
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 6.02.2009

Wall Street Journal, Editorial: "Busy Not Running GM... President Obama announced the bankruptcy of General Motors yesterday before GM's CEO even spoke, and the feds will soon own 60% of the company. But whatever you do, please don't think the government is now running GM."

Wall Street Journal: "Morgan Stanley to Raise \$2.2 Billion in Bid to Exit TARP... Morgan Stanley plans to raise \$2.2 billion stock offering, in a deal that is expected to include China Investment Corp. and Mitsubishi UFJ Financial Group Inc., as it prepares to repay taxpayer money it received under the government's Troubled Asset Relief Program."

Wall Street Journal: "Citigroup Is Halting Some Payouts... Citigroup Inc. has told about five former top executives that it won't pay them tens of millions of dollars in promised severance payouts, according to people familiar with the matter."

Wall Street Journal: "A Saga of Decline and Denial... The beginning of the end for General Motors Corp. as an independent company was marked by a denial."

Wall Street Journal: "How GM Lost Its Way... Decades of dumb decisions helped send General Motors to a bankruptcy court yesterday, but one stands out."

Wall Street Journal: "GM Collapses Into Government's Arms... General Motors Corp. became the second-largest industrial bankruptcy in history Monday as it filed its landmark case, with President Barack Obama predicting the humbled corporate titan will emerge from Chapter 11 "a stronger and more competitive" company within months."

Wall Street Journal: "U.S. Taps Pro-Aid Economist... The U.S. Treasury chose World Bank economist David Dollar as economic emissary to China despite sharp criticism of his economic research."

Wall Street Journal: "China Confident in U.S. Says Geithner... U.S. Treasury Secretary Timothy Geithner said Tuesday he believes Chinese leaders understand U.S. measures to tackle the financial crisis and are confident in the U.S. economy, while he in turn praised China's own stimulus measures for helping steady the global economy at a time of crisis."

Wall Street Journal: "Banks Sell Shares in Bid to Flee Fed... J.P. Morgan Chase & Co. and American Express Co. announced unexpected plans to sell stock after the government said large banks must first prove they can raise money from private investors before exiting the federal bailout program."

Wall Street Journal: "Low Mortgage Rates Are Going, Going... If you're looking for a new 30-year mortgage, last week's events from the financial markets carry a very simple message: Get 'em cheap while you still can."

Washington Post: "Once a Recession Remedy, GM's Empire Falls... For an idea of what it meant to be an American corporate icon, Time magazine's article about the 1955 "man of the year" -- General Motors President Harlow Herbert

Curtice -- provides a good snapshot."

Washington Post: "U.S. Bets Billions on GM's Resurgence... President Obama laid out his case yesterday for committing billions of dollars more to the rescue of General Motors, arguing that the nationalization of the industrial giant was necessary to bolster the foundering U.S. economy."

Washington Post: "Geithner Tells China Its Holdings Are Safe

... U.S. Treasury Secretary Timothy F. Geithner on Monday sought to reassure China, America's biggest creditor, that its hundreds of billions of dollars of holdings in U.S. government debt remain safe, even as investors dumped Treasuries amid signs that the global recession is easing."

Los Angeles Times: "Bank of America wins appeal on overdraft fees... The California Supreme Court unanimously overturned a billion-dollar class-action award against Bank of America Corp. on Monday, ruling that banks can collect overdraft fees from accounts in which government benefits intended for subsistence are directly deposited."

Los Angeles Times: "GM's new road... As expected as it may have been, it was still unnerving to watch General Motors file bankruptcy papers on Monday. GM was the world's most popular automaker for decades before finally ceding the title to Toyota late in 2008."

New York Times: "Obama's Test: Restoring G.M. With a Limited U.S. Role... President Obama boiled down his three goals as the reluctant majority shareholder of General Motors this way on Monday: "To get G.M. back on its feet, take a hands-off approach and get out quickly."

New York Times: "G.M.'s New Owners, U.S. and Labor, Adjust to Roles... For decades, the United Automobile Workers had a simple strategy for getting what it wanted from the carmakers - it would go on strike. The tactic proved so successful that the mere threat of a walkout often won better wages, benefits and job security."

New York Times: "Administration Is Near Finance Overhaul Plan... Washington is asking some painful questions about how to prevent the next financial meltdown. Should it reinvent the Federal Deposit Insurance Corporation? Abolish the seemingly feckless overseer of savings and loans? Grant new powers to the Federal Reserve?"

New York Times: "Banks May Soon Get Approval to Leave the Bailout Program... Since the government pressed billions of dollars in taxpayer support on the nation's banks, several strong institutions have been pushing to give it back. Now a few of them may get the go-ahead next week - a crucial step in disentangling themselves from Washington."

New York Times: "Foreclosures: No End in Sight... A continuing steep drop in home prices combined with rising unemployment is powering a new wave of foreclosures. Unfortunately, there's little evidence, so far, that the Obama administration's anti-foreclosure plan will be able to stop it."

Financial Times: "JPMorgan and Amex in bid to repay Tarp... JPMorgan Chase and American Express both plan to sell ordinary shares as a way to satisfy conditions for repaying the money they received under the US government's troubled asset relief programme."

Financial Times: "US dollar backed as reserve currency... A leading Chinese financial official on Monday rejected suggestions the US dollar could be replaced quickly as the global reserve currency, as US Treasury secretary Tim Geithner arrived in China on his first official visit."

Financial Times: "Toxic assets 'bridge too far'... The Federal Reserve should not be involved in financing toxic assets that date from the bubble era, Charles Plosser, president of the Philadelphia Fed, has told the Financial Times."