

Reforms must restore consumer protection

Burlington, VT - Rep. Peter Welch responded to the Bush Administration's proposal to address the financial crisis, asserting that any plan must protect the middle class and restore consumer protections.

"Our phones are ringing off the hook. Vermonters and the American people are outraged, and they should be. Vermonters work hard, they pay their bills, they live within their means, and they sacrifice to put their kids through college," said Welch. "I don't want Vermonters to get caught in the undertow of the recklessness and greed on Wall Street. This \$700 billion taxpayer funded bailout comes at the expense of important priorities like improving our roads and bridges, funding heating assistance, and providing health care to those in need," added Welch.

At a press conference in his Burlington office, Welch outlined the principles by which he will judge the administration's plan.

"Any recovery plan must first protect innocent Vermonters and Americans who have 401Ks, IRAs, college savings accounts, or other hard earned savings. Second, we must restore aggressive oversight and consumer protection to ensure this never happens again. Third, those who caused this crisis cannot benefit from it," outlined Welch.

Welch is advocating a legislative proposal to recover excessive executive compensation from executives and companies seeking a government bailout.

"There is absolutely no justification for allowing executives who ran their companies and our financial markets into the ground to be rewarded for abysmal performance," said Welch.

The House Oversight and Government Reform Committee, on which Welch serves, will hold hearings to examine the regulatory mistakes and financial excesses that led to this crisis. An October 6 hearing will include Lehman CEO Richard Fuld and a hearing on October 7 will

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include American International Group CEOs Robert B. Willumstad, Martin J. Sullivan, and Maurice R. Greenberg.

"I plan to play an aggressive role in finding out how this happened and ensuring it never happens again," said Welch.

Welch participated in a conference call late Friday afternoon with Secretary Paulson and Federal Reserve Chairman Bernanke on the crisis.