we actually have, instead of spending money we do not have.

This unrestrained borrowing and spending has got to stop because it's not working. Now, one of the things that we need to do to actually begin to stimulate the economy is just leave the money in the economy. How do we leave the money in the economy?

Well, Mr. Speaker, what we do is we lower the taxes. We lower the taxes on individuals. We lower the taxes on corporations. We lower the taxes on small businesses.

Our small businesses, for example, are the number one job creators in America. By lowering the taxes for small businesses, we are able to create jobs and opportunity. Whether it's Joe the Plumber or Ray the Electrician, when they have the opportunity to keep more of the money that they are making, they go out and buy a new service truck.

Well, you know what happens when they buy a new service truck? They have got to go hire someone to run that truck, so they go out and hire an electrician or a plumber and maybe a helper. So that creates more and more jobs.

But every time we take more and more of the money of Joe the Plumber or Ray the Electrician or the American hardworking people, when we take that money into Congress or into the government, one, that dollar gets a lot smaller when it goes back out and, yet, so we are taking, the net effect is, we are taking money out of the economy.

I introduced a bill last week that would try to leave the money in the economy. What this bill would do would be lower each one of the tax brackets by—the tax rate on each one of the brackets by 5 percent.

Also, it would make the top brackets in this country, both corporate and individual, 25 percent. That means that we have a further reduction in the amount of money that we take out of the economy on a daily, weekly and annual basis.

Now, what could this do? Well, according to the Heritage Foundation, this could help create more jobs in our country. Possibly in 2009 it could create a half a million new jobs; by the year 2012, 3.6 million new jobs.

If Americans and the American people are going to enjoy the freedoms and liberties that this Nation offers, the best way to do that is to allow them to have the opportunity to work and to earn their money, but, more importantly, to keep more of their money.

One of the things that we have done in this country that concerns me, I think it concerns the American people, is this country was founded on principles of empowerment. People came to America with dreams that they would work hard, apply themselves. And if they did that, they could reap the benefits of their hard work and enjoy their successes.

But, unfortunately, in our country today, they were running away from big government. Now the country that was founded on the principles of small business is moving more to big government. And how is the government getting bigger? It's taking a bigger and bigger chunk out of the American people's, American taxpayers' hard-earned money.

Mr. Speaker, these are difficult times, yet they are challenging times, but they are times where we must make good decisions. Going out and mortgaging another $1.3 billion for future generations to pay back is not a good investment.

I ask my colleagues to join me in supporting this bill so that we can leave more money with the American taxpayers. The American taxpayers deserve a better plan from the Federal government than more spending on top of a deficit already projected to be more than $1 trillion this year.

Congress should focus on solutions that empower individuals and businesses to succeed in the economy, rather than solutions that make them more dependent on the Federal government.

WALL STREET'S BANKSTERS ARE COMING BACK TO MAMA

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 2009, the gentlewoman from Ohio (Ms. KAPTUR) is recognized for 60 minutes as the designee of the majority leader.

Ms. KAPTUR. Mr. Speaker, wake up, America. Get your telephone calls going to Congress. Set up your robodials in gear. Wall Street's banksters are coming back to mama. Here they come again, and shame on us if we let them do it to us again.

America, pay attention. Batten down the hatches. Let your Member of Congress know the banksters are coming back to mama.

We are about to be taken for a ride by the banksters again. These banksters bank on us making the taxpayers pay again.

Don't let them do it. Why? Because what they are doing is trampling our democracy. We are getting set to have another piece of legislation crammed through the Congress regarding the bailout. They call it TARP, the Troubled Assets Relief Program. It's the old bank bailout bill from last year.

Despite the fact that due deliberation is required of us as Members of Congress through regular order of this House, and, frankly, our Constitution, this new cram down comes with a twist. Instead of not holding any hearings on the reform of the TARP, like happened last time, and only letting us see the bill 18 hours before $700 billion of the taxpayers' money was to be put on the table, one hearing is being held, exactly one, tomorrow, and it happens to be being held at the same time that amendments to that bill are supposed to be filed upstairs in the Rules Committee.

