

Rep. John Campbell, a California Republican who serves on the House Financial Services Committee and writes the [Green Eyeshade blog](#) for Townhall, told me this afternoon that he likes the idea of involving private investors in the bailout, but wonders why anyone in the private sector would want to partner with the government at this point.

"I generally like [the plan](#) because it starts to crowd in the private sector, which is what we've got to do to get out of this problem," Campbell says. "But I think they are going to have implementation issues because of contradictory policies coming out of this Congress and the Obama administration."

Among other things, Campbell is referring to the 90-percent bonus tax that [passed the House](#) last week. "If you invest in this thing and then you're going to get taxed on 90 percent of what you make, or if the executive-compensation restrictions apply... I know for a fact that a number of private-equity fund managers are interested, but not if it's going to entail a whole lot of restrictions on their companies."

So far, the administration has distanced itself from the House bonus-tax bill and has not called for executive-compensation caps on participants in the new program. However, Campbell says that what Congress did to AIG CEO Ed Liddy serves as a cautionary tale. "Here's a guy who came in at the government's request, after AIG had been nationalized," he says. "He's taking no salary, no bonus, no stock options. He's got no financial stake in this. He's truly a volunteer trying to help his country. And he gets dragged before a congressional committee and, by a large number of the committee members, just gets ripped over the issue of these bonuses.

"Why would anyone want to put himself up to become the object of populist wrath?" he asks.

Under Geithner's plan, private investors stand to make a lot of money, and these days all it takes is a few high-profile stories about lavish compensation to bring out the wolves. If you're an investor, you can picture the headline now — "Taxpayers Shouldered the Risk, Now Wall-Street Executives Reap the Reward" — followed by denunciations, hearings, and Obama calling you "shameful" as he [mispronounces](#) your name.

Campbell says we can already see the consequences of Kabuki outrage at work. "That's why Treasury can't fill these positions they've got," he says. "Every step the Obama administration takes makes another qualified person say, 'You know what, I don't need that. I'm not going to become a pin cushion for populist rage.'"