

# U.S. DEPARTMENT OF THE TREASURY

## Press Center



## Excerpts of Treasury Secretary Tim Geithner's Remarks Before the American Enterprise Institute on Financial Reform

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"We are at a defining moment in the great debate about financial reform. It's been two and a half years since the crisis started. It's been nine months since President Obama first laid out a proposal for comprehensive reform. And it's been three months since the House of Representatives passed a major reform bill. This is an enormously complicated issue. We have to get it right. But we know all about the choices. Now we have to decide whether or not we are going to act."

"If we fail to act, America will lose this opportunity to set the global agenda, to define new high standards for all financial companies, and to lead the debate in shaping a level playing field on terms that play to our strengths. If we fail to act, American firms that operate globally will face a more balkanized system, with higher costs of doing business and riddled with pockets of lower standards designed to attract the exact types of risky behavior we are seeking to end."

"I urge everyone to watch this process closely, for it will be a test of our capacity as a nation to deal with complex and consequential problems. When you see amendments designed to weaken the basic protections of reform; when you see amendments proposed to exempt certain types of financial firms or financial instruments from rules; ask why we should be protecting those private interests at the expense of the public interest."

"These are difficult issues and our legislators and their staffs often look to the financial industry for advice as they try to sort out what makes sense. This is important to get right but be careful whose voice you listen to. Listen less to those whose judgments brought us this crisis. Listen less to those who told us all they were the masters of noble financial innovation and sophisticated risk management. Listen less to those who complain about the burdens of living with smarter regulation or who oppose having to pay a fee for the costs of this or future crises.

"Instead, listen to the families and businesses still suffering from this crisis. Listen to those who borrowed responsibly but today can't get a loan or refinance their mortgage. Listen to those who lost their jobs and their healthcare and their pension savings. Listen to them."

"The test we face is whether we enact real reforms that provide strong protection for consumers, strong constraints on risk taking by large institutions, and strong tools to protect the economy and tax payers from future crises. We will not accept a bill that does not meet that test."

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