



January 16, 2009

Dear Friends,

Yesterday my colleagues in the Senate voted to allow president-elect Obama to spend the second and final \$350 billion installment of the Wall Street financial bailout, which has come to be known as the Troubled Asset Relief Program (TARP). Unfortunately, it would have taken disapproval of both the House and Senate to keep the rest of the money from being spent, so even a vote in the House against this round of spending would not have stopped it.

I voted against the bailout twice last year and oppose giving the second installment to the Treasury. I still believe that a private capital solution, not public tax dollars, is best to improve our economy. And I am disappointed that the Senate approved the second half of the bailout money while neither the White House nor the Treasury has provided details about how the first half was spent.

### **Economic Stimulus Package**

Sometime next week we in the House will be able to vote on the Democrats' economic stimulus package. While I cannot say for sure which way I will vote until I see the bill, I am not convinced that piling onto our already record deficit by another \$825 billion, and spending much of that money on welfare and pork projects, will expand the economy or is the best way to create jobs.

I agree that we should provide help to families in the toughest economic times we have seen in decades. But we must provide assistance in a responsible manner that will ensure the overall health of the economy.

As an alternative, I have co-sponsored the Economic Recovery and Middle-Class Tax Relief Act of 2009 (H.R. 470). This package would provide an immediate economic jolt, while laying the groundwork for sustained economic growth



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primarily through changes in the tax code that affect families as well as job providers. These are just a few of the highlights:

A 5% across-the-board income tax cut and a lower rate on Capital Gains to encourage private investment  
Encourage business growth by allowing businesses to immediately deduct from their taxes the cost of assets they purchase, instead of extending those deductions over several years  
Increase by 50% the tax deductions on student loans and qualified higher education expenses

The bottom line is that we must give Americans incentives to spend and invest their own money, instead of once again resorting to a taxpayer bailout and ballooning our deficit.

### **District 10 Listening Posts**

At the end of this month my office will resume our “Listening Posts”. This is a valuable opportunity for you to discuss issues with my staff that we are able to address at the Congressional level. I encourage all of you to drop by to ask questions, present problems, or simply to introduce yourself.

North Austin Listening Post  
Thursday, January 29, 1:00 – 3:00 pm  
Little Walnut Creek Library  
835 W. Rundberg

Pflugerville Listening Post  
Friday, Feb. 6, 12:30-2:30 pm  
Pflugerville Public Library  
102 S. 10th Street

I wish you and your family a happy and safe weekend.

With best regards,



Michael T. McCaul  
Member of Congress

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