
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 3.31.2009

Wall Street Journal: "Tough Auto Measures Carry Political Risks for the President ... President Barack Obama has placed a big political wager on his ability to pull off a radical remake of the U.S. auto industry. The risks he faces are myriad, including a backlash from his union faithful and from voters worried that he may be taking too strong a role in deciding the fate of private companies."

Wall Street Journal: "Chrysler Plan Trims Fiat's Stake, Cuts Out Cerberus ... Cerberus Capital Management LP will likely lose its entire stake in Chrysler LLC under the latest federal bailout offer to the auto maker, people familiar with the matter said, extinguishing the massive investment it made less than two years ago."

Wall Street Journal: "For Wagoner, \$21 Million at the Exit ... Rick Wagoner likely will leave General Motors Corp. with around \$21 million -- \$20 million of that in pension benefits, and another \$535,000 in deferred compensation, according to company filings."

Wall Street Journal, Op-Ed: "We Have Chapter 11 for a Reason ... Our Beltway sans-culottes are tasting blood. First the people's representatives took their tar and torches to American International Group's bonus payments. Now the president has dropped the guillotine on the chairman and CEO of General Motors. The irony, of course, is that far from signaling an end to federal dollars for a failing industry, the high-profile firing of Rick Wagoner paves the way for more aid down the road."

Washington Post, Lucian Bebchuk: "A Fix for Geithner's Plan ... With the world's attention shifting to London and the upcoming Group of 20 summit, it's possible that the Treasury's proposal for dealing with banks' "troubled assets" will become old news. It shouldn't."

USA Today, Editorial: "Chapter 11 may be best cure for what ails the automakers ... Gradually, the administration appears to be coming around to the obvious conclusion: Bankruptcy is not the unthinkable outcome described by a defiant Wagoner last fall, but a potentially valuable tool for salvaging parts of the U.S. auto industry."

Los Angeles Times: "Chrysler says it has framework for Fiat alliance; GM's new leaders take charge ... Less than an hour after President Obama said a major overhaul was needed to save the auto industry, Chrysler announced that it had formed the framework of an alliance with Fiat, while at General Motors Corp., new leaders took charge after the chairman was forced to step down."

Los Angeles Times: "Obama takes step over the line that separates government from private industry ... His automaker bailout plan wades into 'industrial policy,' in which government officials, not business executives or the free market, decide what products a firm makes and how it charts its future."

New York Times: "Money for Obama's warranty program to come from TARP ... On Monday morning, President Obama announced that the Treasury Department would back the warranties of new General Motors and Chrysler vehicles."

New York Times: "Rep. Bachus on Bailouts, Bankruptcy and Bonuses ... As the ranking member of the House Financial Services Committee, Spencer Bachus of Alabama has been one of the Republican party's leading voices on Capitol Hill as it debates how to fix the banking crisis and what reforms are needed for Wall Street."

New York Times: "Banks Starting to Walk Away on Foreclosures ... Mercy James thought she had lost her rental property here to foreclosure. A date for a sheriff's sale had been set, and notices about the foreclosure process were piling up in her mailbox."

New York Times: "Contracts Now Seen as Being Rewritable ... Contracts everywhere are under assault. The depth of the recession and the use of taxpayer dollars to bail out companies have made it politically acceptable for overseers to tinker with employment agreements."

New York Times, David Brooks: "Car Dealer in Chief ... the president certainly acted tough on Monday. In a show of force, he released plans from his Office of People Who Are Much Smarter Than You Are. These plans insert the

government into the car business in all sorts of ways. They pick winners (new C.E.O. Fritz Henderson) and losers (Rick Wagoner). They basically send Chrysler off into the sunset. Joe Biden will be doing car commercials within weeks."

New York Times, Opinion: "One Roadblock Too Many for G.M. ... PRESIDENT OBAMA'S stunning decision to demand that Rick Wagoner resign as chairman and chief executive of General Motors was based on the wrong set of premises and raises the prospect that the administration will intervene too deeply in the automaker, seriously jeopardizing a transformation effort that has come a long way in the right direction."

Detroit News, Editorial: "Plan amounts to a de facto government takeover ... General Motors couldn't possibly have imagined this outcome when it made the calculated decision last fall to ask for survival loans from the federal government instead of taking its chances on a bankruptcy filing. Now, GM may get the bankruptcy anyway, and its future will apparently be dictated by a White House whose vision for the company is driven more by ideology than the marketplace."

Washington Examiner, Byron York: "Beyond AIG: A Bill to let Big Government Set Your Salary ... It was nearly two weeks ago that the House of Representatives, acting in a near-frenzy after the disclosure of bonuses paid to executives of AIG, passed a bill that would impose a 90 percent retroactive tax on those bonuses. Despite the overwhelming 328-93 vote, support for the measure began to collapse almost immediately. Within days, the Obama White House backed away from it, as did the Senate Democratic leadership. The bill stalled, and the populist storm that spawned it seemed to pass."

Real Clear Politics, Senator Bob Corker: "Firing Wagoner a White House Power Grab ... Firing Rick Wagoner is a sideshow to distract us from the fact that the administration has no progress to announce today. The administration is hoping the media and the public will stay focused on Wagoner and fail to notice that negotiations have not progressed since December."

Associated Press: "Workers say Obama treated autos worse than Wall St ... Many assembly line autoworkers reacted with skepticism and anger Monday to the Obama administration's tough tactics, which stoked long-simmering feelings that the people who put the country on wheels get treated differently than the wizards of Wall Street."

Politico: "Dodd moving faster on credit cards ... Embattled Senate Banking Committee Chairman Chris Dodd (D-Conn.) caught trade associations flat-footed by unexpectedly scheduling a mark-up of his credit card reform bill on Tuesday -- jumping a House hearing on similar legislation by a day."