

bailout money. They called it the TARP. Some people would call it the "TRAP." That was adopted without hearings, without debate or amendments, and without proper justification, safeguards, or oversight. Fortunately, the Secretary of Treasury abandoned the intended purchase of troubled assets and has used the money instead to purchase capital in banks; so banks are buying banks now. But that funding should have gone to the Federal Deposit Insurance Corporation to purchase the capital rather than Treasury. He didn't use the money to do anything about the central part of the problem: mortgage workouts, the foreclosure crisis.

So why do we now have a proposal here to give the Secretary of Treasury another \$350 billion to spend on only God knows what? The bill says that \$40 to \$100 billion, and that's a \$60 billion spread, my friends, is intended for some kind of foreclosure relief but doesn't specify how it's to be accomplished. Congress's job is to specify. Is a \$60 billion swing between those two numbers the best we can do in estimating the cost of this program? What is the remaining \$250 billion to \$310 billion to be used for? Who decides? Just Treasury? If we are going to continue putting capital into financial institutions, shouldn't we at least order the Securities and Exchange Commission to stop destroying capital through market value accounting? What an opportunity for the special interests on Wall Street to take control when no one here seems to be in control, 6 days before our new President is sworn in.

Today, trying to correct the huge inadequacies of this bill, I went to the Rules Committee to prevent more damage and outright financial crimes associated with this, and I asked for two amendments, and both were denied.

The first amendment would have suspended any more money being expended from the first \$350 billion, if there's any left, and would stop the next \$350 billion until the Congressional Oversight Panel established in the original law has forensically accounted for each dollar of the original \$350 billion. Why not examine the effects of the first \$350 billion on the economy? Why not assess the effect of what the Federal Reserve policies in lowering their interest rates has been on our economy? That amendment, to follow the money, was denied. Now, here you have an agency that's selling trillions of dollars of our debt, and they're not telling Congress what they have done with \$350 billion?

The other amendment that I offered would have increased oversight and strengthened the role of the Federal Deposit Insurance Corporation overseeing TARP funds. It would have provided for oversight by the FDIC directly into the boardrooms of the banks that are getting our taxpayer money. Don't we have a right to know what they're doing with it? The FDIC is the right agency to oversee that.

So the Rules Committee denied me. I wasn't expecting they would approve it because this seems like a greased deal to me, but it shouldn't be a greased deal for the American people. Before we send another \$350 billion out of the door, there ought to be some accountability here.

The legislation that will be before us provides no plan to stop foreclosures, which is the root of the problem. In fact, there is nothing in there about renegotiation or holding the banks and the servicers accountable. The bill continues to do more of the same, which simply has not been working, but it gives all this power to Treasury, this secretive agency that isn't sharing anything.

The legislation does not help homeowners to defend themselves against criminal acts of massive fraud being perpetrated against them by Wall Street banksters in processing foreclosures.

The legislation continues to shift both the risk and the cost of the program off corporations and their boards of directors and their executives who perpetrated this scheme on the taxpayers. And the legislation does not address the root of the problem: foreclosures themselves. So it will be just as ineffective on Main Street as the first round of TARP in addressing the core problems.

Truly TARP is a trap.

Mr. Speaker, I would like to place in the RECORD additional comments about the impact, sadly, of the original bailout bill on my district and end with saying the intent of TARP was to stabilize our financial system, which means our housing industry. It's not happening, and we shouldn't give them more money.

RECOMMENDATIONS

This bill is not correcting the root of the problem and 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.

This Congress must embark upon a full investigation of how the "Shadow Banking Sector" created by the Wall Street Investment Banks post-repeal of the Glass-Steagall Act (Gramm-Leach-Bliley) constructed a private money-creation system that in 10 short 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 so creditor-centric it will eventually lead to a complete collapse because consumers/taxpayers cannot handle the burden.

OHIO'S NINTH CONGRESSIONAL DISTRICT

My district has been hard hit by the foreclosure crisis. Last year, in my home county of Lucas, another 4,100 homes were foreclosed, part of the 10 percent of my district's local housing stock that has been lost over the last 2.5 years. As foreclosure rates continue to rise in Ohio and across our Nation, it's pretty obvious that the Federal responses, such as the \$700 billion Troubled Asset Relief Program (TARP) rescue, are not working on the Main Streets of our communities.

The intent of the TARP bailout was to help stabilize our financial system, which includes in large measure our housing industry. Yet, we see financial institutions foreclosing on families rather than working to stabilize families in their homes. 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. Furthermore, we see communities falling apart. Community members and local banks are effectively locked out of the opportunity to bid on these properties and reinvest in themselves because monies from the Department of Housing and Urban Development which would allow community banks and members to purchase foreclosed homes have not yet arrived. We all know that you are more likely to do something for your neighbor than for someone you do not know across the country. Too often, Wall Street's actions engage out of town developers and investors who purchase homes anywhere they can, not just in their hometown—without any connection to the people and the community. This situation cannot continue.

We have the opportunity to direct positive change to restore our Main Streets and communities.

WINSTON-SALEM DASH—WINSTON-SALEM'S NEW MINOR LEAGUE BASEBALL TEAM

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

Ms. FOXX. Mr. Speaker, I suspect that every Member of this body would stand up here at some point and say that he or she lives in the best place in the United States or has the best district. I know that I have the best district in North Carolina, the Fifth District. It is a very diverse district, populated by many great people. The district has many, many attributes that people come to visit us for and come to live in the district.

But I want to highlight tonight one of the very positive things that's happening in my district this year and to call attention to that because so often we're talking about negative things on the floor. It's not the best of times economically in our country. But I think we need to talk some about positive things that are happening, and I want to talk tonight a little bit about a very positive thing that's happening in Winston-Salem, North Carolina.

