



For Immediate Release

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## **Franks Votes No for the Second Time on Financial Sector Bailout Bill**

### **Says Bill Socializes our Financial Sector Despite Tax Cut ‘Sweeteners’**

October 3, 2008 – U.S. Congressman Trent Franks (AZ-02) gave the following statement today after once again voting to oppose a \$700 billion bill that would ‘bailout’ some of the largest financial institutions on Wall Street:

**“I am wholly convinced that the bill we voted on today was significantly improved due to the efforts of Republican leaders in both the House and the Senate.”** Franks stated.

**“None of us dispute that we face a serious crisis in our financial sector that demands action, but Congress must remain committed to doing what is best for our economy in the long-term when discerning the best and most effective course of action in the short term. I am convinced, as are many of my colleagues, that if we allow the federal government to mitigate the consequences of poor investment decisions at the expense of taxpayers, it will only be easier for us to do it next time when the situation is perhaps even worse.**

**“Furthermore, I question whether this solution will actually have the intended effect of truly ‘rescuing’ the financial markets in the short time, let alone the unintended consequences that will be felt in the more distant future.**

**“Throughout this process, I have supported alternative proposals put forward by other Members and by the Republican Study Committee that would address the capital crisis while protecting taxpayers and our free market system.**

**“Because of these principled efforts, I am convinced that the markets will be strengthened by measures such as the FDIC insurance cap being raised to \$250,000, and the “fair value” accounting rule being adjusted by the SEC. Credit will be more readily available to hard-working American families and small business, which will be crucial in coming months.**

**“Nevertheless, the fact remains that we have two choices in dealing with the financial sector crisis — force taxpayers to bail out these financial institutions, or create incentives for the private market to do so.**

**“The Communist leader Nikita Khrushchev once made a remark about what it would take for the policies of socialism to be successfully imposed on freedom-loving Americans. He said: ‘We can’t expect the American people to jump from Capitalism to Communism, but we can assist their elected leaders in giving them small doses of Socialism, until they awaken one day to find that they have Communism.’**

**“His point was salient in that he realized the leap into a socialist society is almost never made all at once; but that economic freedom, like all other freedoms, is gradually surrendered piece by piece. And I know that I am joined by millions of Americans who would rather endure temporary economic pain by allowing the free market to correct itself, knowing that our children will be able to pursue opportunity in the sunlight of freedom rather than bear the burden of massive debt and a tax-laden future in the shadow of socialism.”**

*Congressman Franks is serving his third term in the U.S. House of Representatives, and is a member of the Committee on Armed Services, Strategic Forces Subcommittee, Military Readiness Subcommittee, Committee on the Judiciary, and is Ranking Member on the Constitution Subcommittee.*