So Members who spent over 20 years on that committee are unable to take what they hear at the hearing, and the information learned, to make recommendations for amendments to the Rules Committee. Any Member who might not be on the committee, and who wants to go to the hearing and listen, and then maybe propose amendments, well, you can't do that because it's being held at the same time.

The committee will be holding the hearing here in the Capitol where most Americans can no longer afford to travel. They are not bothering to go out to the country, to the communities that have been so badly devastated by the rising foreclosure crisis, that the TARP, the bank bailout bill is not solving.

No, the public won't be included, and the subpoena power of the committee will not be used. So here we go, the banksters are back. They want another $350 billion of our taxpayers' money, and the deliberations inside this Chamber are throttled. Isn't that sad, particularly given what happened to the first 350 billion. Once again, we are being pushed and told we have to hurry this up. We are going to have a new President. So we are told to hurry up and be hasty and not be thoughtful, because, of course, something might happen. But you know what? It's already happening.

What we are doing isn't working. But we are going to have to be voting this week on a big unthinkable wad of our taxpayers' money, $350 billion more. And if we learned anything from the release of the first half of the TARP funds, it's that hurried legislative action brings undesired and sloppy results.

Back in the fall we were told we didn't have the time to be deliberative, that if we didn't pass it, the economy was going to continue a downward spiral, that the economy would crash, and we would be to blame.

Well, some Members voted for it, and it passed, and guess what happened? What they said wouldn't. Never mind that Secretary Paulson's management of the economy and the bailout still has resulted in 1.2 million jobs lost in November and December. Believe me, people in my State know what those numbers really mean.

One in 10 homeowners are in arrears or in foreclosure, imagine that, 10 percent of the people who own homes in this country.

□ 2000

And $4 trillion of wealth has been lost by our families. The American people were played, and $350 billion later Secretary Paulson has given us no progress for the American people. We are in a deeper economic hole than when we began.

TARP isn't working. It hasn't stemmed the foreclosure crisis, which is at the heart of what is wrong with our economy. It didn't help unfreeze credit inside our financial system. The auto industry didn't go into a nose-dive because people didn't want to buy cars.

They couldn't get the loans from the banks to buy the cars because the housing foreclosure crisis froze up the credit system. Instead, TARP has brought the auto industry and hundreds of thousands of businesses across our country to their knees.

A staggering 693,000 jobs were lost across this country in the last month, three-quarters of a million, following 533,000 jobs the month before, half a million more. There are now nearly four job seekers for every one job opening. And, again, one in ten homeowners nationwide are now in arrears or facing foreclosure. My advice to people in that position: Don't leave your property. You claim your own property, because chances are if you had a good lawyer and they went to court on your behalf, they couldn't find who really holds your mortgage. If they go to the Truth in Lending laws, you might be surprised. The law might be on your side. Don't leave your property.

So what have the banks done with all this money? Shouldn't we know that before we vote to give them more? I ask every Member of Congress, shouldn't we know where the money went and what they did with it? Have they reworked mortgages and started lending again? No. No, they have not. Instead, they have had a party buying one another up. The big banks, particularly the Wall Street banks, they are getting bigger. Community banks are under stress. Many State-Headquartered banks are being bought by the bigger banks.

PNC, already one of the Nation's largest banks, bought National City Bank in Ohio. They are throwing 4,000 people out of work in Cleveland, Ohio. But PNC became, hold on to your seats now, the fifth largest bank in the United States from the infusion of TARP funds it received. The fifth largest bank in our country, and their corporate expansion bought and paid for by you, our taxpayers.

Now, look at who else is getting bigger. Last night, CBS news reported on CBS.com that Bank of America received $15 billion, and then they bought Merrill Lynch, that had gotten $10 billion even as it was put up for sale. Total that up. That is $25 billion. Now Morgan Stanley, the recipient of $10 billion, is buying China Trust Bank. Another half dozen banks, including M&T, Capital One Bank, US Bancorp, Hampton Roads Bankshares and PNC, got bailout money, and then they bought up other banks. They just keep getting bigger. And what is interesting about that, under the law, when they buy another bank, they can probably book losses on their 2008 tax returns.

It is very interesting how the financial system works on behalf of the big, and yet for those losing their homes, they have almost no one to represent them. They are having a royal time with our money, the banksters up there on Wall Street.

