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Senate Votes \$30 Billion in Small-Business Aid

By [DAVID HERSZENHORN](#)

The Senate voted on Thursday to include a proposed \$30 billion lending program in a package of aid for small businesses, as two Republicans joined with Democrats to support the amendment.

The vote was 60 to 39, with Senators George LeMieux of Florida and George V. Voinovich of Ohio, delivering crucial support despite harsh criticism of the proposal by some of their fellow Republicans who derided it as a “bailout” and a mini version of the Troubled Asset Relief Program, the huge government rescue of the financial system.

The Senate must still vote on the overall small business measure, which also includes more than \$12 billion in various tax breaks and an expansion of several other government lending programs. Republican leaders are pressing to offer amendments to the bill and it is not yet clear if it will be approved.

Senator [Mary L. Landrieu](#), Democrat of Louisiana and chairwoman of the small business committee, waged a fierce fight in support of the \$30 billion lending program, which would be administered by the [Treasury Department](#) through local community banks.

“This is something that we want to do to help Main Street, to help small business,” Ms. Landrieu said in one of a series of floor speeches. “This isn’t about Wall Street. It’s not about bailouts. It’s not about troubled assets. It’s not TARP. It’s a small business lending fund, a strategic partnership with community banks.”

Procedural wrangling over the amendment and other issues delayed the Senate vote until after 10 p.m.

The \$30 billion lending program was so controversial that on Wednesday, the majority leader, [Harry Reid](#) of Nevada, removed it from the base text of the small business bill and instead proposed it as a separate amendment, in hopes of keeping the legislation alive even if the amendment failed.

Supporters of the lending program said that it would help community banks increase lending to small businesses and that the banks would potentially be able to leverage the \$30 billion into \$300 billion in loans. The Treasury Department helped design the program.

Critics said the program would encourage banks to make risky loans. “I believe this is the same old song and dance, expand the reach of the heavy hand of government,” said Senator [Richard C. Shelby](#) of Alabama, the senior Republican on the banking committee. “Like TARP, this program does not lend money directly to small businesses; it would have the government take ownership interest in hundreds of banks.” He added, “This is TARP-2.”

But Mr. LeMieux, the Florida Republican, said that was not the case. “TARP went to the big banks who were failing at the end of 2008, a lot of whom were selling mortgage-backed securities and other exotic investments that they shouldn’t have been selling,” he said in a floor speech. “This has nothing to do with that. These are small banks. This is the banker you know down the street – the banker who’s at your rotary, who you see at church or synagogue. This is not some Goldman Sachs banker. This is the community banker who loans to the tailor, to the construction business, the folks that employ people in your hometown.”