

Street, to car loans to small businesses to student loans. I never believed that premise, and I think the House of Representatives rejected that premise today.

We have, I think, credible alternatives before us. Mr. William Isaac, appointed by Jimmy Carter but reappointed by Ronald Reagan as head of the FDIC during the previous worst financial crisis in the United States, the savings and loan crisis, Mr. Isaac addressed a number of us in the skeptics caucus and a number of Republicans yesterday and others and said there's a regulatory way to get at this. There's a problem right now. A lot of the banks are actually in pretty good shape. In fact, a lot of these subprime assets, 75 percent of them, are still paying their bills. But they are basically being required to value them at zero right now because of an accounting rule. Change the accounting rule, he said, and suddenly a lot of banks that look like they're insolvent would not be insolvent and they would have money to lend. That would take care of the so-called liquidity crisis, the credit crisis that's out there. Further, he goes on with another technique that was used by him when he was head of the Federal Deposit Insurance Corporation to basically help the banks get through this period with an exchange of documents and a subordinate position on their fair value, not their fair market value when a market doesn't exist, on all their assets after bank examiners looked at it. He used that technique, and he solved a \$100 billion problem with the potential of 3,000 banks going into receivership with the Federal Government, ultimately only at a cost of about \$2 billion. That's a lot better than the Paulson plan, the Paulson premise. We should listen to Mr. Isaac and look at that approach as we revisit this issue.

Further, if we were going to go down the Paulson path, and I don't want to, if we really felt we had to throw money at the top on Wall Street and buy their bad assets, then we shouldn't put the taxpayers on the hook. I proposed something this week and I was told the Street wouldn't like it. "The Street wouldn't like it." The street is coming to us hat in hand. The Street moguls who hate government are on top of their mansion roofs crying for the government to come get them with a financial helicopter. "The Street wouldn't like it." A ¼ of 1 percent fee on every security transaction, something that we levied from 1914 through the Great Depression. In fact, Congress, over the objections of "the Street," doubled the security transfer fee during the Great Depression, and we kept it until 1966 when it just lapsed in the beginning of this deregulatory era. That would raise \$150 billion a year, more than enough for our regulatory institutions to engage in a very active form of assuring the liquidity of Wall Street firms, more than enough to pay for Mr. Paulson's misbegotten plan.

And then there's another approach, a Democratic approach, used by another President, FDR, in the Great Depression. Instead of dumping money on the failures on Wall Street, FDR said, I'm going to rebuild the economy from the bottom up. He invested in roads and bridges. He invested in hydroelectric systems, jobs, the WPA program. He put America back to work. And as they began to consume and the banks and everyone and small businesses did better, guess what. The wealth percolated up to Wall Street. Trickle down isn't working real well for average Americans day in, day out when you see the disparities in this country that are growing and growing and growing, and Democrats should not engage in financial trickle down, which is what Mr. Paulson proposed.

So a simple regulatory approach paid for, if you are going to do the Paulson approach, by Wall Street itself; or, even better, something to solve the underlying parts of the problem with the economy, an FDR-type approach.

SAVE AMERICA'S UTILITY INFRASTRUCTURE AND SECURE AMERICA ACT OF 2008

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas (Ms. JACKSON-LEE) is recognized for 5 minutes.

Ms. JACKSON-LEE of Texas. Madam Speaker, even as I stand here on the floor of the House, the residents of the gulf region, the gulf coasts of Louisiana and Texas, are still suffering from Hurricane Ike. We know as well that Hurricane Kyle has been making its way up the east coast. As we look back over the landscape this past year, we see the devastation of so much that has impacted our country through natural disasters—flooding, wind, hurricanes—and we realize that that is, by Mother Nature's way, something that will occur in this Nation on a regular basis.

As a member of the Homeland Security Committee and a chairperson of the Transportation Security and Critical Infrastructure Committee, I introduce today Save America's Utility Infrastructure and Secure America Act of 2008, H.R. 7230. I do so with the hope that Americans will be better prepared, not necessarily the Americans in their homes but the utility companies who every day receive our payments for electricity and finding out in times of trouble they are not prepared.

For example, the blackout of August, 2003, in the northeast, midwest, and adjoining parts of Canada highlighted the need for infrastructure operating improvements.