Money Morning reports the 116 banks that are receiving billions in taxpayer-provided bailout money this year actually paid out $1.6 billion in compensation to their executives, plus benefits, even though the results at some of these institutions were so poor that they would soon have to turn to Washington for government-engineered rescues. The $1.6 billion in compensation and benefits to the banksters was paid out to nearly 600 executives at the 116 banks that have so far accepted Federal money to bolster their financial situation.

The Associated Press concluded after a review of U.S. security filings that in addition to salary, the compensation included bonuses paid in both cash and stock. The benefits reaped by top executives included the use of company jets for personal purposes, personal chauffeurs, home security services, country club memberships and professional wealth management services, the news service said.

Now, let's give them credit. These banksters know how to walk our money around. They even know how to create money when there isn't any there. They create fancy names; derivatives, credit default swaps and collateralized debt obligations. But those instruments are not worth anything, because the underlying assets cannot pay back the money if someone tries to collect it. That is usually called fraud or money laundering.

But could it be a cruel twist of fate that the Secretary of the Treasury, Mr. Paulson, former chief executive officer of Goldman Sachs, oddly took care of Goldman, his firm, first during all of this, making it a bank holding company, so it could get its nose under the tent cover—I mean qualify for Federal insurance, like the well-run banks do, which had paid into the insurance system. He did that for his own institution, but then he shed crocodile tears and he pushed Lehman Brothers overboard with no mercy. I would really like to know the full truth behind that story.

But then Mr. Paulson, by coincidence surely, picked his top money man at Goldman Sachs and moved him too, lock stock and barrel, into the U.S. Treasury to hand out our cash. Now, this surely must have been done accidentally. How can you have two men from the same Wall Street firm delegated all this power? Oh, you might have heard his name. It is Mr. Kashkari. Yes, Neel Kashkari. He came from Goldman.

It must surely be another coincidence that Goldman was also Wall Street's largest contributor to Federal campaigns last year. Check it out yourself at opensecrets.org. That is a Web site, opensecrets.org. In fact, Wall Street overall became the largest donor to Federal elections. And they are not showing any signs of slowing down. According to the Wall Street Journal, 90 percent of donations received so far for the Inaugural Committee have been raised by well-heeled fund-raisers, including Wall Street executives whose companies have received billions of dollars in Federal bailout money.

Well, think about that one. Of the 207 fund-raisers that have collected $24.8 million of the $27.3 million in contributions through Thursday for the coming inauguration, according to an analysis by the nonpartisan campaign finance group Public Citizen, Wall Street employees as a group have been the biggest single source of these donations. Much of their donations, in fact $5.7 million total, has been channeled through financial services executives who each have bundled together donations worth hundreds of thousands of dollars.

Goldman Sachs has provided $175,000 in donations primarily through the bundling efforts of Jennifer Scully, who has raised over $100,000; Bruce Heyman who raised $50,000, including $10,000 of his own money; and another gentleman, David Heller, who donated another $25,000. Think about what is going on here.

But, you know, a lot of people say they don't influence peddle. Banksters don't influence peddle. They just want good government. Sure they do. Of course, all this is accidental. Nobody planned it this way. Just like Bernie Madoff. Oh, he didn't plan anything either. Some might believe what these banksters do in their private affairs has absolutely no relationship to what happens here in Washington, and if you believe that, you were born yesterday. Fool me once, shame on you; fool me twice, shame on me.

There are problems with the bill drafted to address the administration's mishandling of the bailout. This is the bill that is going to come before us, we think, H.R. 384, the TARP Reform Accountability Act of 2009. TARP doesn't need reforming. We need to kill it. We need to put the attention at the Federal Deposition Insurance Corporation and the Securities and Exchange Commission in order to resolve the interbank lending problem and the foreclosure credit crisis. We don't need to give this job to the Treasury. The wrong agency has the lead.

Let's look at title II, called ''foreclosure relief.'' Number one, the legislation provides no new plan to stop foreclosures. That is what it was passed to do in the first place. This bill doesn't have it either. It continues to do more of the same, which simply hasn't worked. Servicers are not motivated through this bill to modify loans, because they are making money hand-over-fist servicing defaulted loans, foreclosing on loans and profiting from real estate that they have come to own. And they are awaiting booking huge tax losses on their 2008 income tax filings. The Tax Code favors them, not us, not the people who sent me here.

