
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 3.23.2009

Wall Street Journal, Timothy Geithner: "My Plan for Bad Bank Assets ... The American economy and much of the world now face extraordinary challenges, and confronting these challenges will continue to require extraordinary actions."

Wall Street Journal: "Geithner Banks on Private Cash ... Treasury Secretary Timothy Geithner said the only way to remove troubled assets clogging banks' balance sheets -- which lie at the heart of the financial crisis -- is to work with the private sector, even at a time when Wall Street moneymakers are being vilified by the public and politicians."

Wall Street Journal: "AIG's Rivals Blame Bailout For Tilting Insurance Game ... The federal bailout of insurance giant American International Group Inc., designed to help stabilize financial markets, is roiling another corner of the corporate world. AIG's competitors claim the insurer's federal lifeline is unfairly tilting the commercial-insurance playing field. And they're pressing federal officials to crack down."

Wall Street Journal: "Geithner Aides Worked With AIG for Months on Bonuses ... Since the fall, senior aides to Timothy Geithner have closely dealt with American International Group Inc. on compensation issues including bonuses, both from his time as president of the Federal Reserve Bank of New York and as Treasury secretary. The extent of their involvement, which wasn't widely known, raises fresh questions about whether Mr. Geithner could have known earlier about AIG's \$165 million in bonus payments."

Wall Street Journal, Opinion: "Populist Anger Is Hard to Contain ... Last week's collective screech about the AIG bonuses should leave the participants shaken, the way you feel when you've done something really stupid in traffic and realize you could have killed yourself. Populism is dangerous. The AIG death threats gave us an inkling of just how dangerous. A political leader can't simply stir up a little bit of populism, then turn it off when it gets inconvenient -- not even a leader as eloquent as President Barack Obama."

USA Today: "Financial companies' workers reassured about bonuses ... "If Congress imposes a special tax ... it would affect countless number of people who will find it difficult, if not impossible, to pay back the bonuses that they earned," said Citi CEO Vikram Pandit in a memo to employees that Citi provided to USA TODAY."

USA Today: "Official: AIG paid \$53M more in bonuses than thought ... Connecticut's attorney general says documents turned over to his office by American International Group Inc. shows the company paid out \$218 million in bonuses, higher than the \$165 million previously disclosed."

Financial Times: "Warning over bonus crackdown ... Plans by US lawmakers to curtail big Wall Street bonuses may have adverse effects on government rescue plans aimed at restarting consumer lending and resolving the toxic asset overhang."

Los Angeles Times: "AIG brand, once golden, is now a liability ... The problem for American International Group Inc. these days is that many current and potential customers are worried about its future. Public outrage over huge bonuses paid to AIG employees merely highlights the fact that the financial service giant is staying afloat only with the help of tens of billions of taxpayer dollars."

Los Angeles Times: "'Mark to market' rule no asset to banks' health ... Given the degree to which the angst and anger about the economy is based on the public's confusion about the financial world -- just what is a "retention bonus," anyway? -- this might be the right moment to focus on something simple. Yes, I'm talking about bank accounting."

Washington Post: "Small Banks Could Drive Recovery, Bernanke Says ... Small banks could play a key role in spurring the nation's economic recovery, Federal Reserve Chairman Ben S. Bernanke said yesterday, as many appear strong enough to make new loans while bigger institutions have pulled back."

New York Times, Krugman: "Financial Policy Despair ... Over the weekend The Times and other newspapers reported leaked details about the Obama administration's bank rescue plan, which is to be officially released this week. If the reports are correct, Tim Geithner, the Treasury secretary, has persuaded President Obama to recycle Bush administration policy - specifically, the "cash for trash" plan proposed, then abandoned, six months ago by then-Treasury Secretary Henry Paulson. This is more than disappointing. In fact, it fills me with a sense of despair."

The New Republic: "The Geithner Disaster ... Being Treasury secretary is usually not a job that calls for great political skills. But with a banking crisis crippling the economy and threatening to turn a recession into a depression, Tim Geithner has been plunged into the center of politics--as both the person responsible for what the administration should do, and as the main exponent of that policy. But he has faltered in crafting an effective policy and failed miserably in putting it forward."

Investor Business Daily, Editorial: "Mob Rule In D.C. ... Of all the alarming things going on in Washington these days nothing is as shocking, or disheartening, as the collapse in respect for the rule of law and the Constitution. Just look at the flap over AIG's bonuses."

Politico: "Geithner hopes for a mulligan ... Under fire from Wall Street to Washington, Treasury Secretary Timothy Geithner gets a rare chance at a do-over this week when his department fleshes out President Barack Obama's big bet on how to cure financial markets."

The Hill: "AIG fallout burnishes some, taints others ... After a week of talk over controversial bonuses handed out to executives at AIG, those on the winning and losing end of the political fallout are either licking their chops or licking their

wounds while wondering how long bonuses will dominate the news."