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House of Representatives

The House met at 10 a.m.

The Chaplain, the Reverend Daniel P. Coughlin, offered the following prayer:

All-Holy and All-Knowing God, as creation reveals Your desire for wholeness and coordinated unity between all creatures and the human family, so images of Your redeemed people give hope that hatred and prejudice of any sort diminish as true justice and peace break forth within the fabric of society and daily commerce.

Before You, Lord God, all human life is life in community.

Human wisdom confirms that each of us as a person is made for friendship, community and participation in public life. So, now bind this Nation as one. Let us stand together in compassion and the discipline of law as representative government addresses the needs of our time and searches out the path toward true human fulfillment and national security.

Your love upholds all and therefore calls each one of us to be more concerned for one another, both now and forever. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House her approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from South Carolina (Mr. WILSON) come forward and lead the House in the Pledge of Allegiance.

Mr. WILSON of South Carolina led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will entertain up to five 1-minute speeches on each side of the aisle.

BAILING OUT WALL STREET

(Mr. DEFAZIO asked and was given permission to address the House for 1 minute.)

Mr. DEFAZIO. The problem with what Congress is trying to fix is that Paulson's premise is wrong, that if we take and dump \$700 billion into Wall Street, buying up their bad assets, somehow the benefits will trickle down to Main Street and prop up our struggling housing market. As Mr. Isaac, the former head of the FDIC says, "Having financial institutions sell the loans to the government at inflated prices so the government can turn around and sell the loans to well-healed investors at lower prices strikes me as a very good deal for everyone but U.S. taxpayers. Surely we can do better." He proposes a credible alternative, similar to something done during the savings and loan crisis.

There are many cheaper alternatives out there that don't put taxpayers on the hook. But if we are going to go ahead with the Paulson premise, then it should be paid for by Wall Street with a modest one-quarter of 1 percent transfer tax on securities, something we had from 1914 until 1966. The Brits apply a one-half of 1 percent tax, and they use that money just to fund their government. Here we would use it to help Wall Street heal itself.

Some are saying, well, the initial payment is only going to be \$250 billion now. \$250 billion would double our investment in infrastructure in the United States for 5 years.

PREDICTABLE AND AVOIDABLE

(Mr. WILSON of South Carolina asked and was given permission to ad-

dress the House for 1 minute and to revise and extend his remarks.)

Mr. WILSON of South Carolina. Mr. Speaker, as we debate the beginning of the financial crisis, it is important to cite a New York Times article published on September 30, 1999, which highlights the dangers of Fannie Mae easing credit requirements for loans it plans to purchase.

According to the author, the decision by Fannie Mae was meant to "spur banks to make more loans to people with less than stellar credit ratings," and he forecasts that "Fannie Mae is taking on significantly more risk." They "may run into trouble during an economic downturn, prompting a government rescue similar to that of the savings and loan industry in the 1980s."

These views were shared by Peter Wallison of the American Enterprise Institute, who remarked that "the government will have to step up and bail them out." These are voices from the past predicting the problem we face today.

Indeed, it was not the failings of the free market, but the failure of those participating in the markets, as well as government mishandling, that has led to this current dilemma.

In conclusion, God bless our troops, and we will never forget September the 11th.

INDUSTRIAL CAPITALISM BEING DESTROYED

(Mr. KUCINICH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KUCINICH. Mr. Speaker, industrial capitalism can finally be destroyed as we finish hollowing out our economy by substituting casino socialism, where the only real product is debt, where hard work in shaping raw materials into a product for a profit becomes "so yesterday" and we lead

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

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Americans to the gaming tables. Work becomes denigrated and wagering becomes the road to wealth.

As Steve Zarlenga of the American Monetary Institute observed, "You only have to make a fortune once." The top hedge manager in 2006 made \$1.7 billion, and in 2007 some \$3.7 billion. Both paid a lower tax rate for much of their earnings than people who clean the bedpans of the sick. And, of course, with that nasty "death tax" under attack by working families because almost 5 out of every 1,000 Americans pay it, that wealth can go on forever, just like the landed families of England and America maintain their economic status for hundreds of years.

Precious money needed to bring national health care, reindustrialization of America, the repair of our infrastructure and wider available of quality education becomes secondary to keeping this artificial real estate bubble going. Speculators are winning, and this is the system we are saving.

MEDIA BIAS IS A GREAT THREAT

(Mr. SMITH of Texas asked and was given permission to address the House for 1 minute.)

Mr. SMITH of Texas. Mr. Speaker, whether it is a financial crisis or Presidential debate, the media just can't seem to help themselves. They always show a bias against Republicans. That is no surprise, since they make contributions to Senator OBAMA over Senator MCCAIN by a 20-1 ratio.

The greatest threat our country faces is not an economic recession; it is a partisan bias. The media should give the American people the facts, not tell them what to think. Otherwise, we will lose our democracy, which is a greater danger than the economy.

