



AMERICANS FOR LIMITED GOVERNMENT

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March 19th, 2009

To the Members of Congress:

This week, President Barack Obama expressed strong outrage that American International Group (AIG), Inc. gave out some \$165 million in contractual bonuses after receiving more than one-thousand times that amount, some \$173 billion, in taxpayer bailouts.

The President stated, "This is a corporation that finds itself in financial distress due to recklessness and greed. Under these circumstances, it's hard to understand how derivative traders at AIG warranted any bonuses, much less 165 million dollars in extra pay. How do they justify this outrage to the taxpayers who are keeping the company afloat?"

Coming from the President, who according to OpenSecrets.org, received some \$104,332 from AIG in the 2008 election cycle, this rings rather hollow to American taxpayers who have been ripped off by some \$9.7 trillion in bailouts from the federal government to failed enterprises over the past two years.

Since 1989, AIG has donated some \$4.37 million to candidates for federal office. In 2008, it gave \$644,218 to candidates, and in return, it received from the Federal Reserve some \$173 billion in taxpayer-guaranteed loans. That represents nearly a 27 million percent return on their 2008 "investment" into politicians' loyalty.

Of particular note, Senator Chris Dodd received some \$103,900 from AIG in 2008, and in the 2009 "stimulus" legislation, he inserted the amendment that guaranteed that bonuses would be paid by adding language to a spending cap that specifically excluded executive bonuses included in contracts.

The legislation passed the House and Senate by comfortable margins, and no controversy by politicians now making a fuss was raised, including the President, who took the most money from AIG in 2008 of any candidate.

If Washington is now determined to prevent the discharge of contractual bonuses, then the politicians should put their money where their mouth is and return every penny to American taxpayers

ever given by AIG to candidates. That includes the President, and any and all members of the House and Senate that ever took money from the business that should have been allowed to fail.

Additionally, the bailouts must end. To date, only one Congressman has introduced legislation that would make it impossible for the Federal Reserve to loan to favored companies, Rep. Paul Ryan.

Last year, he proposed eliminating the dual mandate at the Fed. If the nation's central bank were legally prohibited from perpetuating economic growth, and solely focused on price stability, it would not be concerned with propping up failed enterprises like AIG, Bear Stearns, and others arbitrarily deemed to pose "systemic risk" to the financial system.

Failed institutions must be allowed to fail pursuant to market forces. And politicians on the take from companies bailed out by government must give back the money they were given by AIG to look the other way while the company was receiving \$173 billion in taxpayer-guaranteed loans that may never be paid back by a company that is still failing.

Sincerely,

A handwritten signature in cursive script that reads "William A. Wilson".

William Wilson
President
Americans for Limited Government