

spending your grandchildren and your great grandchildren's money. And you know, you have to know some day when we are dead and gone they are going to be cussing our names: Why did you run us up into such debt so we couldn't live like you did because you wouldn't control your spending? That is our obligation, and we owe so much better to the children and the generations to come.

There was a Rasmussen poll today that came out, and it says 45 percent of the American public are in favor of a tax cut-only stimulus bill. Stop the run-away spending on things that aren't stimulus. Why would Congress do that? Why did Congress do it, and why is it increasing in such a dramatic scale?

Well, there is an atmosphere of arrogance that is growing all the time in Washington that the people out there who are stimulating the economy, they are working, they are doing all they can, well, there are some in Washington who think they are just too stupid to spend the money so that it stimulates the economy, so we must have people in Washington, who know so much more and are so much better at spending other people's money, let the people in Washington spend the hard-working folks' money.

In the last couple of weeks we had \$350 billion, the second half of that bailout that was such a mistake back in September, that other half has been allocated and approved. Then you add the \$819 billion plus whatever the Senate is going to add, you put those together, it is around \$1.2 trillion. Why is that a significant number? Because \$1.2 trillion happens to be the amount basically that every individual income taxpayer in America will pay for 2008 income tax. You want to see the economy stimulated? You give back every dime that every individual taxpayer paid in 2008, you will see the economy stimulated.

I am not even advocating that. I am just saying, give people back their money in their next two paychecks, the next two months' paychecks, a 2-month tax holiday, a 16½ percent tax cut for this year. A study by Moody's Economy says that will increase the GDP more in 1 year than any other tax proposal out there. It would be a 2-month tax holiday. And for those who don't make enough to pay income tax, you get to keep your FICA, so everyone, just like President Obama promised, will get an income tax holiday. You will get your money back.

But I was told last week when President Obama—and you can't be in a room with that guy and not really like him. He is a likeable, smart, congenial man. And when I was telling him about the tax holiday idea, it is not 3 months, 6 months, next year, it is in your next paycheck. He wanted the idea talked about, and now Larry Summers won't call me back.

EXECUTIVE COMPENSATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. SHERMAN) is recognized for 5 minutes.

Mr. SHERMAN. I am all for the private sector paying executives whatever the private sector wants to, but it is very different when the so-called private sector firms, the firms that demand hundreds of billions of dollars in Federal funds, decide that they want to pay executives lavish salaries and enormous bonuses. That is why I have come to this floor often to talk about the executive compensation of those firms that have benefited from the \$700 billion bailout also known as the TARP.

Why is this executive compensation issue important for those companies that have received TARP funds?

First, because of fairness. Executives who have driven their companies into the ditch so badly that they need a Federal bailout shouldn't be receiving enormous salaries.

Second, our constituents demand it. And if you don't think they demand it, see what happens when the administration comes, having gotten the second \$350 billion and asks for another one-half trillion dollars, a third installment on the TARP. We will hear from our constituents.

Third, the law we passed demands that there be reasonable standards of executive compensation at every company that receives TARP funds. I thought the Bush administration would fail to follow that law, one of the many reasons I voted against it, and Section 111 of the TARP bill continues not to be applied.

And finally, and most importantly, our economy demands that we be tough with those who are coming to Washington for bailouts, because otherwise every executive and every industry is going to be coming here asking for a bailout.

So I was surprised this morning when my staff called me and said, "Congressman, announce victory. President Obama and the Secretary of the Treasury have announced that we are going to have a \$500,000 limit on executive compensation of those who have received TARP funds." That was even stricter than the limit that I was proposing.

Unfortunately, the Treasury Department has now issued a detailed statement of how they are going to carry out this \$500,000 limit, and they have made a mockery of the solemn pledge made today by the President of the United States to the American people. The headline is, "\$500,000 Limit." However, the text of the Treasury announcement has three giant loopholes that make a nullity out of the statement of the President.

First, the limit has no application to those companies who have already received money unless they come back for even more. So Citigroup and AIG, who have already received well over \$40 billion apiece in government money,

have no limits, and they can pay \$1 million a month, \$2 million a month, to whatever executive they choose.

But, second, what about those companies that are going to get more money in the future? How are they affected by the Treasury Department's interpretation of the President's statement? Well, they can pay any amount they want as long as they have a shareholder vote. And here is the beautiful part. They can pay it even if the shareholders vote against paying it. It is a nonbinding resolution. So you can get a huge amount of money from the government before today, then get another helping of TARP money after today and pay any executive anything you want as long as you have a nonbinding resolution of your shareholders which you are free to ignore.

Now, there are a few companies that are going to face a real limit, not the ones who got the first helping like the \$25 billion that went to the major banking institutions; not those who got their second helping, an extraordinary amount of money that they may have gotten prior to today; not those who got the third helping of TARP funds, the "ordinary" amount that might be distributed in the future. But if you come back for a fourth helping, then and only then do you face a real \$500,000 limit on executive compensation.

Finally, the proposal is supposed to contain limits on luxury perks. But what does the proposal really contain in the fine print? It says that the board of directors of these companies has got to adopt a policy dealing with such items as private jets and lavish parties. Well, these are the boards of directors who have already approved every private jet and the concept behind every lavish party that these companies have already had. So what good is it to have these same board of directors adopt new policies which will simply mirror their own old policies on luxury perks?

I look forward to working with the administration, with the Treasury Department, so that the words of the President of the United States to the American people today are not rendered moot, but rather are actually carried out. We need a real \$500,000 limit on all those firms that are holding our TARP funds, our taxpayer money. And I hope those companies choose to return the money to the Treasury, then they can pay their executives whatever they want.

□ 1730

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DREIER) is recognized for 5 minutes.

(Mr. DREIER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)