

Congress, overtax thyself

by Debra_J_Saunders

There is no group more dangerous than one with some power, no scruples and leaders who think that they are really smart and that everyone else is really, really stupid. That description sadly fits not only the Wall Street swells whose credit default swaps toppled U.S. financial markets but also Congress.

Like you, I am outraged at the \$165 million paid out in AIG bonuses. I'm furious at the very notion of a bailed-out-by-taxpayers corporation meting out bonuses to anyone "regardless of performance," according to The New York Times' DealBook. Most galling of all, recipients include geniuses from the department that tanked AIG with bad paper.

But as Americans keep discovering, bad can get worse. Witness the House bill that passed Thursday by a 328-93 vote to levy a 90 percent tax on bonuses for executives at corporations that got more than \$5 billion in bailout bucks. House Speaker Nancy Pelosi proclaimed: "With this resolution, I think that we are making two important statements. One is that the administration should continue in its efforts to recoup, recover the money and prevent these bonuses from going forward. And the other is that we want our money back and we want our money back now for the taxpayers."

Two statements? What about: By about a 328-93 ratio, House members would vote to throw their mothers out of the lifeboat to save themselves.

Here's the short version of why that House vote is probably unconstitutional. As Rep. Dan Lungren, R-Calif., noted before his "nay" vote: "There is something called a bill of attainder. You can't punish a group because you don't like them. You can't have them treated more onerously than somebody else without a trial."

Now for the question as to whether there is any honor left in Washington. President Barack Obama and Congress had the opportunity to pass a measure before the AIG bonuses were paid to limit bonuses paid by corporations that have received federal bailout funds. Yet Congress failed to do so.

Au contraire, the Obama stimulus package included a measure to protect "any bonus payment required to be paid pursuant to a written employment contract executed on or before February 11, 2009."

Sen. Christopher Dodd "the largest recipient of AIG executives' political contributions in the U.S. Senate, according to the Center for Responsive Politics" told CNN Tuesday that he had no idea who inserted that language into the Obama stimulus bill. Then Wednesday, Dodd was forced to admit he himself had submitted that language "at the request of the Obama Treasury Department.

In California this week, President Obama told a town hall meeting: "I know Washington's all in a tizzy, and everybody's pointing fingers at each other and saying it's their fault, the Democrats' fault, the Republicans' fault. Listen, I'll take responsibility; I'm the president."

After the House passed the tax-the-bonuses bill, Obama announced, "Now this legislation moves to the Senate, and I look forward to receiving a final product that will serve as a strong signal to the executives who run these firms that such compensation will not be tolerated."

It would be a sorry example of taking responsibility for Obama to sign a measure that goes back on not only his own stimulus package but also the very language that his people asked Dodd to insert. I feel as if I'm watching a movie in which a hired thug kills someone and then another hired thug kills the first thug and then another thug kills the second thug.

In less than two months in office, Obama has shown that in a town full of snakes, he's the fastest runner. Who on Wall Street will trust him now?

On Monday, Sen. Charles Grassley, R-Iowa, suggested AIG executives take old-fashioned responsibility and show remorse for their failures "and "resign or go commit suicide," a statement that Grassley later half-rescinded Washington-style.

Actually, AIG's CEO, Edward Liddy, was working on just that. As he told a House Financial Services subcommittee Wednesday, some bonus recipients volunteered to return 100 percent of their bonuses, and he was asking those who make more than \$100,000 a year to return half.

If Liddy can step up to the plate, why not Congress and Obama? If Washington truly believes that entities that screw up should not be subsidized by taxpayers and if Obama truly believes in taking responsibility, then Congress should pass and the president should sign a bill to levy a 90 percent tax on the pay and benefits of Congress and the president. Or they could match AIG and go halves.

Or do members want to argue that more than financial institutions, their precious hides are what is too big to fail?

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