As the chairperson of this committee, I believe that one of the ways of securing America and making America safe is to go throughout the Nation and address the questions of the sectors that predominately are controlled by the private community. Eighty-five percent of our critical infrastructure is

controlled by the private community. By that they sense that they have sort of a pass. They don't have to invest in improving the infrastructure. So today I introduce this bill because I believe they do have to make a commitment to the rate payers to improve the infrastructure.

For example, in our own State of Texas, our public utility commission instructed, recommended to our utility company in a heavily treed area like my city of Houston to prepluck the trees that would entangle themselves in the above-ground wires. They recommended to them, if you will, to substitute the wooden polls for steel polls. They recommended to them that they should, in fact, secure the transformers.

□ 1530

None of this was done. And they were quoted as saying, it is far more inexpensive to clean up after the fact than to do this work beforehand. So what do we have? What we had in Texas is a tragedy of hundreds and hundreds of people, maybe thousands, impacted negatively by the lack of electricity. People were on oxygen and dialysis in hospitals that were shut down, and the tragedy of a 14-year-old asthmatic boy who lost his life, among others.

For me that is intolerable and unacceptable. If you want the benefit of doing business here in the United States, then you must do it well. So I have introduced this bill to subject those utilities who believe cavalierly that we don't have to do it, we want to keep the money in our pocket, to criminal penalties for those who don't develop vulnerable lists that will know where the hospitals and nursing homes are and where elderly persons and asthmatic persons live so that we can accept the fact that Mother Nature does not come with an appointment, but that we can be as prepared as we possibly can be. So this bill provides criminal penalties.

As well, the bill requires the establishment of vulnerable lists and vulnerable neighborhoods so that we are well aware of what to do. And it also instructs the Department of Homeland Security to ensure that our infrastructure is meeting the standards that it should meet. This I believe is the way government corrects and reforms a system to make it work for the American people.

Madam Speaker, today as a complement to my remarks, we looked to try and correct the market. We didn't quite get there. But certainly I want to express my appreciation for the hard work of the Democratic leadership. It is clear that our friends on the other side could not muster the support for their own administration. I believe however we can make this a better bill. We can make it a better bill by ensuring that homeowners are protected, by putting money into this bill that is particularly set aside for homeowners who may be going into foreclosure. And

let it be totally disregarded that people were living above their means. Yes, there are hardworking Americans who saw the opportunity to improve their lives. But the banking institutions gave them the permission to do so. And don't put this on the backs of minorities. Hardworking minorities likewise are working to make their lives better. But it was the banking entities that gave them this, if you will, predatory loan.

We can do better by making this bill better, working to ensure that there is no short selling by borrowing it, and we can as well bail out Main Street as we look to reform Wall Street.

THE ECONOMY

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

Mr. COHEN. Madam Speaker, today would have been the end of the 110th Congress. It appears it won't be for we will be returning to work on the bill that failed to pass today. I am a first-year Member, Madam Speaker, as you well know. And this was probably the most important and most difficult vote that any of us had to cast.

I came in today not knowing how I was going to vote. I listened to my constituents. I listened to economists. I listened to members of my party and members of the other party and tried to study on the issue. I ended up voting for the bill because I think it was the right thing to do for our country which I do believe, after reading Thomas Friedman and listening to others, is on the brink of an economic disaster.

The fact is, we need action. This Congress should have acted in a bipartisan fashion to take action. It was difficult to vote for the bill, just like it's difficult sometimes to take medicine that doesn't taste good or to have the doctor give you a shot or to go through a medical procedure. Sometimes you need it when you're sick. You want to avoid it because you don't want the bad taste or the pain of the surgery or the shot, but you know it's going to do you good. To do things that would allow people who have caused us this problem, people on Wall Street and investment bankers who are living all too well, to have some of their bad debts taken from them and to give them some relief was difficult.

But the bottom line is it affects everybody in America. It affects everybody's pension. It affects everybody's savings. It affects people's jobs. It affects the basic economic structure of our country. And to have capitalism and an economic system that works, you have got to have a financial system, an economic system which bankers are part of. And it has to be one that works.