This legislation that is proposed does not help homeowners defend themselves against criminal acts of fraud being perpetrated against them in processing foreclosures. A majority of the loans originated between 2000 and 2008 have legal defenses against foreclosures, but because the scheme has drained consumers of financial resources and because there are so few consumer law attorneys who know how to raise these defenses in a court of law, consumers have no access to their rights, for example, under the Truth in Lending Act.

The legislation continues to shift both the risk and the cost of the program off corporations who perpetrated the scheme and on to homeowners, our American taxpayers. The legislation does not address the root of the problem and it will be just as ineffective as the first round of TARP funding in addressing the core problem, the home foreclosure crisis. The current loan modification restrictions are unsustainable and they will redefault.

Let's go to title V, and I can't go through every title tonight, called Hope For Homeowners Program Improvements. Hope for Homeowners consist of industry players who created the mortgage mess to begin with. They are milking the system and not providing any relief to homeowners now. New nonprofit companies and loan modification companies are cropping up all over, and most of these have been established by the very mortgage brokers who defrauded consumers and sold them into subprime slavery. They should not now be rewarded with a new business opportunity to revictimize the victims.

So let's look at some recommendations that make sense. The bill that will be sent to us will not correct the root of the problem and it will not achieve the goal of preventing foreclosures and keeping people in their homes. There are many effective foreclosure prevention strategies being deployed by attorneys and advocates, and we need to translate these into systemic solutions.

We need to investigate, and it is a sham that this Congress is not doing appropriate oversight; how the shadow banking sector created by the Wall Street investment banks after the repeal of Glass-Steagall, which was called Gramm-Leach-Bliley, constructed a private money creation system that in a short 10 years equals or exceeds the assets of all regulated banks nationwide.

In short there are solutions. We need a consumer-centric model. What we have now is a creditor-centric model. It will eventually lead to a complete collapse, because consumers and taxpayers cannot handle this burden.

Let's go back to Ohio and take the case of National City, which has been an institution headquartered in Ohio, in Cleveland, since 1845.

□ 2015

Now, Treasury's money, the taxpayers' money, our money, went to another out-of-state bank, PNC, of Pittsburgh, whose vice president, Mr. Demchuk, invented the derivative instrument. They came to Ohio, PNC, and they bought National City Bank, putting all the National City Bank employees on notice with pink slips, 4,000 of them, that they would be out of work on the tape. PNC became bigger.

So what Mr. Kashkari did was take our money and give it to PNC, that hasn't worked out any of its mortgage loans. They, then, came to Ohio and bought out National City Bank. So PNC got bigger, our banking system gets more concentrated, and PNC became more powerful. Some say they actually have price control power now over all of Western Pennsylvania.

So, PNC got $7.5 billion from us. Cleveland and Ohio lose a Fortune 500 company. They lose 4,000 National City Bank workers, and in Ohio, foreclosures are raging. And Ohio, it gets nothing. We get nothing. We need $20 billion just to fix what's wrong in Ohio. But all we get is more foreclosures.

Now, take another institution. In 2008, Citigroup, one of the main culprits that caused the financial meltdown, was bestowed $25 billion. They got more than PNC. They got it from us, the taxpayer. And then they just kept foreclosing. In my district alone, another 235 families just were told, you're out of your house.

Last November I found an advertisement in my local paper that said there was going to be an auction in my home community, and I was surprised. I didn't know the company coming in. It was called Hudson and Marshall of Dallas, Texas. So I went to the auction.

And guess what? Citigroup was one of the banks selling the properties through Hudson Marshall. I attended. And I watched homes in my community sold for as little as $7,900, a price so low that we could have put the original owners back in those homes.

Not only was Citigroup auctioning homes that night, but so were lots of other bailout recipients. Those are the banks that got the money from Treasury through us. Here they are: Wells Fargo, US Bank, Deutsche Bank, ABN/Amro, Chase Home Finance, Fifth Third Bank, Standard Federal, and LaSalle. They all got the money, and then they turned their backs on the very people that they were meant to help. That's what the people who passed the bailout bill last year said, that we would help those being foreclosed. But that hasn't happened.

