

**Opening Statement of Congressman Gary C. Peters**  
**February 10, 2009**  
**Financial Services Committee Hearing**  
**TARP Accountability:**  
**Use of Federal Assistance by the First TARP Recipients**

The federal government has gone to extraordinary lengths to alleviate the financial crisis. I believe that the government has a responsibility to help families and small businesses. Therefore the assistance provided to the financial industry cannot merely be a bailout for banks and industry executives. Those companies that receive taxpayer funds have a responsibility to use that assistance to help us rebuild our shattered economy. This is not just a statement of principle, but one of practicality – if this industry is perceived as being unhelpful to our larger efforts it will erode the political will in Congress to continue to assist you.

There is a perception around the country, including in my home state of Michigan, that you are not doing your part to help support the larger economy. I have heard from small, medium, and even large businesses in my District who have said that their banks are not lending to them, are recalling their lines of credit, or are making credit so expensive that they cannot afford it. If this is true, it must be remedied. If it is not true, you need to do a better job of explaining how you are using TARP funds to the public.

I am also particularly concerned by conversations that I have had with representatives of the automobile industry. A vibrant and healthy domestic automobile industry is critical to the health of the overall economy. Right now Chrysler and General Motors are working very hard to prepare their viability plans, which are due to be delivered to Congress next week. In order for the auto companies to succeed they are going to need all the stakeholders to come to the table and make concessions. If they cannot get agreement from stakeholders they will be driven into bankruptcy, and the negative consequences of that on the larger economy are enormous. Some of you here today may be holding substantial amounts of General Motors or Chrysler debt, and those of you who do must engage in meaningful discussions with those companies about debt restructuring. With millions of Americans already out of work, this country cannot afford to have one or more of the domestic manufacturers be forced into bankruptcy.

I thank you for being here and I look forward to hearing your testimony today.