



# *Republican Liberty Caucus*

## *The Conscience of the Republican Party*

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Individual Rights,  
Limited Government  
and Free Enterprise**

**[www.RLC.org](http://www.RLC.org)**

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"NO Bailout for Failure, NO Rescue from Risk," says Republican Group

Thousand Oaks, CA - A national caucus of Republican activists has urged GOP legislators to stand firm against the "Paulson Bailout" of a corrupt financial regulatory system. "This proposal is a government takeover of the entire U.S. economy," says Republican Liberty Caucus Chairman William Westmiller, "whose only purpose is to rescue those who made risky bets on bad mortgages."

The Caucus [[www.RLC.org](http://www.RLC.org)] opposes any taxpayer payoff to rescue those who made bad investments in any sector of the economy. "The problem is not a lack of government control," says Westmiller, "but rather the decades of market distortions imposed by Congress through subsidies, mandates, guarantees, and constraints on free-enterprise mortgage offerings."

The Paulson proposal grants the Secretary of the Treasury total control over all mortgage-related financial instruments, nearly a trillion-dollars in discretionary funds, and the power to nationalize or deputize every financial institution in the nation. "This isn't a rescue plan," says Westmiller, "it is an economic police state."

Over the past five years, Congress has refused - on multiple occasions - to impose standard accounting practices on "Government Sponsored Enterprises", maintained an implicit taxpayer guarantee against all of their losses, and expanded the discretion of federal agencies to allocate new national debt to failed investments and insurance brokers. "This is not free enterprise, nor anything even remotely associated with the American Dream," says Westmiller, "it is pure and simply corporatism, designed by oligarchs, suitable for a Weimar Republic or Soviet Union, not the United States of America."

The RLC favors clear legislation protecting individuals against fraud, misrepresentation, and theft. It opposes any law that benefits one class of Americans at the expense of another, including any form of financial guarantee or subsidy that rewards failure or encourages foolish investments.

"The worst aspect of all the proposals now pending in Congress," says Westmiller, "is the destructive craving to save a system of patronage, political favors, and class benefits that has brought us the current crisis. More of the same is no solution."

Cont ...

## RLC Bailout, Cont ...

"The 'Pelosi Compromise' is a fruitless exercise of battling against the most extreme Democratic proposals," says Westmiller, "adding new layers of bureaucracy, prolonged studies of alternative interventions, and phased-in destruction of the dollar is not progress, it is more, much more, of the same failed policies."

The RLC applauds the stamina and fortitude of multiple Republican Senators and Congressmen who have opposed any corporate bailout, expansions of government fiscal power, new burdens on taxpayers, or any further assaults on the value of the dollar through inflation.

The RLC is a political membership organization working within the Republican Party in support of individual rights, limited government, and free enterprise. The Caucus has members in all 50 states and 20 chartered state chapters. The RLC has urged all of its members to communicate to their representatives in Congress their total opposition to any bailout.

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### References:

#### RLC Statement of Principles and Positions:

"We oppose all legislation that concedes Congressional power to any regulatory agency, executive department, or international body. We favor the privatization of all government assets and a transition to free market management and services for all programs that exceed the enumerated powers of the Constitution.

[http://www.republicanliberty.org/docs/rlc2004\\_principles.htm](http://www.republicanliberty.org/docs/rlc2004_principles.htm)

#### RLC Advisor Mike Pence (R-IN):

"House Republicans believe that we should not pass along the cost of a \$700 billion bailout from Main Street to Wall Street ... I simply find it anathema that the federal government would borrow \$700 billion from future generations of Americans to nationalize every bad mortgage in America".

[http://www.pbs.org/newshour/bb/politics/july-dec08/lawmakers\\_09-26.html](http://www.pbs.org/newshour/bb/politics/july-dec08/lawmakers_09-26.html)

"Economic freedom means the freedom to succeed and the freedom to fail. The decision to give the federal government the ability to nationalize almost every bad mortgage in America interrupts this basic truth of our free market economy."

[http://www.politico.com/blogs/thecrypt/0908/Pence\\_comes\\_out\\_against\\_the\\_plan\\_\\_again.html](http://www.politico.com/blogs/thecrypt/0908/Pence_comes_out_against_the_plan__again.html)

#### RLC Advisor John Shadegg (R-AZ):

"The problem here is that the government created this. ... Now we see the two chairs on each side, adding all kinds of things to the bill. I think the last thing you do when government policies get you in trouble is write a blank check to the government."

<http://johnshadegg.house.gov/News/DocumentSingle.aspx?DocumentID=103296>

#### RLC Advisor Ron Paul (R-TX):

"Unfortunately, the government's preferred solution to the crisis is the very thing that got us into this mess in the first place: government intervention."

<http://www.cnn.com/2008/POLITICS/09/23/paul.bailout/index.html>

"By doing more of the same, we will only continue and intensify the distortions in our economy - all the capital misallocation, all the malinvestment - and prevent the market's attempt to re-establish rational pricing of houses and other assets."

<http://www.ronpaul.com/2008-09-25/ron-paul-my-answer-to-the-president/>

#### RLC Advisor Vernon McKinley on "Corporate Welfare King and Queen" [1997]

"The GSE structure is a classic case of a special legislative benefit that its recipients will fight to the death to maintain. Congress should immediately revoke all the benefits of government sponsorship ..."

[http://www.cato.org/pub\\_display.php?pub\\_id=6047](http://www.cato.org/pub_display.php?pub_id=6047)

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