

LARSON VOTES FOR ECONOMIC STABILIZATION ACT

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Short-term Solution for a Problem in need of Comprehensive Oversight and Reform

Washington D.C.-Today, the House of Representatives passed the Economic Stabilization Act of 2008 by a vote of 263 to 171. The bill is similar to the bill that was voted on and failed in the House on Monday, but it adds an important expansion of FDIC insurance from \$100,000 to \$250,000 in order to protect small businesses' ability to make payroll and meet their needs. It also adds billions of dollars in energy and business tax extenders, AMT relief for 23 million Americans, disaster relief and mental health parity reform. However, these provisions from the Senate, unlike those previously passed by the House, are not fully paid for.

U.S. Congressman John B. Larson (CT-01), Vice Chair of the Democratic Caucus made the following statement:

"I am outraged over the earmarks that the Senate has added to this bill. The House of Representatives has consistently supported these tax extenders for wind, solar, fuel cells and clean energy because we know that this is the future for energy independence for America. We also know that these tax credits means jobs in America and right here in Connecticut. But we've supported these provisions in a fiscally responsible way and insisted that they must be fully paid for. We also have supported AMT relief for 23 millions of Americans but we supported it in a fiscally responsible way. However, the Senate has left us with no choice in this matter and the gravity of the economic situation we find ourselves in necessitates a vote in favor of this bill.

The bill makes significant changes to the original Treasury proposal. I commend the hard work of the House Democratic Leadership and Connecticut Senator Chris Dodd, who worked to ensure that were protected by requiring the plan to be repaid in full. They also ensured that the bill requires Congressional review after the first \$350 billion disbursement and gives taxpayers a share of the profits. It puts limits on excessive compensation for CEOs and executives, including no golden parachutes or CEO compensation that encourages unnecessary risk-taking. It also provides strong independent oversight and transparency, including four separate independent oversight entities to protect the taxpayer's investment. Finally, it allows the government to work with loan providers to change their terms of mortgages; thus reducing the number of foreclosures in coming years and preventing home foreclosures from crippling America's economy.

"This bill is by no means the silver bullet to solve this economic crisis. I remain as frustrated and skeptical as the constituents I serve. However, I believe this is a foreshadowing of the economic fallout that we face. This response is a

short-term solution to a long-term problem that congress must now deal with. We must now begin the hard work of revamping our entire regulatory system to ensure that this cannot happen again. We must be ever vigilant; it is the American people's hard earned money, their retirement security and their futures that are on the line. We cannot simply allow these markets to operate in the dark and without oversight. We must root out the fraud and abuse and make Wall Street work for Main Street so that everyone can prosper. "

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