

For Immediate Release
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**Hearing Statement of Senator Max Baucus (D-Mont.)
Regarding the Nomination of Timothy Geithner to be Secretary of the Treasury**

Franklin Delano Roosevelt once said: "Confidence . . . thrives on honesty, on honor, on the sacredness of obligations, on faithful protection, and on unselfish performance. Without them it cannot live."

The nominee before us today has pretty much been nominated to restore confidence in the U.S. economy.

It won't be easy.

To restore this confidence, we must restore faith in the honesty and transparency of financial institutions. We must honor the obligations to which we have committed ourselves. And we must protect the principles on which our economic system is based.

In these troubled times, it is also essential that the American people — and the Congress — have confidence in the nominee and his leadership. As a key member of President Obama's economic team, we must believe that he can help put our economy back on track.

This trust must be earned. And once earned, this trust must be maintained.

Close scrutiny of Mr. Geithner's tax returns uncovered several errors. And questions have arisen regarding his employment of household help. I expect him to answer questions regarding these issues honestly and completely.

These are disappointing mistakes. But after discussing them with Mr. Geithner, I believe them to be innocent mistakes. I believe that Mr. Geithner has sufficiently corrected the errors. And I know a man of Mr. Geithner's talent and dedication will be meticulous on these points in the future.

More broadly, I also expect Mr. Geithner to give the American people and Congress the respect that they deserve.

The Secretary of the Treasury cannot ask Congress to make middle-of-the-night decisions that cost taxpayers hundreds of billions of dollars. The Secretary cannot refuse to explain why immediate, massive action must be taken without time for consultation or discussion. The Secretary cannot ask Congress to commit massive funds on the basis of a three page proposal. If ever there was a time for those kinds of actions, that time has passed.

Rather, we must have faith that the Secretary's actions, and those of the Treasury Department, will be open and transparent. We must know that the Secretary will help enforce the laws passed by Congress. The Secretary must protect the fundamentals of our economy. And the Secretary must unselfishly give of himself to successfully complete the task at hand.

The global economic crisis required unprecedented action. The Troubled Asset Relief Program, the TARP, authorized \$700 billion to stem the financial crisis.

When Congress authorized this money, we promised the American people that the U.S. Government would be good stewards of their hard-earned tax dollars. The Secretary must ensure that these dollars were not spent in vain.

We also promised that we would keep the TARP program honest. I fought for a Special Inspector General to oversee the program. The Secretary must ensure that the Special IG has access to all the information and resources that he needs to get the job done.

And in the midst of this financial crisis, there is no room for selfishness. I worked to include limits on executive compensation in TARP. And I expect Mr. Geithner to vigorously enforce these limits. We cannot allow taxpayer money to fund golden parachutes to some of the very people responsible for this crisis.

We must also work together to protect hardworking Americans from being forced out of their homes. The Emergency Economic Stabilization Act requires the Treasury Department to work with banks to stem mortgage foreclosures. I expect Mr. Geithner to carry out this mandate.

I urge Mr. Geithner to find ways to help small businesses. In Montana, all businesses are small businesses. They are struggling right now. They are feeling the brunt of both the credit freeze and the economic slump.

Small businesses are the engine of local economies. Collectively, they are too big to fail. We must ensure that TARP does not ignore them.

In addition to administering TARP, Mr. Geithner will be responsible for overseeing the Internal Revenue Service. The IRS employs nearly 100,000 people. It is responsible for collecting the tax revenues that fund our government.

We owe it to all Americans to ensure that all taxpayers file their returns honestly, and in a timely fashion. Especially now, the IRS must collect all revenues that it is owed. And we must pursue those who evade their taxes by improperly moving their assets offshore.

These are all important priorities, but the health and prosperity of the American economy cannot be solved with domestic policies alone. We must engage with the world's economic powers. We must urge them to reform their policies, as well as our bilateral and multilateral relationships.

I think foremost of China. Secretary Paulson established the U.S.-China Strategic Economic Dialogue, or SED. Continuing a dialogue similar to the SED is critical. And we can waste no time doing it.

Pursuing such a dialogue is not just talk. It's about reforming our relationship to unwind unsustainable imbalances. It's about getting our relationship on firm footing. And it's about finding a balance that is sustainable and mutually prosperous.

We also need to reform our relationship with Cuba. The Secretary oversees the Office of Foreign Asset Control, or OFAC. OFAC has allocated too much precious time, money, and effort to enforcing our trade embargo with Cuba.

This makes it difficult for Montana's farmers and ranchers to sell their products in a market 90 miles from America. And this also squanders resources that OFAC could use to fight terrorism financing around the globe.

The Secretary's responsibilities are formidable. But I have confidence that Mr. Geithner is up to the job. I have confidence that he will address the important obligations that he will inherit, with honesty and honor. And I have confidence that, with the help of his unselfish performance, America will overcome these troubled times, and emerge with renewed strength.