

## CONSERVATIVE ACTION PROJECT

The Conservative Action Project, chaired by former Attorney General Edwin Meese, is designed to facilitate conservative leaders working together on behalf of common goals. Participants include the CEO's of over 100 organizations representing all major elements of the conservative movement—economic, social and national security.

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Fred Smith, President, Competitive Enterprise Institute  
Virginia Thomas, President, Liberty Central  
William Wilson, President, Americans for Limited Government  
Wendy Wright, President, Concerned Women for America  
David N. Bossie, President, Citizens United  
Karen Kerrigan, President, Small Business & Entrepreneurship Council  
Colin Hanna, President, Let Freedom Ring  
Becky Norton Dunlop, former Deputy Assistant to President Reagan  
Mario H. Lopez, President, Hispanic Leadership Fund  
Edwin Meese III, former Attorney General  
Duane Parde, President, National Taxpayers Union  
Tony Perkins, President, Family Research Council  
Craig Shirley, Chairman, Citizens for the Republic  
Grover Norquist, President, Americans for Tax Reform  
Gary Aldrich, Chairman, CNP Action, Inc.  
J. Kenneth Blackwell, former Treasurer, State of Ohio  
Jordan Sparks, Executive Director, Young Americans for Freedom  
Andrea Lafferty, Executive Director, Traditional Values Coalition  
Alfred Regnery, Publisher, American Spectator  
James Martin, Chairman, 60 Plus Association  
Herman Cain, President, THE New Voice, Inc.  
Gary Bauer, President, American Values  
Tom Winter, Editor-in-Chief, Human Events  
David McIntosh, former Member of Congress, Indiana  
Curt Levey, Executive Director, Committee for Justice  
Richard Viguerie, Chairman, ConservativeHQ.com  
Myron Ebell, President, Freedom Action  
Mathew D. Staver, Founder & Chairman, Liberty Counsel  
T. Kenneth Cribb, former Chief Domestic Advisor to President Reagan  
Rev. Louis Sheldon, Chairman, Traditional Values Coalition  
Marion Edwyn Harrison, Past President, Free Congress Foundation  
John Berlau, Director, Center for Investors & Entrepreneurs, CEI

### **MEMO FOR THE MOVEMENT**

**Senate Should Reject Dodd-Frank Because it Not Only Takes Away the Freedom of a Large Wall Street Firm to Fail, It Also Takes Away Main Streets Freedom to Succeed**

“As a physician, I fought tirelessly against the Democrats’ government takeover of health care because it will do irreparable harm to Americans’ access to quality, affordable health care. Tragically, the Dodd-Frank permanent bailout proposal will deliver a far more formidable blow to American families and main street entrepreneurs. With Dodd-Frank, they have set out to reorder America’s entire economic system and sever ties with the free market principles that have guided our nation to unprecedented prosperity.”  
--Tom Price, Member of Congress, Georgia

**RE:** The so-called financial “reform” legislation, agreed to by House and Senate Democrats in Conference, and then passed by the House of Representatives, (also know as Dodd-Frank) not only takes away the freedom of a large Wall Street firm to fail, it also takes away Main Streets freedom to succeed. The legislation would increase the size and scope of the federal government, regulating every phase of economic activity. The legislation would also make permanent taxpayer funded bailouts of large Wall Street firms. Due to the bill’s excessive taxes and government red tape, families and small business owners would no longer have access to low cost credit, and a bureaucrat would stand between them and living the American dream.

**ACTION:** The United States Senate should reject the Dodd-Frank bill because it is a job killer that will only bailout politically connected firms. Moreover, the Senate should insist that any financial regulatory reform legislation addresses the taxpayer subsidies of Fannie Mae & Freddie Mac.

“Government cannot make man richer, but it can make him poorer.”  
--Ludwig von Mises

### **ISSUE-IN-BRIEF:**

#### **Institutionalizes Taxpayer Funded Bailouts:**

Dodd-Frank gives politicians and federal regulators the power to continue to bail out politically-connected Wall Street firms with taxpayer money rather than allowing failing firms go into bankruptcy. Wall Street bailouts become permanent at the expense of Main Street.

