

Last year, under desperate but necessary circumstances, the U.S. Government had to rescue AIG from total collapse. This was done not to rescue the company itself but to rescue our financial system. AIG would not even continue to exist today except for the infusion of \$170 billion in taxpayer funds. The American people now own essentially 80 percent of the company, and AIG is supposed to be doing everything possible to right itself. Well, they haven't.

There is no rational way to justify these bonuses to people who have caused untold damage to our economy. This is not pay for performance, it is pay for failure, which makes no sense at all. Why should they get the golden parachutes when their company and our financial system have been crashing to the ground? The bonuses these individuals are receiving for their failure is more than most Americans make in a lifetime. The American people simply should not be in the position of rewarding the failure of high-flying Wall Street bankers who brought their company and our economy crashing down.

That is why I have joined today with Senator SCHUMER and other colleagues in writing to Edward Liddy, the chairman and CEO of AIG. We are telling him if these bonus contracts are not renegotiated immediately, we will offer legislation that will have the effect of making American taxpayers whole. AIG needs to step up and do the right thing. But if AIG doesn't take action on its own to correct this outrage, we stand ready to take the difficult but necessary step of enacting legislation that would allow the Government to recoup these bonus payments through the Tax Code.

If we are forced to do this, we will impose a steep tax, possibly as high as 91 percent, that would, in effect, recover nearly all the bonus money. Now, I am like most Americans; I don't like to see taxes raised. But in this instance, I think all of us can make an exception. If they refuse to do the right thing, then it is only fair to impose this kind of tax against the people who have done such great harm to our financial system. They can't walk away with millions of dollars.

They may be laughing all the way to the bank right now, but if AIG can't or won't fix this problem, these people will soon be crying all the way to the tax office. These people seem to think they can operate with a height of arrogance and irresponsibility. This is not just a business outrage, it is a moral outrage.

I am also concerned that in addition to the bonuses already handed out, AIG has plans to spend an additional \$450 million in bonuses over the next 2 years. Based on what we know now, can we trust that these bonus payments go to the people who deserve it—the people who fix the problems rather than people who just make the problems?

AIG is set to go into the history books as a company that symbolizes

the type of greed and recklessness that has weakened our economy. Where I come from, we reward those who work hard and play by the rules and we take responsibility when we screw up. I believe the administration and Congress should do everything in their power to block these payments and demand accountability.

Now, we know this is also an insult to the many good, strong, healthy financial institutions across this country—the small banks such as those we have in Minnesota; healthy financial institutions that didn't engage in these high-flying dealings that shouldn't be punished. Their stockholders shouldn't be punished because of what companies such as AIG did.

As a prosecutor for 8 years, I dealt with criminals all the time. I have to say the white-collar crooks were often the worst to deal with because they claimed their crimes were an honest mistake and that there weren't any victims. As far as I am concerned, it didn't matter if someone stole with a crowbar or a computer or that they committed their crimes in a nice office or out on the streets, they need to be held accountable under the law.

Time will tell, and the Justice Department and other prosecutors and police will sort this financial wreck out to see when and where crimes were committed, but it is clear that what we need is accountability. If AIG's leadership won't demand it, we will.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mrs. LINCOLN. Mr. President, I rise to join some of my colleagues to express our deep frustration with the financial institutions that have made the very poor decision of handing out multimillion dollar bonuses at taxpayers' expense—AIG being the latest in the line of continuing irresponsible behavior coming from Wall Street.

I have hard-working families—and there are hard-working families all across this great Nation—who are saying: Enough is enough.

This is not the kind of behavior Americans should be accepting at this time. It is completely irresponsible. Times are tough and people are sacrificing. People all across this country are sacrificing. Many employees in my State are seeing their hours cut or they are finding themselves out of work altogether. How are they caring for their families? They are working hard to look for that next job to put dinner on the table or to get their kids to school or making sure they can keep their families together.

I have talked to recent retirees who have been devastated because the nest egg they have been saving all these years has been slashed by 40 or 50 percent in just a matter of months. Now they are having to dramatically downsize their quality of life or go back to work, if they can even find work. I met a gentleman this weekend who is beginning to have college-age

kids. He spent his entire life working to save for those college funds only to find that in these last several months they too have been slashed in half.

These people are realizing the impact of what is happening not only in our country but globally. They are standing up as Americans. They are willing to make sacrifices. They are working hard to keep body and soul together. But it is absolutely, unequivocally totally unacceptable for failed financial institutions that have received taxpayer assistance to be rewarding their employees with bonus payments at this time. It is outrageous and it will not be allowed.

We are the stewards of the taxpayers in our States and of the dollars we have provided in good faith as an investment in these companies to try to make sure they, too, can make ends meet. But this isn't making ends meet—handing out tremendous bonuses to just a select few. It is absolutely irresponsible.

During the debate of the recovery package, Senator WYDEN and Senator SNOWE and myself offered an amendment that put an excise tax on bonuses and financial institutions that had received TARP dollars. We did so because we feared this very thing would continue to happen. Unfortunately, our proposal was taken out of the package in the conference. So I am pleased to hear many of my colleagues who are now in agreement that something must be done to correct this travesty.

Make no mistake, if these companies handing out multimillion dollar bonuses do not rectify the situation, do not change their ways, we stand ready to work to enact legislation that recoups these tax dollars and these taxpayers' funds. Our taxpayers have worked hard and they are suffering as much as anybody else. But we do not need to see these major corporations and financial institutions that are handing out these unbelievable enhanced bonuses at a time when we should all be pulling together, pulling together to make our economy strong, to set it back on track and to make sure we can embrace and continue the kind of quality of life that all Americans need to be able to realize.

I yield the floor.

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#### RECESS

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 2:15 p.m.

Thereupon, the Senate, at 12:30 p.m., recessed until 2:15 p.m. and reassembled when called to order by the Presiding Officer (Mr. BURRIS).

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#### REVOLUTIONARY WAR AND WAR OF 1812 BATTLEFIELD PROTECTION ACT—MOTION TO PROCEED—Continued

The PRESIDING OFFICER. The Senator from Washington is recognized.