



For Immediate Release  
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**Floor Statement of Senator Max Baucus (D-Mont.)  
Regarding Financial Crisis Legislation**

**A Cloud of Crisis**

A cloud hangs over the American economy. It is a cloud made up of a thousand failures. And it is casting a shadow over our Country.

This cloud of failure is so vast, that we have a hard time seeing where it starts, and where it ends. This cloud is so thick, that we cannot see all the dangers that it hides. We cannot tell even if there's light right on the other side.

And this cloud is moving fast. It is speedier and stormier than most of us have seen in our lifetimes.

This cloud over the American economy contains the failures of people whom we trusted to make this country prosper. It holds the failures of many financial institutions — their failure to be prudent, their failure to be honest.

And this cloud is made up of the failures of the private and public institutions that are supposed to safeguard our financial security. Instead, they let it slip away.

**Responding to America's Concerns**

Americans are frustrated by the negligence and greed that let this cloud of economic crisis take shape.

And this week many Americans were angry that the government seemed at first to want to shelter Wall Street from the rain – but not America's working families.

I share Americans' concerns. I share Americans' frustrations. And I share Americans' anger.

And I am pleased today because the Senate has heard America's voice. The bill the Senate will consider today improves upon the Treasury Department's original plan. We made it better.

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We made this bill work better for working families who are already weathering financial storms, and who now face more rainy days because of Wall Street's greed.

### **How the Financial Crisis Hits Home**

The collapse of financial markets does not sound like Main Street's problem. Most Americans are too busy making ends meet to figure out how frozen credit markets or the shortage of commercial paper affect their lives.

To most Americans, banks not lending to other banks sounds like a bank's problem — not theirs. But these haywire markets are everyone's problem. And here's why.

If a bank cannot get credit, neither can its customers. And its customers are the local hardware store and the car dealership down the street. Its customers are college-bound young people and the new neighbor who just bought the house next door.

These good people rely on their bank to pay their invoices and make payroll on time. And the funds they depend on are already drying up.

For example – a Montana businessman called me this week. The large loan he uses to keep his business stocked with inventory has just been called in – all at once – in the next 90 days.

The crisis is coming home for him now. And that threatens other good people.

If the hardware store and car dealership lose business, pretty soon employees and suppliers get hurt. If a neighbor cannot get a mortgage, painters, movers, and handymen will have one less paying job.

If a young person cannot afford college without that loan, then the lady hoping to rent out her basement apartment or the guy who sells school books might come up a bit short.

This financial crisis is closer to home than we realize. It affects Americans who earn an honest living, follow the rules, and work hard.

Honest Americans about to get hit harder by this financial storm are the reason I worked to improve this plan.

### **Looking Out For American Taxpayers**

Working families are the reason I insisted on tax relief for struggling homeowners who can't pay the mortgage – and can't afford a tax hit when their indebtedness is forgiven.

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Working families are the reason I insisted on help for hometown banks in Montana and elsewhere that suffered when stock prices fell because of Wall Street's greed. Working families are the reason that we all insisted on finding a way to get back much of the money spent in this plan.

The Treasury will buy assets with the money that it spends. Later, the Treasury can sell those assets or hold them to maturity. In either case, there is a good chance that the Treasury will get back some or all of these dollars.

This bill gives American taxpayers a stake in the companies they're helping and a share in their future profits.

The American taxpayer's pocket should be the last place companies look for a bailout. But when these companies do ask for help, the American taxpayer should be the first to benefit when the firms get back on their feet. This bill makes sure of that.

### **Executive Compensation**

American taxpayers are the reason I insisted on cutting paychecks and closing golden parachutes of Wall Street executives.

In just the past five years, the five biggest Wall Street firms paid more than \$3 billion to their top executives. It's not right for executives to get more big paychecks while their companies get assistance from the government.

If companies ask for taxpayer help with one hand, they can't give out big executive bonuses with the other. So this bill limits compensation to executives and golden parachutes.

The Treasury will have to issue guidelines on cutting executive compensation. The Treasury Secretary will have to say: you can't play if you're going to overpay.

I also developed some provisions to cut the tax breaks companies get for executive pay, and to make sure executives pay tax on more of their income.

I don't want Main Street to subsidize severance pay on Wall Street.

### **Special Inspector General**

For taxpayers' sake, I also wrote a provision creating a special watchdog to track and protect taxpayer dollars. I said that American resources must be used wisely and efficiently.

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This bill includes my proposal to create an independent Inspector General to oversee this effort — this effort and nothing else. I designed the office of this Inspector General to be truly independent — with the necessary resources to fight for every taxpayer dollar.

I designed this Inspector General to be accountable only to Congress and the American taxpayer. It will be my personal mission to make sure that this watchdog does his or her job.

I want this Inspector General on the ground in New York, inside the firms that facilitate Treasury auctions, watching every dollar that comes and goes. This investigator will hear from the Finance Committee as we work to protect the American people's interests in this effort.

### **Tax Relief for Jobs, Energy, Families**

Finally, America's working families are the reason that I am so glad this bill now includes tax relief.

Last night, Senator Reid and Senator McConnell announced that this bill would include Senate-passed legislation that will create and extend incentives for renewable energy, protect 20 million Americans from paying the alternative minimum tax, and extend a number of vital expiring tax cuts for businesses and families.

This is the right call. Adding this tax relief will ensure that regular working Americans get financial help in this time of crisis.

As soon as this legislation passes, good-paying jobs will open up in green energy as wind and solar projects get up and running. Twenty million Americans who can't afford a higher tax bill will be protected from the alternative minimum tax. Families will get a break on college tuition, classroom expenses, and state and local sales taxes. And companies will get tax relief to do research and development, to grow and to offer even more good-paying jobs.

Adding tax relief that creates jobs, supports families, and secures a new energy future for the country makes this bill a lot fairer for hard-working Americans.

A 'yes' vote on the financial rescue plan is now a vote to rescue America's working families from this financial crisis, with the right tax relief at just the right time. And it is time, to act.

### **Moving Forward to Fix the Economy**

As a Senator, I was disturbed by this administration's attempt to rush through a bailout for business.

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As an American, I am disgusted by the negligence and greed that got us into this mess.

But at this time of crisis — we must not let our anger paralyze us. So many have failed to act responsibly. We must do better. We cannot fail.

Failure to act would make today's economic cloud even bigger, and more dangerous. Failure to act could unleash the lightning bolts of recession and a downpour of unemployment.

Failure to act could turn this cloud into a storm that tears through our entire economy.

The plan in front of us is not perfect. I wish that we did not need it. I know that many Americans do not want it.

But this is the best way to quickly disperse this economic cloud and guard against a bigger storm. Like it or not, we must have a plan big enough to counter our economic woes in a systematic, comprehensive way.

I will vote for this legislation because America is under a cloud — and we cannot linger here. Congress must make sure that this crisis does not get worse.

And with the addition of significant tax relief into this legislation, Congress can actually lift the cloud a bit. Tax relief will make things a little better for Americans feeling financial hurt.

With this vote, Congress must also promise the American people that this will never happen again.

The lesson of the cloud must lead us to build a strong financial framework that will not falter again. And the lesson of the cloud must lead us to seek a brighter future for every American family that helps us to weather this storm.

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