deliberative.

Here are several recent news articles that help explain the history of the current credit crisis:

<http://www.independent.co.uk/opinion/commentators/dominic-lawson/dominic-lawson-democrat-fingerprints-are-all-over-the-financial-crisis-949653.html>

<http://online.wsj.com/article/SB122212948811465427.html>

Sincerely,



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Member of Congress

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