

Republican leaders in Congress are warning Democrats not to load up the Treasury Department's emergency bailout bill with help for homeowners or others facing economic hardship — all while avoiding a direct endorsement of the bill themselves.

“Efforts to exploit this crisis for political leverage or partisan quid pro quo will only delay the economic stability that families, seniors and small businesses deserve,” House Minority Leader John A. Boehner (R-Ohio) said in a statement issued Saturday afternoon. “Going forward, I hope we all can agree that we should keep any legislation as straightforward as possible while doing everything we can to protect American taxpayers.”

Senate Minority Leader Mitch McConnell (R-Ky.), who is up for reelection in November, said the Treasury's \$700 billion bailout plan must not become a vehicle for "partisan plans and pet projects" if it is to receive congressional approval next week.

But like Sen. John McCain, the Republican presidential nominee, Boehner and McConnell stopped short of endorsing the Bush administration's plan.

Boehner said he was “reviewing the proposal” and hinted that there could be differences between what Treasury has sent up and what Congress will approve. “The administration has put forward a plan to help the American people,” he said, “and it is now incumbent on Congress to work together solve this crisis.”

McConnell said Congress “must closely scrutinize the proposal to make sure it works, and we must do so quickly.”

The GOP leaders may be hamstrung by divisions within their own party.

On a conference call Saturday afternoon with members of the conservative Republican Study Committee, California Rep. **John Campbell**

and

Wisconsin Rep. Paul Ryan

tried to convince those on the phone of the need for swift federal intervention. But a participant

in the call said a core of outspoken members — including

Tennessee Rep. Marsha Blackburn

,

Indiana Rep. Mike Pence

and

Georgia

Rep. Tom Price

— expressed deep misgivings about the plan.

RSC Chairman Jeb Hensarling of Texas released a statement on Friday saying he remains "skeptical, fearful and unconvinced that [federal intervention] is the proper remedy for our nation at this time."

This internal dispute makes it more difficult for GOP leaders to offer their unconditional support for the Treasury plan — a challenge that will only deepen if Democrats tweak the legislation to include liberal priorities for to satisfy the vocal left.

The biggest fear among congressional Republicans opposed to the plan is that the administration could ignore their concerns and cut a deal with Democratic leaders, giving Congressional Democrats a legislative win while leaving GOP lawmakers out in the cold as the November election approaches.

While most Democratic leaders avoided public comment on the Treasury plan Saturday, Sen. Charles Schumer of New York — who almost never passes up the opportunity for public comment — complained that it contained "no visible protection for taxpayers or for homeowners."

Senate Banking Committee Chairman Chris Dodd (D-Conn.) said Friday that any bailout plan would have to contain foreclosure prevention measures, which the Treasury proposal does not.

Dodd and his House counterpart, Financial Services Committee Chairman Barney Frank (D-Mass.), could try to add provisions to block financial company executives from receiving generous compensation packages. They could also insert language requiring lending institutions to voluntarily write down mortgages in order to receive federal insurance.

House Speaker Nancy Pelosi (D-Calif.) and Senate Majority Leader Harry Reid (D-Nev.) have both said previously that the proposal would have to address the needs of Main Street and not just all Street W

Sen. Bernie Sanders, an independent from Vermont who caucuses with the Democrats, issued a statement Saturday calling on Congress to find a way to pay for bailout. He proposed a 10 percent surtax on couples who make more than \$1 million annually or individuals who make more than \$500,000 — a tax hike that, over the next five years, would cover less than half of the cost of the bailout Treasury envisions.

Although the Treasury plan anticipates the eventual sale of the assets the government would buy under it — and thereby the recoupment of some of the costs — it makes no provision for paying for the initial expense except by raising the government's debt ceiling

Treasury officials who briefed Hill congressional aides Saturday suggested the department could reinvest any proceeds it collects from the sale of the assets during the first year of the program, according to one participant. That means the government would have the authority to spend even more than the already staggering \$700 billion now proposed to buy up this debt.