
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 3.19.2009

Wall Street Journal: "Fed in Bond-Buying Binge to Spur Growth ... The Federal Reserve ramped up its effort to revive the economy, declaring it would buy as much as \$300 billion of long-term U.S. Treasury securities in the next few months and hundreds of billions of dollars more in mortgage-backed securities."

Wall Street Journal: "Some Will Pay Back AIG Bonuses ... Some top employees of American International Group Inc.'s disgraced Financial Products group have agreed to return hefty retention bonuses under mounting public outrage over \$165 million in payouts to a unit that brought the insurer to its knees."

Wall Street Journal: "Uproar Over Geithner's Role in Bonuses Could Vex Rescue ... The furor over \$165 million in bonus payments to employees of American International Group Inc. has ensnared Treasury Secretary Timothy Geithner, adding to his list of woes and potentially complicating the administration's efforts to contain the financial crisis."

Wall Street Journal, Editorial: "Obama's AIG Panic ... The AIG Beltway bonfire continued yesterday with the spectacle of Ed Liddy, AIG's government-appointed CEO, enduring the wrath of Congress for embarrassing the Members with post-bailout bonuses. What we now have is a full-blown political panic ignited by no less than President Obama himself that is threatening to engulf his attempts to revive the financial system, and is undermining confidence in his leadership. This is no way to promote an economic recovery."

Washington Post: "Fed to Pump \$1.2 Trillion Into Markets ... The Federal Reserve yesterday escalated its massive campaign to stabilize the economy, saying it would flood the financial system with an additional \$1.2 trillion."

Washington Post: "AIG Chief Asks That Awards Be Returned ... The chief executive of American International Group, trying to quell the wrath of the public and politicians over millions of dollars in bonuses, told Congress yesterday that he had just asked a few hundred employees of the beleaguered insurance company to give back at least half of the extra pay."

New York Times: "A.I.G. Uproar Is a Defining Moment for Geithner ... Fair or not, questions about why Mr. Geithner did not know sooner about the A.I.G. bonuses and act to stop them threaten to overwhelm his achievements and undermine Mr. Obama's overall economic agenda."

Investor's Business Daily, Editorial: "Stimulating AIG ... The administration that is expressing outrage over the AIG bonuses knew about them in advance. They were protected by Sen. Chris Dodd's amendment to the stimulus package."

New York Post, Dick Morris: "The Fed's Futile Move ... IN an effort to promote liquidity and boost the economy, the Federal Reserve yesterday announced plans to grow the money supply by another 50 percent to 60 percent. This ignores the profound observation of Gen. George Patton: "You can't push a string."

Politico: "Make that \$1 trillion more ... With new estimates due Friday from the Congressional Budget Office, the White House is being warned to expect a grim set of deficit projections, adding well over \$1 trillion on top of the red ink already conceded in President Barack Obama's 10-year spending plan."

Politico: "GOP wary of plan to tax AIG bonuses ... A plan to recoup millions of dollars of American International Group bonuses by taxing them into oblivion has put top Republicans on opposite sides of a riddle: When is a tax hike not a tax hike?"

Roll Call: "Team Obama Faces Storm ... Hurricane AIG blew into town last week, and its winds were still howling Wednesday along the corridors of a White House forced to grapple with its first major public relations crisis."

The Hill: "Bonus smackdown bill ... The House is due to vote Thursday on sweeping legislation to rein in bonuses issued in 2009 to executives from firms bailed out by the government."

Huffington Post, Barney Frank: "Is There an Antidote to the Republican Amnesia? ... Memory eventually fails us all, but apparently the decline strikes one party far more than the other."

Bloomberg, Caroline Baum: "AIG Is a Tale Right Out of 'Atlas Shrugged' ... Somewhere John Galt is smiling. The hero of Ayn Rand's "Atlas Shrugged" is smiling because he's seen it all before: the government's intervention in the private sector; the constraints placed on business in the name of the people; the desperation on the part of government bureaucrats when they realize their leverage is limited; and -- this part is still fiction -- the decision on the part of business leaders to walk away from the enterprises they built."