The media is hurting its credibility for the future. They should instead adhere to the highest standards of journalism and report the news fairly and objectively.

SUPPORT THE NATIVE AMERICAN HERITAGE ACT OF 2008

(Mr. BACA asked and was given permission to address the House for 1 minute.)

Mr. BACA. Mr. Speaker, I support H. J. Res. 62, the Native American Heritage Day Act of 2008, which I authored. This bill will help pay tribute to Native Americans for their many contributions to the United States by encouraging all Americans to recognize the Friday after Thanksgiving as Native American Heritage Day.

I thank Senator DANIEL INOUE, Speaker NANCY PELOSI, Majority Leader STENY HOYER, Chairman GEORGE MILLER, Representative DALE KILDEE, and the NIGA for their help on this bill.

I have been a strong advocate for Native Americans and have fought hard to preserve their heritage for the past 8 years that I have served in Congress

and since my time in the California legislature.

It is important that we recognize the contributions of Native Americans in all aspects of our society, including government, language and history. We must not forget that Native Americans have fought with valor in every American war, dating back to the Revolutionary War.

My bill encourages public schools to teach Native American history and culture.

I also want to thank Tribal Chairman James Ramos of the San Manuel Tribe for helping us create this bill. This bill represents the first time in history that Congress is recognizing the great achievements of Native Americans in this manner.

I thank my colleagues for supporting this legislation.

CONGRESS MUST KEEP TAXPAYER FIRST WHEN ASSISTING WALL STREET

(Mrs. BLACKBURN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BLACKBURN. Mr. Speaker, it is becoming painfully clear to us and now we know that Americans should not be forced to endure a prolonged and painful economic downturn to pay for the sins of Fannie, Freddie or discredited Wall Street executives. The question that is being asked by many of our constituents is, all right, now what are we going to do?

So let me be clear. I do not support a bailout of Wall Street firms funded by hundreds of billions of taxpayers dollars. There are smarter ways for us to handle this.

The President and congressional leaders should set a timeline for legislation, come to mark it up, and look at things from both the short and the long-term. We have learned that the ad hoc approach to bailing out companies in the past few weeks just has not worked. What we need is a workout plan that leverages Wall Street's assets and ingenuity to bring the economy back to health while protecting the American taxpayer.

Any deal that comes forward should limit the cash available to Secretary Paulson. We cannot write one man, no matter how experienced or smart, a check for \$700 billion of the taxpayers' money.

Mr. Speaker, I hope that we continue to work forward on this and keep the American taxpayer first and foremost in our thoughts.

LETTING THE FOX GUARD THE HEN HOUSE

(Mr. PERLMUTTER asked and was given permission to address the House for 1 minute.)

Mr. PERLMUTTER. Mr. Speaker, the Bush administration with its neocon philosophy either cut back, opposed,

ignored or choked off restraints on the markets, especially those of Wall Street, while borrowing billions of dollars from China and Saudi Arabia to finance tax cuts for the wealthiest of Americans and while prosecuting the war in Iraq.

The borrow-and-spend approach and the party atmosphere cannot go on forever, and the bailouts, takeovers and bankruptcies of the recent weeks demonstrate that the party is over.

Bush's Treasury Secretary, Henry Paulson, is asking Congress for hundreds of billions of dollars to compensate for market excesses and wants the money within a week or two to restore confidence to the financial markets. I will listen to Mr. Paulson and his plea on behalf of the Bush administration about this immediate infusion of cash and the purchase of billions and billions of dollars in bad loans to take the burden of this bad debt out of the markets, but I must say I have my doubts about the foxes guarding the hen house or giving the Bush administration any more authority over anything. Thank goodness we did not privatize Social Security.

MINORITIES NOT RESPONSIBLE FOR ECONOMIC WOES OF WALL STREET

(Ms. HIRONO asked and was given permission to address the House for 1 minute.)

Ms. HIRONO. Mr. Speaker, I am shocked that some in our community have implied that minorities are somehow responsible for the financial debacle our country is facing now.

Apparently, the argument is that minorities are getting loans through the Community Reinvestment Act on the basis of race, and often little else. I don't know what evidence there is for such a sentiment, but I do know that the vast majority of subprime market loans were financed by Wall Street, not by the commercial banks regulated under the Community Reinvestment Act.

Trying to shift the focus from the lack of oversight by this administration of our financial markets and the irresponsible behavior of so many brokerage firms by scapegoating minority families who are trying to realize the American Dream of homeownership is not only insensitive, but insulting.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H. CON. RES. 421

Mr. LIPINSKI. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor of House Concurrent Resolution 421.

The SPEAKER pro tempore (Mr. HOLDEN). Is there objection to the request of the gentleman from Illinois?

There was no objection.