

The President's Radio Address *September 27, 2008*

Good morning. This is an extraordinary period for America's economy. Many Americans are anxious about their finances and their future. On Wednesday, I spoke to the Nation and thanked Congress for working with my administration to address the instability in our financial system. On Thursday, I hosted Senator McCain, Senator Obama, and congressional leaders from both parties at the White House to discuss the urgency of passing a bipartisan rescue package for our economy.

The problems in our economy are extremely complex, but at their core is uncertainty over mortgage-backed securities. Many of these financial assets relate to home mortgages that have lost value during the housing decline. In turn, the banks holding these assets have restricted credit, and businesses and consumers have found it more difficult to obtain affordable loans. As a result, our entire economy is in danger. So I proposed that the Federal Government reduce the risk posed by these troubled assets and supply urgently needed money to help banks and other financial institutions avoid collapse and resume lending.

I know many of you listening this morning are frustrated with the situation. You make sacrifices every day to meet your mortgage payments and keep up with your bills. When the Government asks you to pay for mistakes on Wall Street, it does not seem fair, and I understand that. And if it were possible to let every irresponsible firm on Wall Street fail without affecting you and your family, I would do it. But that is not possible. The failure of the financial system would mean financial hardship for many of you.

The failure of the financial system would cause banks to stop lending money to one another and to businesses and consumers. That would make it harder for you to take

out a loan or borrow money to expand a business. The result would be less economic growth and more American jobs lost. And that would put our economy on the path toward a deep and painful recession.

The rescue effort we're negotiating is not aimed at Wall Street, it is aimed at your street. And there is now widespread agreement on the major principles. We must free up the flow of credit to consumers and businesses by reducing the risk posed by troubled assets. We must ensure that taxpayers are protected, that failed executives do not receive a windfall from your tax dollars, and that there is a bipartisan board to oversee these efforts.

Under the proposal my administration sent to Congress, the Government would spend up to \$700 billion to buy troubled assets from banks and other financial institutions. I know many Americans understand the urgency of this action but are concerned about such a high price tag. Well, let me address this directly.

The final cost of this plan will be far less than \$700 billion. And here's why: As fear and uncertainty have gripped the market for mortgage-related assets, their price has dropped sharply. Yet many of these assets still have significant underlying value, because the vast majority of people will eventually pay off their mortgages. In other words, many of the assets the Government would buy are likely to go up in price over time. This means that the Government will be able to recoup much, if not all, of the original expenditure.

Members of Congress from both sides of the aisle have contributed constructive proposals that have improved this plan. I appreciate the efforts of House and Senate Democratic and Republican leaders to bring a spirit of bipartisan cooperation to these discussions. Our Nation's economic

well-being is an issue that transcends partisanship. Republicans and Democrats must continue to address it together. And I am confident that we will pass a bill to protect the financial security of every American very soon.

Thank you for listening.

NOTE: The address was recorded at 7:10 a.m. on September 27 in the Cabinet Room at the White House for broadcast at 10:06 a.m.

on September 27. The transcript was made available by the Office of the Press Secretary on the morning of September 27, but was embargoed for release until the broadcast. In the address, the President referred to Sen. John McCain, Republican Presidential nominee; and Sen. Barack Obama, Democratic Presidential nominee. The Office of the Press Secretary also released a Spanish language transcript of this address.

Statement on House of Representatives Passage of India-United States Nuclear Cooperation and Nonproliferation Legislation *September 27, 2008*

I congratulate the House of Representatives for passing H.R. 7081, the United States-India Nuclear Cooperation Approval and Nonproliferation Enhancement Act. The passage of this legislation by the House is another major step forward in achieving the transformation of the U.S.-India relationship.

I thank the Members of Congress who helped to pass this legislation, especially House Foreign Affairs Committee Chairman Howard Berman (D-CA) and Ranking Member Ileana Ros-Lehtinen (R-FL). In

addition, I would like to recognize the contributions of two great Americans and legislators, Congressmen Tom Lantos and Henry Hyde, who saw early on the importance of a strategic partnership with India and of bringing the people of our two great nations together through this initiative.

I urge the Senate to quickly take up and pass this important piece of legislation before their October adjournment. Signing this bipartisan bill will help strengthen our partnership with India.

Statement on Congressional Action on Economic Stabilization Legislation *September 28, 2008*

Today a bipartisan group of Members of Congress, working with my administration, reached agreement on economic rescue legislation that is urgently needed to address a crisis in our financial system that threatens the entire U.S. economy.

I appreciate the leadership shown by Members on both sides of the aisle, who came together to write a very good bill. This bill provides the necessary tools and funding to help protect our economy

against a system-wide breakdown. The bill will help allow access to credit so American families can meet their daily needs and American businesses can make purchases, ship goods, and meet their payrolls. And this plan sends a strong signal to markets around the world that the United States is serious about restoring confidence and stability to our financial system. Without this rescue plan, the costs to the American economy could be disastrous.