

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

(Mr. INGLIS 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 North Carolina (Mr. MCHENRY) is recognized for 5 minutes.

(Mr. MCHENRY 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 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.)

### BIG THREE AUTOMAKERS

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

Mr. CARTER. I think most people know I spent a little time in the courts of this country. I am going to start off this conversation by saying that I'm not a bankruptcy judge, nor a bankruptcy litigant. And, in fact, I do not claim any expertise whatsoever in the area of bankruptcy. But I have some serious concerns that bother me about some things that are going on, and I would hope at least that the American people have these same concerns, because I really believe that the third branch of our government, the Judiciary, is there for recourse for all citizens, big and small. I think they are the fallback position, where politics should not interfere, but due process should prevail.

I believe that the protection of the minority interests of whatever we may be doing, it is best protected in the courts of our country.

I look at what is going on tonight and have been trying to figure out—and, I'm going to tell you, you're going to hear me ask a lot of questions tonight that I would like someone to give answers to, because I don't understand where things are going. But I'm looking at what is going on with the automobile industry in this country.

You know, the big three automakers in this country have been symbols of corporate greatness for my entire lifetime. We all can have a debate about who made the best car, what is the best car ever made, but most Americans would argue for some form of a GM car or Ford or a Chrysler as the best car they ever drove. Our grandfathers and our fathers have owned these vehicles and they have worked with these companies, and they have been respected and honored across this Nation.

Now, these companies are in trouble. At least two of them seem to be in a lot of trouble—Chrysler and General Motors. At least it has been indicated through the media that Chrysler is going to be seeking recourse in the bankruptcy courts.

The reason I say it has been indicated is because, in the normal course of things, what you normally see is that the board of directors, through its chief executive officer, will have a vote or will discuss the economic situation of the company and will come up with the fact that it's just not going to be viable. That at least they need the reorganization and the cancellation of some of their debts to be able to maintain order within the company and be a viable company.

But, in the case of Chrysler, the announcement was made by President Barack Obama to the media in a speech that he made announcing Chrysler would go into bankruptcy—at least it's my personal opinion that I don't believe at that time Mr. Obama held any position in the corporate structure of Chrysler to speak on their behalf, other than he is the President of the United States and he may have more knowledge than some of the rest of us, but it would be normal for Chrysler to make that announcement.

But then it would be normal for the board of directors of Chrysler to fire the executives of their company if they are not doing a good job, and it would be normal for the board of directors of General Motors to do the hiring and firing of executives that they have hired to manage their company.

March 29 of this year, President Obama forced the CEO of General Motors, Rick Wagoner, to resign from his post. As far as anyone can tell, this marks the first time in American history that a United States President has directly intervened in the daily running of an American business.

So we start with that announcement. The CEO, Mr. Wagoner, is fired by the President. Then, the President announces—not the CEO of Chrysler, but the President—announces the bankruptcy of Chrysler.

This bankruptcy, under normal circumstances, would go before a bankruptcy judge. And we have a set of laws that are established in this country—they are called creditors' rights. And we have creditors that stand in different positions when it comes to being repaid on debts, depending on whether they are secured or unsecured creditors, and we have a battery of laws that make that determination, and the bankruptcy court, doing a way more complicated analysis than I just did, comes up with who gets paid what and when and where and how and what happens; what assets are sold, all or part, and these are laws that are on the books that pretty well anybody can go see, and they are from time-to-time changed by the legislative body.

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But we understand now from what the newspapers tell us that the Obama

administration has announced the deal they expect to be rubber-stamped by the bankruptcy court. That deal is, according to the papers, a 55 percent ownership of Chrysler will be owned by the UAW, United Auto Workers. So the laborers of that company will be owning 55 percent of Chrysler. Then, 35 percent of Chrysler will be owned by Fiat, a foreign company out of Italy, and other places, I am sure. Then, 8 percent of Chrysler will be owned by the United States Government, and 2 percent of Chrysler will be owned by the Canadian Government.

I suppose, if we look at who is normally involved in corporate structure, you would have stockholders and preferred stockholders that are probably in there someplace; and, it looks like, to me, that they are divested of any interest in this trade.

Now, let me say that this should be something that the court makes a decision based upon creditors law, but it seems to be this is being shoved into the hands of the court, with an announcement by the White House saying: This is a settlement these people have agreed to, and you will do it this way.

I wonder, who is looking out for the stockholder? I don't own any Chrysler stock, but if I owned a share of Chrysler stock I would think that at one point in time I owned a portion of the Chrysler Corporation, that I was one of the owners of the business. Because we can cut through all the mystique of a corporate structure, the mystique that many call the bad guys, the big corporations. But big corporations are nothing more than a gathering of people who are called shareholders who invest their hard-earned money into a company, expecting that company to make profits and, in turn, return that value to them by an increase in stock price and possibly a dividend. It is Americans and others investing in America. That is what a corporation is all about.

Now, whether it is a small corporation that is in Round Rock, Texas, where I come from, that maybe has 20 shareholders, or whether it is a giant corporation like the Chrysler Corporation that probably has, who knows, a million shareholders, those people have invested their money and they have some interest in that business, and through their representatives that they elect to the board, they supposedly have a voice in what is going on. Yet, if this deal is the deal we are talking about, I don't see where these shareholders, whether they be preferred or whether they be ordinary stock shareholders, I don't see where they are accommodated at all.

You can hear some criticize and say that the Federal Government is taking over the automobile industry. Of course, I am sure that they would argue: Well, certainly not in the case of Chrysler, because we are not going to own but 8 percent of Chrysler. But their agent, the group that donates 99