has said himself. And I thank my friend for yielding.

□ 1115

Mr. McGOVERN. Our budget actually goes after subsidies for wealthy farmers, but it does not go after food stamps for the vulnerable.

The Republican budget that has been proposed makes dramatic cuts in some of the most essential and valuable programs that serve the most vulnerable people in our country.

Mr. DREIER. Where in our budget does it say we are going after food stamps?

Mr. McGOVERN. We are faced with the worst economic crisis since the Great Depression, and what they propose is the same old same old. Enough. Enough.

Mr. DREIER. Will my friend yield for just one second?

Mr. McGOVERN. Madam Speaker, the Democratic budget moves us in a different direction, in one that, I think, the American people want us to move.

I urge my colleagues to vote ''yes'' on the previous question and on the rule.

I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. DREIER. Madam Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

PROVIDING FOR CONSIDERATION OF H.R. 1664, PAY FOR PERFORMANCE ACT

Mr. PERLMUTTER. Madam Speaker, by direction of the Committee on Rules, I call up House Resolution 306 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 306

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 1664) to amend the executive compensation provisions of the Emergency Economic Stabilization Act of 2008 to prohibit unreasonable and excessive compensation and compensation not based on performance standards. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived except those arising under clause 9 or 10 of rule XXI. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chair and ranking minority member of the Committee on Financial Services. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Financial Services now printed in the bill. The committee amendment in the nature of a substitute shall be considered as read. All points of order against the committee amendment in the nature of a substitute are waived except those arising under clause 10 of rule XXI. Notwithstanding clause 11 of rule XVIII, no amendment to the committee amendment in the nature of a substitute shall be in order except those printed in the report of the Committee on Rules accompanying this resolution. Each such amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against such amendments are waived except those arising under clause 9 or 10 of rule XXI. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from Colorado is recognized for 1 hour.

Mr. PERLMUTTER. Madam Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentlewoman from North Carolina, Dr. FOXX. All time yielded during consideration of the rule is for debate only.

I yield myself such time as I may consume.

GENERAL LEAVE

Mr. PERLMUTTER. I also ask unanimous consent that all Members be given 5 legislative days in which to revise and extend their remarks on House Resolution 306.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. PERLMUTTER. Madam Speaker, House Resolution 306 provides for consideration of H.R. 1664 to amend the executive compensation provisions of the Emergency Economic Stabilization Act of 2008 to prohibit unreasonable and excessive compensation and compensation not based on performance standards.

This is under a structured rule. The rule provides for 1 hour of general debate controlled by the Committee on Financial Services. The rule makes in order seven amendments which are listed in the Rules Committee report accompanying the resolution. Each amendment is debatable for 10 minutes except the manager's amendment, which is debatable for 20 minutes. The rule also provides for one motion to recommit with or without instructions.

Madam Speaker, the American people rightfully demand that the taxpayer dollars they put in to help stabilize the banking system be spent wisely by the banks and by the institutions that borrow under what is called the Troubled Asset Relief Program, or TARP.

Recently, when information came to light showing AIG gave, roughly, $165 million in retention bonuses to senior executives, hardworking Americans all across the country quickly asked, How as a Nation can we recover this money? Now the House considers a similar question: How do we reasonably prevent this from happening again?

The grounds for this action are simple. As the lender to AIG and to a number of other institutions, the United States has the authority to define the terms by which we are lending money. This is a standard in business practice, as lenders from time to time put limits on executive compensation, as do their shareholders.

The gentleman from Georgia (Mr. MARSHALL) recently related to me that you have to be just before you are generous, that you have to take care of your creditors before you can pass out gifts. In this case, generosity, or generous, is taken to a whole new level with the retention bonuses that we saw recently. We as Members of Congress must assert our rights to protect our constituents and the people of this country from any further losses. I want to make clear several things about this bill:

First, it only applies to financial institutions that have received a capital infusion under the TARP program. An amendment by Representative BILIRAKIS will clarify this point, and an amendment by Representative CARDOZA would exempt smaller community banks which receive TARP funds.

Second, it only prohibits compensation that is unreasonable or excessive or prohibits any bonus or other supplemental payment that is not performance-based. Guidelines are established by the Treasury Department within which to determine what is unreasonable or excessive.

Third, the bill only applies while the TARP capital remains outstanding. Once the institution has paid the taxpayers back, they may meet any contractual obligations allowed by their board of directors and shareholders regarding bonuses.

I support the private sector, and I believe in rewarding employees for doing a good job. This bill does allow for performance compensation, but if you have received a capital investment of American tax dollars through TARP to make it through these extraordinary times, there should be commonsense limits on bonuses. My constituents in Colorado do not want their hard-earned dollars going to inflate the senior executives' life rafts as the ship steers close to the rocks.

We are going through this economic downturn, but we need to make sure that middle-class America can trust the money that has been placed into the banking system to keep that system functioning properly. If an institution has an outstanding debt to the Federal Government, it has to pay it back before it gets bonuses that are excessive or unrealistic.

I urge my colleagues to vote in favor of the rule and the underlying bill.

With that, I reserve the balance of my time.

Ms. FOXX. Madam Speaker, I yield myself such time as I may consume. I appreciate my colleague from Colorado yielding time.

