

we want to express to Congress our great concern for the plan proposed by Treasury Secretary Paulson to deal with the financial crisis.

"We see three fatal pitfalls in the current proposed plan. One, its fairness, the plan is a subsidy to investors at taxpayer expense. Two, its ambiguity, neither the mission of the new agency, nor its oversight are clear; and, three, perhaps most important, its long-term effects, if the plan is enacted, its effects will be with us for a generation."

I know the President heard those remarks, it was reported on ABC. When he saw this, he said, "I don't care what someone on some college campus says," ABC reports. Instead he says he trusts his Treasury secretary.

Well, quite candidly, as a representative of Congress, I trust what my constituents are saying about this situation. They realize it's an important matter. They realize it's a tightening of the credit markets. They realize that something must be done, but they also realize, as the economists do, that we should not be putting this on the backs of the taxpayers, but, rather takes gentledady from North Carolina suggests, come up with an alternative proposal where the Wall Street players would actually be underwriting the cost of the proposal.

As the gentledady has put into the record and outlined it, in essence what we are doing there is setting up a guaranteed fund, if you will, or backing for those mortgage-backed securities.

I will just digress on how that would work for 30 seconds, think of it this way. If you are confident in the way that Washington handles your tax dollars today, if you are confident that the way the American government, Washington, handled your tax dollars when it came to Katrina, if you are confident with the way that Congress handles your tax dollars when, year after year, we can't balance our budget like the American family has to balance their budget. If you are confident in the way that the American government in Washington handles your tax dollars when we run deficits of \$100 billion, \$150 billion, then \$200 billion and \$300 billion, now over \$400 billion. With this, of course, on top of it, would be over a trillion dollars.

If you were confident with the management of the assets of the American government over the past years, then you should be absolutely confident that we would be able to set up an agency, either external to the Treasury or within the Treasury, to be able to handle \$700 billion of mortgage-backed security, and that would mean, on the back side of those, all the assets of those foreclosed properties that would possibly come from that as well.

Somebody on a TV show earlier said well we did it with the RTC, and Secretary of the Treasury Paulson said, well, this is not like the RTC. But in a the way it is. We were handling those assets. At some point along the line I

had to remind the commentator on the program with the RTC, it ended up costing the taxpayer around 127 to 147 billion dollars, which in today's dollars is around \$220 billion. Here we are talking about \$700 billion.

If you are confident the American government can do this better than anyone else, then support either the initial Paulson-Pelosi proposal or any hybrid or compromise from that that still involves that.

But if you are not so confident, if you have a question of the ability of Washington adequately handling those dollars, and if you have a question on how this may impact upon the economy and the monetization of that debt and the rise in inflation that may have followed it this year. But next year, if the production in this country does not increase, then you should be looking for an alternative, and that alternative is just what the lady from North Carolina has raised.

As I started my comment, I said, let us therefore not look to those who have brought us to this point in the first place, whether it be the Federal Reserve, with the loose lending policies that they have had for years, or the Congress who refused to step in, as I said, when evidence indicated that had there was a problem in the housing market, that a bubble was coming, that there was a problem with the GSEs, that's Fannie Mae and Freddie Mac but Congress refused to act.

Let's not go back to those individuals who brought us to that particular point for a solution, let's maybe think out of the box and look for a solution.

Another economist recently was published on this matter, to address more of the global issue, the larger issue. I will read from this, he is Chicago economist Robert Schimer from the University of Chicago. He States, as follows, "Let me mention one other issue that I take very seriously. I recognize that this might not matter much to my Congressman, but in my view it may be the most important issue for global welfare. The U.S. has long been a beacon of free markets. When economic conditions turn sour in Argentina or Indonesia, we give very clear instructions on what to do: balance the budget, cut government employment, maintain free trade and the rule of law, and do not prop up failing enterprises. Opponents of free markets argue that this advice benefits international financiers, not the domestic market. I have always believed (at least since I began to understand economics) that the U.S. approach was correct. But when the U.S. ignores its own advice in this situation, it reduces the credibility of this stance. Rewriting the rules of the game at this stage will therefore have serious ramifications not only for people in this country but for future of global capitalism. The social cost of that is far, far greater than \$700 billion.

So I end where I began, the social cost of our adopting a program, on this

country, and our children and our future generation will be far, far greater than anything we can imagine if we do not do it right.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Ms. WATERS (at the request of Mr. HOYER) for September 26 until 5:15 p.m.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. TANCREDO) to revise and extend their remarks and include extraneous material:)

Mr. BURTON of Indiana, for 5 minutes, today.

Mr. POE, for 5 minutes, September 28.

Mr. JONES, for 5 minutes, September 28.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1492. An act to improve the quality of Federal and State data regarding the availability and quality of broadband services and to promote the deployment of affordable broadband services to all parts of the Nation; to the Committee on Energy and Commerce.

S. 2913. An act to provide a limitation on judicial remedies in copyright infringement cases involving orphan works; to the Committee on the Judiciary.

S. 3109. An act to amend the Solid Waste Disposal Act to direct the Administrator of the Environmental Protection Agency to establish a hazardous waste electronic manifest system; to the Committee on Energy and Commerce.

S. 3192. An act to amend the Act of August 9, 1955, to authorize the Cow Creek band of Umpqua Indians of Oregon, the Coquille Tribe of Oregon, and the Confederated Tribes of the Siletz Reservation, Oregon, to obtain 99-year lease authority for trust land, and to authorize the Morongo Band of Cahuilla Mission Indians of the Morongo Reservation, California, to obtain 50-year lease authority for trust land; to the Committee on Natural Resources.

S. 3477. An act to amend title 44, United States Code, to authorize grants for Presidential Centers of Historical Excellence; to the Committee on Oversight and Government Reform.

S. 3536. An act to amend section 5402 of title 39, United States Code, to modify the authority relating to United States Postal Service air transportation contracts, and for other purposes; to the Committee on Oversight and Government Reform.

S. 3641. An act to authorize funding for the National Crime Victim Law Institute to provide support for victims of crime under Crime Victims Legal Assistance Programs as a part of the Victims of Crime Act of the 1984; to the Committee on the Judiciary.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Ms. Lorraine C. Miller, Clerk of the House, reported and found truly enrolled bills and a joint resolution of the