

## **Obama: Reform Wall Street, Save 'Big 3'**

Darlene Superville, Associated Press Writer

WASHINGTON (AP) — President Barack Obama on Saturday cited encouraging signs of an auto industry rebound as he promoted stronger financial rules that he said would help prevent a repeat of the crisis that pushed carmakers to the brink.

Senate Democrats have set a test vote Monday on legislation to tighten federal oversight of the financial sector.

The auto industry was one of the biggest casualties of a recession fueled by risky lending and speculative trading practices of major financial institutions. But after shedding 400,000 jobs in 2008, bailed-out U.S. automakers are rebounding.

"I knew this wasn't a popular decision, but it was the right thing to do," Obama said of the government's intervention to help automakers.

General Motors Co. said this week it will repay \$8.1 billion in U.S. and Canadian government loans five years ahead of schedule. Chrysler LLC, now run by an Italian company, said it boosted its cash reserves by \$1.5 billion despite a first-quarter loss of almost \$200 million.

In his weekly radio and Internet address, Obama said the auto industry is on more solid footing, but it will take more time for the economy to recover from the loss of 8 million jobs. He blamed the downturn on irresponsible risk-taking by Wall Street companies.

In a speech Thursday in New York, Obama argued for new rules to protect consumers and hold financiers accountable. The changes would end taxpayer bailouts, bring complex financial dealings into the open and extend new rights and protections to consumers and shareholders.

"That's how after two very difficult years we'll not only revive the economy, but help to rebuild it stronger than ever before," he said Saturday.

The White House, in a report timed to GM's loan repayment, said the past nine months had produced the auto industry's strongest job growth in nearly a decade, with the addition of 45,000 jobs.

Senate Majority Leader Harry Reid, D-Nev., has set a test vote on the financial overhaul bill for Monday, but acknowledged that the timetable could slip if bargaining with Republicans proved fruitful. Republicans say they don't agree the bill would end government bailouts and they want to keep negotiating.

Without an agreement with the GOP, Democrats would need 60 votes to move

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forward in the Senate. They have 59 votes.

In the weekly GOP message, Sen. Kay Bailey Hutchison of Texas said Republicans aren't trying to block the bill but want to make sure it would end bailouts.

"It's time for the name-calling to stop," Hutchison said. "Getting our economy back on track is too important to allow political games to sidetrack these efforts. Both parties agree that any financial regulation should do one essential thing: No company should be considered too big to fail. And never again should taxpayers be expected to bail out those who made risky financial bets with other people's money."

She said "the White House is attacking Republican leaders to score political points." But she said Democrats underestimate the public's understanding of the issues.

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