



## AMERICANS FOR LIMITED GOVERNMENT

9900 MAIN STREET SUITE 303 • FAIRFAX, VA 22031 • PHONE 703.383.0880 • FAX: 703.383.5288 • WWW.GETLIBERTY.ORG

December 16<sup>th</sup>, 2009

United States House of Representatives  
WASHINGTON DC 20001

To the Members of the U.S. House of Representatives:

As you already know, today [the House will be voting on a \\$154 billion bailout of state governments with taxpayer funds paid back by banks through the Troubled Asset Relief Program \(TARP\)](#). You know as well as the taxpayers that they will not recover one cent of TARP if Congress just simply hands it over to the states.

Americans for Limited Government believes that using repaid TARP funds to bail out the public sector unions in bankrupt states like California and New York is irresponsible. It should instead be used to pay down the \$12 trillion national debt. Congress is now running the risk of creating a revolving line of credit for state governments.

Barack Obama originally announced the program [on December 3rd in Washington](#): “Next year we're going to still have some of those challenges because usually state and local government revenues lag the recovery as a whole. They may need some more help from the federal government.”

Obama said it was up to the federal government to pay state bills. “Frankly, because state and local governments generally don't have the capacity to engage in deficit spending, some of that obligation falls on the federal government.”

As you know, the \$789 billion “stimulus” bill already contained \$53.6 billion to bail out state and local governments. Much of that spending has not even gone into effect yet, and yet states have already lined up with their hands out for Congress to finance their 2010 deficit-spending needs. It is not up to taxpayers to bail out states that cannot sell enough bonds to keep up with their own excesses of the boom years.

You also know that if Congress bails out the bankrupt states, they will not make painful, necessary cuts in spending. The expansion of state workforces over the past two decades, and the unwillingness on the part of lawmakers to scale back when the economy turned south, is the primary reason for the tremendous budget gaps faced in state capitals across the country. The solution is for states to balance their budgets, not for the government to extend TARP funds to irresponsible politicians.

Bailing states out of their own reckless decisions is as irresponsible as bailing out poor decisions by investment firms, or GSE's like Fannie Mae and Freddie Mac. I urge you to vote no on this

legislation, which will raid TARP funds in a kickback to public sector unions that donated generously to your campaign coffers.

The bottom line is that the interests of taxpayers are not served by taking repaid TARP funds and funneling it to your favored political constituencies. That is dishonest graft of the highest order, and only you can stop it.

Sincerely,

A handwritten signature in black ink, appearing to read "William A. Wilson". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

William Wilson  
President  
Americans for Limited Government