#### **Fails to deal with the Fannie Mae & Freddie Mac Debacle:**

Dodd-Frank continues to finance the bailouts of Fannie Mae and Freddie Mac—despite the central role they played in causing the turmoil that devastated our economy. To date, over \$140 billion of taxpayer funds have been spent bailing out Fannie and Freddie. The (Congressional Budget Office) CBO estimates that, in the final analysis, the taxpayers may lose up to \$400 billion on the two firms.

#### **Expands the Size of the Federal Government:**

Dodd-Frank grows government by creating numerous new federal offices that would regulate every phase of economic activity in the U.S. and create a maze of new regulations, all funded by consumers. Additionally, the legislation would create a powerful new Office of Financial Research (OFR). The OFR would, by subpoena if necessary, monitor, record, and report on any

financial transaction, including any consumer transactions that it deems appropriate (and without consent of the consumer).

### **Increases Taxes**

Dodd-Frank further stifles economic growth by authorizing federal regulators to impose as much as \$1 trillion in additional costs on various financial transactions. As CBO recently noted: “[T]he ultimate cost of a tax or fee is not necessarily borne by the entity that writes the check to the government. The cost of the proposed fee would ultimately be borne to varying degrees by an institution’s customers, employees, and investors...”

### **Rewards Liberal Interest Groups**

Liberal interest groups -- from Big Labor to radical animal rights groups -- will get new power under "proxy access" to nominate Left-wing directors to corporate boards and shake down public companies at the expense of ordinary shareholders. Saul Alinsky envisioned the "proxy tactic" as a strategy for the Left in "Rules for Radicals."

### **FOR ADDITIONAL INFORMATION ON THE SO-CALLED FINANCIAL “REFORM” LEGISLATION PLEASE VISIT THESE WEBSITES:**

[http://online.wsj.com/article/SB10001424052748703964104575334611037072320.html?mod=WSJ\\_Opinion\\_LEADTop](http://online.wsj.com/article/SB10001424052748703964104575334611037072320.html?mod=WSJ_Opinion_LEADTop)

[http://www.nypost.com/p/news/opinion/opedcolumnists/dodd\\_jobs\\_killer\\_YiIK9mow10vcdfvdaMq1PL](http://www.nypost.com/p/news/opinion/opedcolumnists/dodd_jobs_killer_YiIK9mow10vcdfvdaMq1PL)

<http://www.washingtonpost.com/wp-dyn/content/article/2010/06/22/AR2010062205279.html>

<http://www.gop.gov>

<http://www.nytimes.com/2010/05/03/business/economy/03crisis.html?ref=politics&pagewanted=print>

<http://www.cnbc.com/id/15840232?video=1461603624&play=1>

[http://www.huffingtonpost.com/2010/04/20/exclusive-dem-insiders-ec\\_n\\_544187.html](http://www.huffingtonpost.com/2010/04/20/exclusive-dem-insiders-ec_n_544187.html)

<http://online.wsj.com/article/SB10001424052748703426004575338732174405398.html>

<http://www.foxnews.com/opinion/2010/06/30/obama-healthcare-legislation-reform-finance/>

<http://biggovernment.com/jberlau/2010/03/01/proxy-access-the-obama-dodd-alinsky-shareholder-jujitsu/>

<http://www.investors.com/NewsAndAnalysis/Article/536821/201006091838/Fat-Cats-Feed-On-Durbins-Fee-Change.aspx>

<http://www.libertycentral.org/ask-questions-dodd-frank-financial-overhaul-bill-2010-07>

<http://biggovernment.com/jberlau/2010/05/11/dodds-bank-bill-worse-than-obamacare-its-the-nationalization-stupid/>

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(All organizations listed are for identification purposes only)