

Statement by Rep. Michele Bachmann
House Financial Services Committee Hearing
“Tarp Accountability: Use of Federal Assistance by the First TARP Recipients”

February 11, 2009

Thank you, Mr. Chairman.

I'm afraid that today's panelists have been invited to come before our Committee a little too late. It would have been more productive to have had them testify, as the Detroit automakers did, *before* \$700 billion of taxpayer dollars was authorized to bailout financial institutions by the U.S. Treasury. It might have even been better to have had them here before Congress gave its blessing to the second half of that spending. But it seems that these days Congress is much more inclined to follow an “act now, ask later” philosophy, regardless of the consequences.

Unfortunately, many questions remain unanswered about where that money has gone, whether it's been spent wisely and properly, and whether it will have any long-term impact on stabilizing our financial markets and freeing up credit for businesses and families across America.

We've all seen the reports of giant bonuses, aircraft purchases, junkets and parties and other troublesome activities taken by institutions receiving taxpayer bailouts. And so far, the Troubled Asset Relief Program (TARP) has not produced results and has not demonstrated any accountability to the taxpayers who have financed it.

Yesterday's announcement by Treasury Secretary Timothy Geithner was disappointing at best, as the plummeting stock prices attest. Michael Feroli of J.P. Morgan Chase expressed in the *Wall Street Journal* that, “The new plan discussed some of the ideas that have been floated in the media over recent days, and delivered some cosmetic re-labeling of existing programs, but many of the fundamental questions that former Secretary Paulson encountered last fall remain unanswered.”

Regrettably, Secretary Geithner did not provide many new details about his plan to spend the next \$350 billion tranche of the TARP. Even Paul Krugman of Princeton University stated, “So what is the plan? I really don't know, at least based on what we've seen today.”

What we do know, Mr. Chairman, is that the American people deserve better than this. They deserve to have a government that takes the time to examine what will be best for the taxpayers of today without forgetting those who will be footing the bill tomorrow and beyond. And perhaps most importantly, they deserve to have an exit strategy from this bailout mania that's racking up a \$9.7 trillion bill – and counting.

I look forward to hearing from today's witnesses and thank them for being here.

Thank you, Mr. Chairman, and I yield back the balance of my time.