



January 13, 2009

## **An Open Letter to the United States Congress: Protect Taxpayers and Reject the Second Half of TARP!**

Dear Member of Congress:

On behalf of the 362,000 members of the National Taxpayers Union (NTU), I urge you to oppose the authorization of an additional \$350 billion for the Troubled Asset Relief Program (TARP). Authorizing the expenditure of the second half of the bailout would further exacerbate the tremendous strains placed on the taxpayer for little, if any, economic benefit. The first half of the bailout was characterized by an almost comical lack of transparency and effectiveness. Using more taxpayer dollars for TARP would constitute throwing good money after bad. Congress should reject the second half of TARP and instead focus on actions to address the root causes of this crisis.

After furious negotiations and frantic prophesies of economic doom if it failed to act, Congress passed an enormous bailout which gave the Treasury Department a huge check and a directive to “save” our economy. Despite expenditures of \$350 billion to prop up financial (and non-financial) institutions, our economy remains in largely the same place: slow credit markets, rising unemployment, and reduced consumer spending as Americans rich and poor conserve their dollars during this rough patch. There is little reason to believe that another \$350 billion would reverse the current market correction any better than the first \$350 billion did.

Furthermore, virtually everyone involved with the bailout has refused to provide taxpayers with any real degree of transparency in how their hard-earned dollars are being used. From details of contracts for firms servicing the bailout, to collateral accepted for massive loans, to a balance-sheet accounting for how bailout money was distributed, taxpayers remain mostly in the dark. Apparently, \$350 billion doesn't even merit an itemized receipt these days.

In the span of a few months, the Federal Reserve, Treasury Department, and Congress have pursued policies that, by fault or design, laid waste to traditional American notions of government. We have partially nationalized entire industries, rewarded many of the bad actors that precipitated this debacle in the first place, and immeasurably worsened both our short- and long-term budgetary shortfalls. The time has come to put an end to the madness and limit taxpayer exposure. Congress should reject any request for the second \$350 billion of the TARP program and should support a resolution of disapproval. **Roll call votes on any such resolution will be among the most heavily weighted in our annual Rating of Congress.**

Sincerely,

Andrew Moylan  
Government Affairs Manager