

WASHINGTON - Congressman Spencer Bachus (AL-6), Ranking Member on the House Financial Services Committee, made the following statement today regarding the President's speech on financial regulatory reform.

"President Obama attempted to seize upon the one-year anniversary of the Lehman Brothers bankruptcy to try to breathe life into his flagging financial regulatory reform effort. Unfortunately, he has failed to put forward constructive proposals to address the lessons learned from the events of September 2008, and the solutions being offered would in many respects make matters worse.

"As in the case of health care and energy policy, the President has offered a reform proposal that would grant broad new authorities to government bureaucrats while intruding in private markets and restricting personal choice. The so-called Consumer Financial Protection Agency would in fact be a massive and expensive new government bureaucracy that, in the name of consumer protection, would ration credit and allow fewer financial choices for consumers.

"The obvious lesson of the events of September 2008 is that we need smarter regulation, not more regulation, not more government bureaucracy, and not more incentives to engage in harmful business practices. We need to stop the taxpayer-funded bailouts, end the "too big to fail" policy that allows the government to pick winners and losers, and restore market discipline so that financial firms will no longer expect the government to rescue them from the consequences of imprudent business decisions."