

He also said on that day, "I don't think we face a crisis. I don't think we have an impending disaster." We all just heard the President of the United States on TV last night. He described the crisis that the United States is in right now. Whether you call that an impending disaster, whether we take action or not, I don't know whether Mr. FRANK would say or those who pushed back to Mr. Snow, who pushed back to the administration, who pushed back to those of us on this side of the aisle that said we need to move forward and try to address the issue of systemic risk.

Unfortunately those efforts did not come about. We never got the world-class regulator in over the GSEs until it was too late. And now we are left with the situation at hand.

The gentleman who came before spoke of the dilemma that we are faced with, a Hobbesian choice of sorts in the way it was presented last night: Either you do this or everything will fall apart. Well we suggest that there is an alternative to the proposal that the administration has proposed. We humbly suggest that alternative should be considered in a thoughtful and thought-out process, not one that is a rush to judgment, not one that would put the American taxpayer on the hook, one that would ask the private sector to take their lead and take their step in the process as well.

We would ask for the time in order to engage in the process.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. PENCE) is recognized for 5 minutes.

(Mr. PENCE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GOHMERT) is recognized for 5 minutes.

(Mr. GOHMERT addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

IT IS INAPPROPRIATE TO TURN OVER OUR ECONOMIC SYSTEM TO THE GOVERNMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Ms. FOXX) is recognized for 5 minutes.

Ms. FOXX. Madam Speaker, I feel certain that some of my colleagues have already broached the issue of the topic that has been consuming us around here for the last 4 days, and that has been the topic that is most being discussed on the news and I think by many Americans. I know that in speaking to my colleagues on both sides of the aisle, that we have all received many, many telephone calls about the issue of our economy. And again it is very much on our minds and

it is the thing that is pretty much dominating everyone's thinking.

I came tonight because last night I talked a little bit about the situation that we have and my concern about the blame game. Ever since there was the announcement that we have a problem with our economy that the President and Secretary of Treasury have announced that we need to do something drastic about our economy, there have been a lot of people pointing fingers. We've heard a lot, particularly from the Democrats, saying that this is a Republican problem, you deal with it. But as we see more and more in the news and more and more in documents, we learn that Republicans and even nonpartisan people such as Alan Greenspan when he was chairman of the Federal Reserve warned that something needed to be done about this situation or we were going to very much be in the situation that we find ourselves in and that the root of this problem was the problem with the two agencies called Fannie Mae and Freddie Mac. These are agencies that were set up many years ago to deal with helping people who were low-income people or disadvantaged people or minorities get low-income loans and be able to buy homes.

We've learned again a great deal about the fact that there was insufficient oversight of those two agencies, and that when Republicans raised the issue of better oversight, more effective oversight, they were often blocked. There was an article in Friday's Washington Post by Al Hubbard and Noam Neusner entitled "Where Was Senator Dodd?" And the subheadlines, "Playing the Blame Game on Fannie and Freddie." I would like to submit the entire article. I'm not going to read it all.

Madam Speaker, let me just read a bit of it. "Taxpayers face a tab of as much as \$200 billion for a government takeover of Fannie Mae and Freddie Mac, the formerly semi-autonomous mortgage finance clearinghouses. And Senator Christopher Dodd, the Democratic chairman of the Senate Banking Committee, has the gall to ask in a Bloomberg Television interview, 'I have a lot of questions about where was the administration over the last 8 years.'

"We will save the senator some trouble. Here is what we saw firsthand at the White House from late 2002 to 2007: Starting in 2002, White House and Treasury Department economic policy staffers, with support from then-Chief of Staff Andy Card, began to press for meaningful reforms of Fannie, Freddie and other government-sponsored enterprises."

And then it goes on to talk about it. And it chronicles all of the problems that were put up to the administration when they brought these issues up. There are many, many other articles that are out, as I said, talking about this.

Now, I am not one who is in favor of the plan that was brought to us by Sec-

retary Paulson at the beginning of this week. Many of us here really believe in this country, and we believe in the principles that undergird this country. They are the rule of law, our Judeo-Christian heritage and capitalism. Those are the things that have made our country great. And it is not appropriate to turn over our economic system to the government.

[From the Washington Post, Sept. 12, 2008]

WHERE WAS SEN. DODD?

(By Al Hubbard and Noam Neusner)

Taxpayers face a tab of as much as \$200 billion for a government takeover of Fannie Mae and Freddie Mac, the formerly semi-autonomous mortgage finance clearinghouses. And Sen. Christopher Dodd, the Democratic chairman of the Senate Banking Committee, has the gall to ask in a Bloomberg Television interview: "I have a lot of questions about where was the administration over the last eight years."

We will save the senator some trouble. Here is what we saw firsthand at the White House from late 2002 through 2007: Starting in 2002, White House and Treasury Department economic policy staffers, with support from then-Chief of Staff Andy Card, began to press for meaningful reforms of Fannie, Freddie and other government-sponsored enterprises (GSEs).

The crux of their concern was this: Investors believed that the GSEs were government-backed, so shouldn't the GSEs also be subject to meaningful government supervision?

This was not the first time a White House had tried to confront this issue. During the Clinton years, Treasury Secretary Larry Summers and Treasury official Gary Gensler both spoke out on the issue of Fannie and Freddie's investment portfolios, which had already begun to resemble hedge funds with risky holdings. Nor were others silent: As chairman of the Federal Reserve, Alan Greenspan regularly warned about the risks posed by Fannie and Freddie's holdings.

President Bush was receptive to reform. He withheld nominees for Fannie and Freddie's boards—a presidential privilege. While it would have been valuable politically to use such positions to reward supporters, the president put good policy above good politics.

In subsequent years, officials at Treasury and the Council of Economic Advisers (especially Chairmen Greg Mankiw and Harvey Rosen) pressed for the following: Requiring Fannie and Freddie to submit to regulations of the Securities and Exchange Commission; to adopt financial accounting standards; to follow bank standards for capital requirements; to shrink their portfolios of assets from risky levels; and empowering regulators such as the Office of Federal Housing Oversight to monitor the firms.

The administration did not accept half measures. In 2005, Republican Mike Oxley, then chairman of the House Financial Services Committee, brought up a reform bill (H.R. 1461), and Fannie and Freddie's lobbyists set out to weaken it. The bill was rendered so toothless that Card called Oxley the night before markup and promised to oppose it. Oxley pulled the bill instead.

During this period, Sen. Richard Shelby led a small group of legislators favoring reform, including fellow Republican Sens. John Sununu, Chuck Hagel and Elizabeth Dole. Meanwhile, Dodd—who along with Democratic Sens. John Kerry, Barack Obama and Hillary Clinton were the top four recipients of Fannie and Freddie campaign contributions from 1988 to 2008—actively opposed such measures and further weakened existing regulations.