It is clear that the recipients of the Treasury money are unwilling to craft real workouts. And so what happens in our region is people just keep getting kicked out of their homes.

Wall Street hired the auction company from Dallas, Texas. They didn't even hire an Ohio auctioneer. They came to our region. They sold all those properties for very little money. And they're going to get big, huge tax losses written off their IRS filings for the tax year of 2008.

But where are our families who lost their homes? Out on the street. Our people lost their homes and they lost their way of life.

I would like to invite Mr. Kashkari and Secretary Paulson and all the PNC executives to come to Ohio. I want you to live in one of the neighborhoods that your actions have affected. We're going to give you a little heater, a Bunsen burner heater overnight so you don't get too cold in those houses. And we'd like you to experience the results of what you are doing to the American people. You're holed up here in Washington with lots of security.

We need to get people back on Main Street. That's where we represent. Last year 4,100 homes, just in my home county, were foreclosed. And in the last 2½ years, 10 percent of the properties in my home community foreclosed. 10 percent of the entire housing stock. And as foreclosure rates continue to rise in places like Ohio, it's pretty obvious that's what's happening here in Washington isn't connecting to Main Street.

Why don't people here see that? Why are people afraid to look at the details of what's being proposed to us and say, no, no, to the banksters?

Sadly, Hudson and Marshall, the auction house that Wall Street hired to sell all those homes in my community, they're coming to your town too. This month alone they're slated to be in several cities, in Michigan, Arizona, Connecticut, Massachusetts, Rhode Island, New Jersey. Think about this. Think how much money they are making. And they're going to auction at least 1,455 properties. They've now sold over 70,000 homes just in the last few years, and they are expecting, just this one company, to sell another, to auction another 30,000 properties in 2009.

Mr. Paulson and Mr. Kashkari, your program isn't working.

What is happening is an outrage to the American people, and they are being asked to pay for this. There shouldn't be any more TARP bills clearing this Congress. Full hearings must be held in the communities being affected, not some little hearing up here in one room in the Capitol on one afternoon or in a couple of hours. We need to use our power to get to the truth and represent the voters that sent us here.

Equity is bleeding profusely from our communities, and the sheer volume of the properties sold at auction is disturbing. Financial institutions which have been capitalized through the TARP program have failed to do mortgage workouts. FDIC and SEC are the institutions to take care of this mess, and they must be required to do mortgage workouts, rather than foreclosing on homes and participating in these auctions.

Hudson and Marshall stated in a press release today that they have made over $1.2 billion recently doing auctions. $1.2 billion. These are dollars that could have been turned to do mortgage workouts at the local level and put people back in their homes.

The intent of the TARP was to help stabilize our financial system, which includes, in large measure, our housing industry. Yet, what are the financial institutions doing? Enriching themselves, merging, creating mega-giant institutions and foreclosing on families, rather than working to stabilize families and neighborhoods across this country.

A stable home permits people to focus on obtaining and maintaining employment, purchasing food and contributing to society in positive ways, rather than relying on Social Services funded by State and Federal dollars.

We see communities falling apart. Community members and local banks are effectively locked out of the opportunity to reinvest in themselves because monies from the Department of Housing and Urban Development, which we were told would get to the communities so they could buy these homes, guess what? They're not there. They weren't there in October. They weren't there in November, they weren't there in December. They're not there in January. Now we're told maybe they'll be there by March. Nobody seems to know. So all of these programs that were supposed to work to help the American people who are paying the bill aren't working.

No second round of bailout money, under TARP, should emerge from this Congress unless real hearings are held under all the committees of jurisdiction, unless the subpoena powers of this Congress are used, and that the victims of this crisis can have their voices heard in the deliberative process, not just here in Washington but where they live, where we live, in the real America. The committees should treat the American people with respect, and they should travel to the communities most impacted.

Why should we trust the banksters, those Wall Street banks that are going to be up here again this week, as we watch families in our regions pushed over the edge every day of every month, as the year proceeds?

