
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 4.27.2009

Wall Street Journal: "Chrysler, UAW Amend Labor Pact to Cut Costs ... Chrysler LLC has reached an agreement with the United Auto Workers union to cut the company's labor costs, a key victory for the auto maker in its battle to avoid filing for bankruptcy protection."

Wall Street Journal: "Thain Fires Back at Bank of America ... John Thain figured seven months ago that he was just one rung down the corporate ladder from becoming chief executive of the largest consumer bank in the U.S. Now, he is trying to climb back from the professional disaster that followed."

Wall Street Journal: "Along With New Money, IMF Gets Politically Perilous Tasks ... In exchange for the money, the IMF has been handed tough assignments in fighting the global recession and staving off another one. The work will require a political dexterity and willingness to stand up to powerful IMF members that the fund has rarely shown in the past."

Wall Street Journal: "The IMF's Gold Gambit ... The International Monetary Fund (IMF) deserves credit, figuratively speaking, for cleverly manipulating the financial troubles of emerging and low-income nations to procure a fresh infusion of capital for itself. But its tactics at this month's G-20 summit in London -- where President Barack Obama signed off on tripling the IMF's lending resources -- should not hoodwink anyone, least of all American taxpayers who pay the largest share of IMF expenses."

Wall Street Journal, Editorial: "Busting Bank of America ... The cavalier use of brute government force has become routine, but the emerging story of how Hank Paulson and Ben Bernanke forced CEO Ken Lewis to blow up Bank of America is still shocking. It's a case study in the ways that panicky regulators have so often botched the bailout and made the financial crisis worse."

Financial Times: "Derivatives sector answers critics ... The financial industry will on Wednesday overhaul how it writes contracts in the credit derivatives world - an effort to rebuff criticism that the vast sector could pose a systemic threat."

Financial Times: "Fed study puts ideal US interest rate at -5% ... The ideal interest rate for the US economy in current conditions would be minus 5 per cent, according to internal analysis prepared for the Federal Reserve's last policy meeting."

USA Today: "Fed says gov't won't let stress-tested banks fail ... The Federal Reserve says the government is prepared to rescue any of the banks that underwent "stress tests" and were deemed vulnerable if the recession worsens sharply."

Washington Post: "Small Businesses Brace for Tax Battle ... If Obama's tax plans are enacted, burden will fall on two groups: wealthy families and businesses."

Los Angeles Times: "U.S. toxic-asset plan stirs fears ... The government will take on a mountain of risk while trying to create an artificial market for the loans and debt securities. Critics worry about possible fraud and further banking system damage."

Los Angeles Times: "As unemployment grows, mortgage payment protection programs gain popularity ... More builders, lenders and consumers are signing up for coverage, which helps home buyers make payments if they lose their jobs."

New York Times: "Geithner, as Member and Overseer, Forged Ties to Finance Club ... During five years as head of the New York Fed, Treasury Secretary Timothy F. Geithner built unusually close relationships with Wall Street executives."

New York Times, Paul Krugman: "Money for Nothing ... It's necessary to rescue Wall Street to protect the economy, but financial firms should be acting like public utilities, not returning to the practices and paychecks of 2007."

National Review, Op-Ed: "Free Our Banks ... Believe it or not, the banking system is healthy, and it should be allowed to come out from under TARP."

Bloomberg: "GM to Give Update on New Efforts to Avoid Bankruptcy ... General Motors Corp., working to beat a June 1 U.S.-ordered bankruptcy deadline, will provide details today on the latest plan to cut costs and keep \$15.4 billion in U.S. loans it needs to survive."

Bloomberg: "Stress Tests May Force Banks to Convert TARP Stock ... U.S. banks that received results of their federal stress tests last week were given three options if they need additional capital to withstand the recession. The reality is they may only have one."

Bloomberg, Op-Ed: "One Nation, Under Banks With Justice for No One ... The spectacle of Ben Bernanke and Henry Paulson running roughshod over Kenneth Lewis and his minions at Bank of America Corp. raises a pivotal question for all Americans: Is the U.S. a nation of laws, or a nation of banks?"

Politico: "'Cramdown' will face Senate test ... The so-called cramdown bankruptcy measure faces its big Senate test as early as this week."