We're interrelated. We had banks in Europe close. Two British banks and a German bank closed yesterday. And Wachovia was taken over today. Other

banks in America are in trouble. A banker whom I have confidence in and respect for called me and suggested that if this Congress didn't take action, that there would be runs on banks and bank failures. There would be conduct that would be reminiscent of the 1920s.

On Saturday I had some time and I went out and visited the Franklin Roosevelt Memorial. And I looked at the sculptures of the people in lines, the people that were affected by the Depression and the quote from Franklin Roosevelt that is inscribed on those walls that said "The test of our progress is not whether we add to the abundance of those who have much. It is whether we provide enough to those who have little.

And I thought about that and the failure of the Senate to pass the economic stimulus bill that we had passed here in this House to help people with food stamps, with Medicaid and with unemployment compensation that have already been affected, that while the bill we had today would have helped everybody, it would have most directly affected people who have much in abundance. And yet the Senate wasn't willing to help those who had too little. And I thought it ran counter to what Franklin Roosevelt spoke about.

There was lots in the bill I didn't like. There were things that could have been better considering the judicial standards and courts having more authority and more oversight. There were things in the bill that could have helped people who are in their homes now with bankruptcy options for judges to allow people to remain in their homes. And those things weren't there.

But on balance, I think we have to avert a disaster which I think we can be coming very close to experiencing. And I think the failure of this House to act in a bipartisan fashion, which it should have, is unfortunate for America.

It was a difficult vote, but I'm proud to have cast it. I hope that when we come back, and we will on Thursday, that the Republicans will come with more votes. They didn't deliver the votes they were supposed to. I was proud of their leadership as well as I was with mine in trying to do something right for America on the last day of this 110th Congress.

Madam Speaker, like you I'm very proud to be a Member of this Congress and to represent my country. I cast a vote that I know some people in my district might question because of the failures of the bill. But not to act would have been wrong. And on balance I felt like the right thing to do for our country to avert economic disaster was to vote for the bill. I hope we come back and have a better bill. Whether it is FDIC insurance going up to \$200,000 or more, which I have recommended, whether it is part of the economic stimulus package being added to the bill, or options for bankruptcy judges

to keep people in their homes, those are all ways that we can improve the bill. Hopefully we will improve it. And hopefully we will save our economy, the savings of our constituents and jobs of our constituents and keep America a strong and great country which I know it will be.

Madam Speaker, God bless America.

THE IRANIAN NUCLEAR THREAT

The SPEAKER pro tempore. Under the Speaker's announced policy of January 18, 2007, the gentleman from Arizona (Mr. FRANKS) is recognized for 60 minutes as the designee of the minority leader.

Mr. FRANKS of Arizona. Madam Speaker, it has been a profoundly significant day in the House of Representatives. And I suppose one of the things I would like to say first, Madam Speaker, is that the world will go on. We have made a decision today, I believe, that will ultimately serve the United States well. I believe the economic challenges before us in this country are significant. I also believe that we should always prefer temporary failure at that which will ultimately succeed than temporary success at that which will ultimately fail. And I believe that market factors were put in place long before this President came into office that are ultimately responsible for the challenges that we face today. However, I also believe that we're going in the right direction.

Senator JOHN empowered House Republicans in a very significant way a few days ago. And we made tremendous improvements, I believe, to move this toward a market-based bill that will call upon the private sector to capitalize the recovery of this economy. And I believe we're going in the right direction. And for those, Madam Speaker, that would question the commitment of this Government to make sure that we stabilize our economy, I would say to them, just wait. We will come up with something that will be far better than anything that we've discussed heretofore. And I believe that ultimately we will succeed and that America will be stronger and better for the fact that we have stepped back and chosen to regroup and come together to make an even better plan.

Madam Speaker, tonight I come really not to talk about the economy. I come to talk about something that in my judgment can affect the economy, the national security, and each one of the citizens of this country, and even the freedom of the world in a very significant way. I would remind us that as we talk about economic challenges, we have to remember that we are talking about a \$700 billion bill today, and yet remember that two airplanes hitting two buildings cost this economy \$2 trillion. September 11 certainly was more than just an attack on the Trade Center.

But the fact is that it had a profound impact on our economy. And we need