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House of Representatives

The House met at 12:30 p.m. and was called to order by the Speaker pro tempore (Ms. EDWARDS of Maryland).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
February 10, 2009.

I hereby appoint the Honorable DONNA F. EDWARDS to act as Speaker pro tempore on this day.

NANCY PELOSI,
Speaker of the House of Representatives.

MORNING-HOUR DEBATE

The SPEAKER pro tempore. Pursuant to the order of the House of January 6, 2009, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning-hour debate.

The Chair will alternate recognition between the parties, with each party limited to 30 minutes and each Member, other than the majority and minority leaders and the minority whip, limited to 5 minutes.

FINDING A CREDIBLE APPROACH TO THE ECONOMIC CRISIS

The SPEAKER pro tempore. The Chair recognizes the gentleman from Virginia (Mr. WOLF) for 1 minute.

Mr. WOLF. Madam Speaker, this is an ad that appeared in newspapers around the country. It is an iceberg. We can see what is going to happen. It says:

''Today's economic crisis is just the tip of the iceberg.

''$56 trillion.

''We must focus on a much larger yet less visible threat: the $56 trillion in liabilities and unfunded retirement and health care obligations (that's $483,000 per U.S. household), and the dangerous reliance on foreign lenders that threaten our ship of state.

''Fortunately, the Obama administration and a growing number of congressional leaders recognize the urgent need to address these challenges with entitlement, budget, spending, and tax reforms. We believe a capable and credible approach is necessary: an action-oriented, bipartisan commission that will engage the American people, that will consider all options and that will make sensible recommendations that will be guaranteed to be put to a vote in Congress.

''Meeting today's challenges is very important, but addressing these structural challenges is crucial to navigating a better future for our children and grandchildren.''

The question is, Madam Speaker, will this Congress deal with the greatest economic crisis that we have faced for the last 50 years?

HONORING THE LIFE OF JOHN FETCHER

The SPEAKER pro tempore. The Chair recognizes the gentleman from Colorado (Mr. SALAZAR) for 5 minutes.

Mr. SALAZAR. Madam Speaker, I rise today to pay tribute to a true icon of Colorado, Mr. John R. Fetcher. John Fetcher passed away on Friday, February 6, 2009. He was 97 years old.

I saw John Fetcher just last week at the Colorado Water Congress meeting in Denver. He was a mentor to me, and he epitomized the phrase ''the stuff that legends are made of.''

In 1949, John decided to move to northwest Colorado where he settled on the Elk River outside of Steamboat Springs. A Harvard-trained engineer and a rancher at heart, John Fetcher made his mark on Colorado by building reservoirs, by managing water districts and by bringing what is now the Steamboat Ski Area into the modern age.

Fetcher was a pioneer in the ski industry. He designed and tested the first metal ski; he revolutionized the building of ski jumps and ski areas, and he was elected to the Colorado Ski and Snowboard Hall of Fame.

However, it was John's work of preserving the water of the Yampa Valley that he claimed as his most successful accomplishment. In a 2006 interview and at 96 years young, he explained, ''If they take our water, we're out of business. It's that simple.'' He understood, perhaps more than anyone I have ever met, that water truly is the lifeblood of the West.

In the 1970s, he led the effort to build the Yamcolo Reservoir, calling it a ''godsend to the ranchers.'' He followed his effort with the creation of Steamboat Lake and Stagecoach Reservoir, complete with a small hydro-powered plant.

Throughout his career, John Fetcher created, managed and continued to work with local water and sewer districts such as the Mount Werner Sewer and Water District and the Upper Yampa River Water Conservancy District. Fetcher also served two terms as a member of the Colorado Water Conservation Board from 1970 to 1980. A farmer and rancher himself, John was connected to the land and knew the value of a hard day's work.

Last year, I was shocked to pick up the paper and see the headline blare ''Fletcher to semi-retire.'' He was 96 years old at the time. I guess he had the right to switch only to part-time work.

Colorado lost a legend on Friday—a lover of life, a caretaker of our precious land and water, a tireless worker, a pioneer in the ski industry, a rancher, a devoted public servant, and a loving father and grandfather. He was one of the finest men whom I have ever met. He will be missed but never forgotten, having left a legacy that will live on for generations to come.

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Madam Speaker, my heart goes out to John's family.

HONORING WINSTON STRICKLAND

The SPEAKER pro tempore. The Chair recognizes the gentleman from Georgia (Mr. GINGREY) for 1 minute.

Mr. GINGREY of Georgia. Madam Speaker, in celebration of Black History Month, I want to recognize African Americans from throughout Georgia's 11th Congressional District who have had a major impact on their community.

Today, I rise to honor Winston Strickland of Marietta, Georgia. Winston, known to most Cobb County residents as ''Strick,'' has been a cornerstone of the business community for more than 40 years. Marietta residents have likely frequented one of Winston Strickland's establishments—including Strick's Barber Shop, Strick's Grill, as well as his successful Laundromat.

In addition to Winston Strickland's many accomplishments in the business world, he has also had a major impact on the youth of his community in helping to found the Cobb organization of Blacks United for Youth. This community organization builds positive relationships between young people and officials in the school system and in the business community through mentorship programs and the Leadership Academy. The organization has provided more than $100,000 in college scholarships to local youth.

Last year, Blacks United for Youth honored Strickland by renaming their annual Making a Difference Award the ''Winston M. Strickland 'Making a Difference' Award.'' Strickland has also been honored as the Citizen of the Year by the Alpha Phi Alpha and Omega Psi Phi fraternities.