Mr. Speaker, this is probably the worst financial crime I've ever seen committed against the American people. And yet, Congress seems almost somnambulant. It seems to be walking around in a daze, the institution largely shut down, all of this happening before the new President even assumes office.

Think about the politics of the timing of this. I think the new President should suspend foreclosures. He should make a statement on that, and he should ask that this action be suspended. What's going to happen in 7 days that hasn't happened already? And then assume office and appoint people at the FDIC and SEC who will use the normal means to resolve real estate problems across the banking system of this country.

To give $350 billion more, 1/3 of a trillion dollars, to the banksters who have led America to this precipice, is absolutely backwards.

I ask my colleagues, wake up.

I ask the American people, get your calls coming in. Let's let the new President and the new Congress use the full powers they have been given to address this deeply, deeply rooted economic crisis. Until we fix the housing crisis, and we get those real estate loans worked out on the books of institutions locally, and we stand up to Wall Street, we are not going to fix this problem, and the American people are going to continue to bleed, and that is morally wrong. That is simply morally wrong.

I agree with the new President-elect who said he believes in a moratorium on foreclosures. That ought to happen until he puts people in place who can remedy this problem without $350 billion more dollars walking out the door before he even assumes office. As a former community organizer, he must know the pain that exists across this country.

And just because Wall Street has more money and a lot of political power doesn't mean that it's right. We, as a Congress, must do what's right for the American people. We must say ''no'' to the second $350 billion, and we must represent the people who depend on us to do what's right for them and right for the country.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 8 o'clock and 28 minutes p.m.), the House stood in recess subject to the call of the Chair.

□ 2050

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. McGovern) at 8 o'clock and 50 minutes p.m.

RESIGNATION AS MEMBER OF COMMITTEE ON RULES

The SPEAKER pro tempore laid before the House the following resignation as a member of the Committee on Rules:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, January 12, 2009.

The Hon. NANCY PELOSI,
Speaker, House of Representatives,
Washington, DC.

DEAR SPEAKER PELOSI: I am writing to notify you of my resignation from the Committee on Rules, effective January 14, 2008.

I appreciate the incredible opportunity you gave me to serve on this important committee two years ago. As a new Member of Congress, the Committee on Rules provided me with an invaluable introduction to the legislative process and a key opportunity to serve Vermonters. I look forward now to working on the pressing national issues as a new member of the Committee on Energy and Commerce.

Thank you for your attention to this matter.

Sincerely,

PETER WELCH,
Member of Congress.

The SPEAKER pro tempore. Without objection, the resignation is accepted.

There was no objection.

RESIGNATION AS MEMBER OF COMMITTEE ON RULES

The SPEAKER pro tempore laid before the House the following resignation as a member of the Committee on Rules:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, January 12, 2009.

Hon. NANCY PELOSI,
Speaker, House of Representatives, Washington, DC.

DEAR MADAM SPEAKER: I am writing to notify you of my resignation from the Committee on Rules, effective January 14, 2009. I enjoyed serving on such a prestigious Committee and look forward to serving on the Committee on Energy and Commerce Committee.

Thank you for your attention to this matter.

Sincerely,

BETTY SUTTON,
Member of Congress.

The SPEAKER pro tempore. Without objection, the resignation is accepted.

There was no objection.

RESIGNATION AS MEMBER OF COMMITTEE ON RULES

The SPEAKER pro tempore laid before the House the following resignation as a member of the Committee on Rules:

JANUARY 12, 2009.

Hon. NANCY PELOSI,
Speaker, House of Representatives,
The Capitol, Washington, DC.

DEAR SPEAKER PELOSI: I am writing to notify you of my resignation from the Rules Committee, effective January 14, 2009. It was an honor to serve you and Chairwoman Slaughter as a freshman member of this prestigious committee.

I look forward to continuing to serve you from the Energy and Commerce Committee in the 111th Congress.

Sincerely,

KATHY CASTOR,
United States Representative,
Florida District 11.

The SPEAKER pro tempore. Without objection, the resignation is accepted.

There was no objection.

RESIGNATION AS MEMBER OF COMMITTEE ON VETERANS' AFFAIRS

The SPEAKER pro tempore laid before the House the following resignation as a member of the Committee on Veterans' Affairs: