

Paulson warns: No limits on CEO pay

Barry Grey

23 September 2008

Speaking on the “Fox News Sunday” program, US Treasury Secretary Henry Paulson opposed proposals from some Democrats as well as Republicans that the Bush administration’s plan for a massive taxpayer bailout of the most powerful banks and financial institutions include provisions limiting the pay of CEOs whose companies benefit from the government handout.

Paulson, the former CEO of Goldman Sachs whose wealth is estimated at \$700 million, argued that including any such provision would result in banks refusing to participate in the program.

As the *New York Times* reported Monday, “Mr. Paulson said that he was concerned that imposing limits on the compensation of executives could discourage companies from participating in the program.

“If we design it so it’s punitive and so institutions aren’t going to participate, this won’t work the way we need it to work,” Mr. Paulson said...

Working people who are being told by both parties that they will have to foot the bill for the biggest corporate bailout in world history—estimated by the government at \$700 billion, a conservative figure that underestimates the actual cost of the plan—should consider the implications of Paulson’s statements.

He, President Bush and other political figures in both parties are insisting that quick Congressional passage of the bailout scheme is critical to averting an economic and social calamity at least as great as the Great Depression of the 1930s. There is, they insist, no time to discuss, debate, or even think.

The universal mantra is the need for all Americans to “come together,” put aside their partisan differences and personal interests and accept the need for “sacrifice” in support of the common good—which just happens to coincide with the interests of Wall Street and the multi-millionaires and billionaires who control it.

But Paulson, in his weekend television appearances, was obliged to implicitly acknowledge that there is one segment of society that is not prepared to sacrifice a dime and will not hesitate to throw the country into a depression, if the alternative is the slightest diminution in its seven- and eight-figure compensation packages.

In spite of his intentions, Paulson’s comments demonstrate the utter fraud of the claims that the plan to place the national wealth at the disposal of Wall Street is driven by concerns for the well-being of the American people. His remarks reveal the most basic truth about American society: The interests of the overwhelming majority of the people are entirely subordinated to the money-mad strivings of a financial aristocracy.

The plutocrats call the shots. They determine public policy. They exercise an absolute veto on all decisions taken by the government, which is, in the final analysis, an instrument for the defense and advancement of their narrow and socially destructive interests.

The constant invocations of patriotism are purely for public consumption—a means of blinding the people to the class relations that dominate America.

The logical conclusion that flows from Paulson’s own statements on CEO pay is that the greatest problem the country faces is the very class he defends and embodies—the American capitalist class. Its removal through the independent political and revolutionary mobilization of the working class is the precondition for a rational and democratic solution to the crisis.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact