

**Senator Brown's Remarks to the Banking Committee Hearing Regarding  
TARP Oversight  
February 5, 2009**

Thank You Mr. Chairman.

First, I want to thank Mr. Dodaro, Mr. Barofsky, and Professor Warren for their willingness to take on the enormous task we have asked of them and for testifying today.

When Congress passed the Emergency Economic Stabilization Act we were facing a global financial crisis that was hitting every community in our country.

Despite these efforts, the economic crisis has gotten worse, not better. And businesses continue to struggle to get the credit they need to expand, or in many cases simply to stay afloat.

In Ohio, 90 percent of charitable foundations report that their assets have declined, and 60 percent expect to give less money than they did last year

Goodyear's new world headquarters project in east Akron has stalled due to the recent credit freeze.

A steel mill in Scioto County was scuttled because investors were hit with the economic downturn coupled with the drying up of available credit.

This week in Bowerston, L.J. Smith, Inc. – a stairs manufacturer – announced 27 Ohio workers would be laid off.

The C.O.O. of the company told the local television news that he looked forward to “a time when the housing industry returns to more normal conditions and we will have a demand to hire more employees.”

Lancaster let go 5 firefighters because of the city’s financial problems.

More than 100 employees of the city of Columbus learned last week that they were among the first round of layoffs.

Sadly, I could go on and on.

Greed is the self-serving desire for the pursuit of money. Some may think that in business greed is good.

Government, however is charged with improving the lives and welfare of the people.

Government creates the system by which businesses can succeed. And it assists businesses in times of need.

But addiction to greed has created a culture which does not reflect reality.

Addictions are behaviors engaged in despite harmful consequences to the individual's health.

Wall Street greed has reached unhealthy levels.

Midas' food became gold and he nearly starved to death as a result.

Wall Street has forgotten Main Street.

As the economy falters and jobs are disappearing, we are hearing story after story about billions of dollars spent on bonuses and million dollar restrooms.

If banks are going to turn to taxpayers for their survival, then they had better expect to answer to the taxpayers. And the taxpayers will not stand for super-sized bonuses for outsized failures

We must be accountable to them. We must spend their money wisely. We must partner with them to restart our economy.

We have to get our credit markets in order. We have to put America back to work.

And we are about to put more money into the relief effort.

Almost three months ago, National City Bank, one of the largest banks in the country, was forced by the administration into a fire

sale to PNC Bank. For more than 160 years, National City had been an important asset to Ohio. By the end of last year, it became an asset of PNC.

That sale is being financed by the taxpayers, but the taxpayers are being stiffed when it comes to getting answers. I don't fault PNC, but I do fault the previous administration.

While it is important that banks receive the funds they need to survive, this program will not be administered without the watchful eye of Congress.

Ohio families deserve to know where every one of their tax dollars is spent, and that it is spent wisely.

Oversight of the stabilization funds is critical to the effective and efficient use of the taxpayers' dollar.

I'm hopeful that we will learn from these reports so we can ensure that the tough decisions we've made to try to fix the credit markets will be carried out in an efficient and effective manner.

I'm concerned that one of the findings of the recent GAO report is that Treasury has yet to articulate a vision for the stabilization effort as a whole and that all the programs must work together.

I'd like to reiterate that these funds should not and cannot be a tool for banks to buy up healthy banks.

We must ensure that every available dollar goes to shoring up our banking system so we can get our economy moving again.

I understand it is not an easy task.

Congress created a multi-billion dollar program and charged Treasury with the implementation; during a time of transition from one administration to the next.

But we have to do better.

I am concerned that the Congressional Oversight Panel is still unclear what banks are doing with taxpayer money.

Transparency is important. Establishing formal guidelines is important. Setting controls on contracting is important. Oversight is important.

But first we need the Treasury to have a clear vision and we need to know exactly what banks are doing with taxpayer dollars.

We must always return to why we created the stabilization fund in the first place; to purchase assets and equity from financial institutions in order to strengthen the financial sector.

We did this so working families could get or keep their jobs, to get and keep their homes, to get or keep their hope for the future.

We did this so Goodyear and that steel mill in Scioto County could get the financing they need and that the housing market would stabilize so Bowerston could keep making stairs for new homes.

I look forward to hearing today's testimony.

Thank you Mr. Chairman.