Winston-Salem, and its two towns that came together many years ago, those two towns were settled in the mid 1700s by a group of very devout, hardworking Moravians, and many of their descendants still live in the area.

What Winston-Salem has decided to do in the last couple of years is to work on building a new stadium, a new ballpark, for its minor league baseball team and also has been working on coming up with a new name for that minor league baseball team. Later this year we expect to see a new ballpark in downtown Winston-Salem, which will

be a state-of-the-art facility, and the foundation of this ballpark area will develop into an entertainment district over the next few years. The new stadium will feature a 15,000 square foot kids' zone, full-scale restaurant, 16 luxury suites, and numerous additional components that will make it a showcase for the city. The ballpark is the result of a public-private partnership in not only the town of Winston-Salem but also in Forsyth County.

Now, the people who own the baseball team thought that it might be an interesting time to consider a new name for the baseball team, and so they had a "Name the Team" contest in which they received over 3,000 submissions in just 2 weeks. After reviewing the suggestions and receiving over 70 submissions for one particular name, the people in charge selected "Dash" to be the new team name. The idea behind that is Dash is what brings the two words, Winston and Salem, together, and the vision of the owners is to make the stadium a family-friendly environment and gathering place for entertainment within the Winston-Salem community.

Now, the Winston-Salem Dash is a minor league baseball team which dates back its franchise to 1945. They're a class high-A team in the Carolina league, and they have been a farm team of the Chicago White Sox since 1997. They'll begin playing in the new Winston-Salem ballpark beginning in 2009.

With its family-friendly entertainment and plain old American style fun, I'm sure the Dash is going to be a great success. And just as importantly, the new name for the team and the new ballpark are going to be an anchor for future development as the team stadium is completed and the players take the field this spring.

I'm looking forward to visiting a home game this spring to enjoy this most American of pastimes and support this addition to the Winston-Salem sports team. And I invite all my colleagues to join me there sometime and see that I live in the best district in the country.

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

(Mr. BURTON of Indiana 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 California (Ms. WOOLSEY) is recognized for 5 minutes.

(Ms. WOOLSEY addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

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

(Mr. FRANKS of Arizona 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 Oregon (Mr. DEFAZIO) is recognized for 5 minutes.

(Mr. DEFAZIO 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 California (Mr. SHERMAN) is recognized for 5 minutes.

(Mr. SHERMAN 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 Virginia (Mr. WOLF) is recognized for 5 minutes.

(Mr. WOLF 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 Arkansas (Mr. BOOZMAN) is recognized for 5 minutes.

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

THE ECONOMY IN AMERICA

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 2009, the gentleman from Missouri (Mr. AKIN) is recognized for 60 minutes as the designee of the minority leader.

Mr. AKIN. Mr. Speaker, we have an interesting topic that we're going to be talking about and developing over the next hour. I'm here representing the Republican Study Committee, and we would like to talk about the subject of our economy and the nature of the problems that we are facing but also what kinds of solutions are possible. I'm going to be joined by a number of other congressmen this evening, and I'm going to invite them to jump into our discussion. And, Mr. Speaker, I hope that you find the hour interesting and enjoyable.

Now, one of the problems with having Congressman AKIN here is I'm a former engineer and I get a little pedantic sometimes and I think it's important to exercise some discipline. And the discipline in this case is to define the nature of the problem in the economy in America.

□ 1945

So before you go offering legislation or try to fix something, it's good to know what it is you are trying to fix, and that will allow you to answer the important question whether or not it's going to work, which is not exactly a

small question. Unfortunately, we have spent an awful lot of money without really defining the problem on solutions which have not worked. And so that's why we need to take a little bit of time to talk about what's going on.

As perhaps many people are aware, there are two quasi-governmental organizations called Freddie and Fannie, Freddie Mac and Fannie Mae, and they, of course, have home mortgages which they take care of financially for more than half of the different people in America that have homes. So these are huge organizations, but they are not quite government, and they are not quite private. They are sort of in a gray zone, and they were created, ostensibly, to try to provide decent home loans for American citizens.

The problem, though, with Freddie and Fannie, because they are not really government, they were also outside of the administration's authority to be able to deal with them.

So Freddie and Fannie started to get more and more innovative over the past years, and they started to make all kinds of loans to all kinds of people. As those loans were made, what happened was there was not good control to make sure that the loans were being given to people that could actually afford to pay the loans.

In fact, we had, intentionally, Congress started to pass laws and put pressure on these organizations, as well as banks, to encourage them to make loans to people who could not afford to pay. Now, how that would be called compassionate, I am not quite sure, but Congress did that.

So what started to happen, in combination, as this was going on, you have the Federal Reserve lowers the interest rate, so money is easy to get, and all kinds of people jump on the housing bandwagon, and you create this real estate bubble, people taking out loans, which they don't have jobs or the finances to pay off these loans. And pretty soon, as we got toward the more recent years, this bubble explodes and all of these loans, people are starting to default on them.

Now, those loans had been packaged up and cut in pieces by Wall Street, sold all over the world. And now you have got one whale of a mess on your hands. Now, the question should be asked, then, well, didn't somebody see this coming, didn't somebody know that Freddie and Fannie were doing things that they shouldn't have done?

Well, in fact, in the New York Times, the President, President Bush, the headline on the article in the New York Times, in case anybody wants to look it up, it's on September 11, 2003, well before any of this came down. It says here the Bush administration today recommended the most significant regulatory overhaul in the housing finance industry since the savings and loan crisis a decade ago.

So here you have the President saying Freddie and Fannie are out of control, we need to get regulations on