

[East Valley Tribune](#)

Paul Giblin

The U.S. House's sound rejection of the proposed \$700 billion Wall Street bailout package on Monday should serve as a civics lesson to the Bush administration, said Rep. John Shadegg, R-Ariz., who helped lead conservation opposition to the measure. House Republicans in essence told U.S. Treasury Secretary Henry Paulson that they were not going to give him a blank check, Shadegg said in an interview late Monday afternoon.

"Maybe in the wheeling and dealing world of Goldman Sachs that he came out of, investors are willing to hand him money and say, 'We trust you to go invest it and make money,' and he had a record of doing that," Shadegg said. "But I think like a lot of other businesspeople who transition into government, he doesn't understand how government works."

Republicans remain committed to putting together a package, but they want "responsible" and "reasonable" provisions to protect taxpayers, he said.

"In the final form of the bill, it did not specify exactly what assets Secretary Paulson could buy and it did not specify the procedure by which he had to buy them," Shadegg said.

Paulson previously served as chief executive for Goldman Sachs Group, a leading global investment banking, securities and investment management firm. Shadegg called for Paulson's resignation because of his handling of the bailout proposal.

All eight members of Arizona's House delegation - four Republicans and four Democrats - voted against the measure. But, most said, the House should immediately set to work to fix problems with the proposal and quickly take it up again.

Members of Congress have a responsibility to become involved in the legislation and needed time to study the complex package.

"He didn't want us mucking around in the details of his proposal," Shadegg said. "It was pretty consistently that he demanded that it be his bill or no bill at all. I think he learned that if those were the terms, it was no bill at all."

House Republicans will work to improve the bill as early as today, he said.

Rep. Jeff Flake, R-Ariz., said a new proposal will stabilize the markets by increasing liquidity and reforming the financial services sector.

"The House Republican proposal includes privately funded mortgage insurance with risk-based premiums to provide relief to the financial services sector without making taxpayers liable," Flake said in a written statement.

The plan includes voluntary suspension on dividend payments and a window for transfer of profits earned by U.S. companies overseas into U.S. institutions.

The plan also includes reforms such as limits on federal backing for high-risk loans and credit-rating agency reforms.

Rep. Harry Mitchell, D-Ariz., like Shadegg, cited the short turnaround as grounds to oppose the bailout legislation.

"There was not time for any kind of thoughtful deliberation or public comment," he said in a written statement. "Considering \$700 billion is at stake, I believe taxpayers deserve better."

He too said he was committed to work in a bipartisan manner to come up with a new bill that can gain approval.

Arizona lawmakers vote against bailout plan

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Sen. Jon Kyl, R-Ariz., one of the lead negotiators for the Senate Republicans, said he remained hopeful that a deal can be reached "for the benefit of all of America."

The key to striking an agreement is not to affix blame for the failure of the first attempt, Kyl said during an interview on Fox News. He said lawmakers need to appreciate that "people lost millions of dollars in the market today."