Winston Strickland strives to be a man of peace who helps others, and he is a role model for the community. He is one who, through his commitment to God, family and community service, can help bridge the gap between those in need and those who are willing and able to provide assistance.

I ask that my colleagues join me in thanking Winston M. Strickland for his leadership and service to Cobb County and for his commitment to improving his community.

THE FAILURES OF TARP

The SPEAKER pro tempore. The Chair recognizes the gentleman from Oregon (Mr. DEFAZIO) for 5 minutes.

Mr. DEFAZIO. I have concerns about the new plan by Treasury Secretary Geithner. Now, he is not explicitly asking the Congress for more TARP money. In fact, the Senate already gave him $350 billion more of TARP money, but they are tapping the Federal Reserve, in addition to that $350 billion, for hundreds of billions of dollars for his new plan.

As the New York Times says, ''For all of its boldness, the plan largely repeats the Bush administration's approach of deferring to many of the same companies and executives who peddled risky loans and investments at the heart of the crisis.'' That's right. The people who have gotten us into this and who have enriched themselves are the people who are going to protect the taxpayers and who are going to get us out of this. I don't believe that.

Some of the most glaring deficiencies of his plan are the so-called restraints on the obscene executive compensations. They are a pale shadow of what they could be. There was one good provision in TARP that almost everybody missed. It said that, if Congress passes a law, all of the past TARP agreements—all of them—will have to be brought in compliance of that law. We could get back the money they paid out in bonuses if we pass a law to do that. I would suggest Mr. Geithner should ask, but if he will not ask, we should still pass the law and begin to make taxpayers whole.

Beyond that, instead of tapping the taxpayers and borrowing money, the other tremendous failure is to put in place a mechanism to pay for this in the names of the American taxpayers in this generation and in the two generations to come.

A modest imposition of a transfer tax—something we had from 1917, it was doubled during the Great Depression and only expired in the sixties—a transfer tax of up to one-quarter of 1 percent, something the British have on the London Exchange, would raise about $150 billion a year.

Wall Street—those scions of ''lift yourselves up by the bootstraps; we are capitalist types''—could pay for their own bailout. Now, there are a couple of things wrong with the proposal. One is it would hurt some speculators. Of course, people seem to think there is some value in speculators because some of them trade on one-tenth of 1 percent or less margin 100 or 1,000 times a day. It wouldn't hurt people whose 401(k)s have already been decimated. In fact, it would stabilize the markets, and it wouldn't put the taxpayers on the hook. It would be Wall Street on the hook. Now, I don't know what is wrong with that. I don't think Main Street America thinks there is anything wrong with that, but somehow, downtown at the Treasury, Mr. Geithner and, obviously, Wall Street think that's wrong.

So let's protect the taxpayers. Let's raise the money from Wall Street, itself, and let's put in meaningful and punitive restrictions on executive compensation, and if they want to go work somewhere else, good luck to them. Mr. Geithner said, ''Oh, they'll all go work for foreign banks.'' Good. Maybe they'll ruin the foreign banks, too, and that will give us a competitive advantage in the future when we grow our small- and medium-sized banks that didn't gamble like these jerks on Wall Street.

THE CONTRASTING RESPONSE TO THE COLLAPSE OF THE JAPANESE AND SWEDISH FINANCIAL SYSTEMS

The SPEAKER pro tempore. The Chair recognizes the gentleman from California (Mr. DANIEL E. LUNGREN) for 5 minutes.

Mr. DANIEL E. LUNGREN of California. Madam Speaker, in light of the announcement of the Treasury Secretary of a new version of the financial rescue package, I wish to consider a broader context, historical context, perhaps, to gain a better understanding of how we may best serve our efforts to stabilize our banking system and unlock credit for our path to economic recovery.

In a recent report by the IMF, there have been a number of financial crises in the postwar era indicated. However, two examples stand out as relevant to our own difficulties. During the past decade, Japan and Sweden suffered financial and economic trauma that involved substantial similarities to the current challenges facing us. However, it is the nature of the very distinct responses of these two nations which warrant our attention.

Charles Kindleberger, in his classic work ''Manias, Panics, and Crashes,'' explains the situation confronting Japan in the early 1990s. The bubble in Japan reached its crescendo in 1989. Real estate prices had been skyrocketing, and the banks even developed new financial instruments like the 100-year, three-generation mortgage. In a story that sounds all too familiar, when the bubble burst, Japanese bank loans slowed, and as the availability of credit declined, distressed sales caused real estate prices to decline. By 1991, stock prices had fallen by 60 percent, and it was not until 2003 that the stock prices in Japan returned to the level that they had been 20 years earlier.

To put this into perspective, it will be remembered that seven out of 10 of the world's largest banks were Japanese at the beginning of the 1990s. Before the decade was over, these financial giants were insolvent. They remained in business only because of an understanding that the Japanese government would keep them afloat.

One of the reasons the comparison of the Japanese and Swedish financial bubbles is helpful to us is that it reflects the role of an increasingly intertwined global economy. As Kindleberger points out, the bubble in Sweden was largely affected by the offshore branches of banks headquartered in Tokyo and Osaka. The surge in the flow of loans from these banks led to the increase in real estate and stocks in Sweden. Before all was said and done, the price of real estate in Sweden was to rise even faster than it did in Japan.

In a presentation of the Kansas City Federal Reserve Bank, Sweden's former Central Bank chairman, Urban Backstrom, pointed to a number of factors which led to the Swedish bubble—