This is another very deceptively named bill by our colleagues on the other side. It is a fairly short bill, only four pages long, so everyone should have a chance to read it, and that is an important thing to do.

It is titled ''to amend the executive compensation provisions of the Emergency Economic Stabilization Act of 2008 to prohibit unreasonable and excessive compensation and compensation not based on performance standards.''

Now, again, that sounds great. However, when you get inside the bill and you read it, it says, ''any executive or employee,'' and it says that four times, so the deception is that this is only for executives. It is not just for executives. It allows the Treasury Department to set the salaries and compensation for all employees in a private organization. This is wrong to do.

We have had so many statements that have been made that have been misleading, I think, on the floor. This is not the worst economic crisis since the Depression. Our situation in the country was much worse in the eighties after a Democratically controlled Congress and a Democratic Presidency. So we are in a situation that has been created, again, by Democrats. Yet they want to say over and over again that this is the problem of a Republican administration. We have to constantly point out the fact that the Congress has been controlled for the past 2 years and is now controlled by Democrats.

So I think this rule is bad; I think the underlying bill is bad, and I think that our colleagues should vote against both of them.

What the Democrats are doing now is, again, providing political cover for Democrat Members of the House who voted for a bad bill a couple of weeks ago, and they are trying to change the subject from the administration's failure to exercise adequate oversight of the taxpayer dollars which have been extended to prop up AIG, American International Group. So I expect most of my colleagues, if not all, to vote against this rule and to vote against the underlying bill.

We also have a situation where this is not an open rule. The majority continues its practice of limiting debate and of limiting opportunities for Republicans to offer amendments and to do whatever we can do to make a bad bill somewhat better or to make a bad rule somewhat better. So we have a situation where these things continue.

You know, when I have thought about this, I have thought about just a commonsense way to describe this to people. The Democrats have a tar baby on their hands, and they simply cannot get away from it. They are stuck on this problem. They have created a bad situation, and every time they try to get away from it, they keep getting stuck on it, and I think that this is just the latest iteration and bad policy that they are recommending, and I am going to recommend to my colleagues to vote against it.

I reserve the balance of my time.

Mr. PERLMUTTER. I yield myself such time as I may consume.

Madam Speaker, I would like to respond to my friend from North Carolina. I just have to remind her that it was President Bush's Secretary of the Treasury who came to the Congress, hat in hand, because of a potential collapse of the financial system, asking for immediate assistance from this Congress to right the financial system, to put it back on some sort of stable footing. Since then, we have seen a variety of financial institutions take advantage of the assistance that was given. This is designed to restrict the way companies can take advantage of taxpayer dollars until they have repaid the loans and capital that have been advanced to these companies.

With that, I would like to yield 2 minutes to my friend from New York (Mr. ARCURI).

□ 1130

Mr. ARCURI. I thank the gentleman for yielding.

Madam Speaker, these past few months have confronted us with some of the most difficult economic choices we have faced in the Nation in recent memory. As job reports continue to show thousands of new layoffs each month and unemployment numbers in my district hover above 10 percent, I am outraged that the very individuals who have contributed to this financial disaster are rewarding themselves with hard-earned taxpayer money intended to get our economy moving again.

We have been called to action to see that those responsible are held accountable and not rewarded. This bill does just that. It ensures that these TARP-taking executives are paid based on the work that they do, not paid for the work they didn't do.

You know, I listen to my colleagues from the other side of the aisle talk, and I guess I understand that some people are critical of AIG. Certainly we understand that. We all are critical of the AIG top executives. I even respect the opinions of those who are critical of this bill.

The thing that I don't understand is how you can be critical of both. You really can't. If you are critical of what happened at AIG, then you have to say that this is exactly the kind of thing that Congress should be doing. We should be going in and we should be regulating. We should be exercising the oversight that our constituents sent us here to Congress to do.

This is a commonsense piece of legislation that reflects the values of this Nation and the very same lessons that we hold in our communities and teach to our children. We will not sit idly by as this money is practically being taken from the American people instead of being used to restore confidence in this Nation as it was intended.

Madam Speaker, we owe it to our constituents and to our children and to our grandchildren to do everything we can to bring justice where it is lacking and repair it so we have a clear road to success.

Ms. FOXX. Madam Speaker, I am intrigued at my colleagues being outraged. Well, my goodness. If you were so outraged, why did you vote for these things to begin with? You know, your hands are not clean. I'm sorry, but your hands are not clean when you say that you are outraged.

POINT OF ORDER

Mr. PERLMUTTER. Madam Speaker, point of order.

The SPEAKER pro tempore. The gentleman from Colorado will state his point of order.

Mr. PERLMUTTER. I would ask my friend to address the Speaker.

The SPEAKER pro tempore. The gentlewoman from North Carolina will address her remarks to the Chair.

Ms. FOXX. Thank you, Madam Speaker.

Madam Speaker, I wonder why my colleagues are so outraged when they voted for these bills. This is covering up their previous action. They are trying to make something better. As I said, they've got a tar baby on their hands and they don't know what to do with it.

Well, it's easy to say that you could criticize the AIG executives for taking the money and criticize people for having voted for these things and be against this bill because it is taking our government in the wrong direction.

I am also very puzzled at my colleagues saying they are so concerned about their children and their grandchildren. But I will bet most of them are going to vote for this budget a little later on today, and they are quite willing to put the debt of this country on the backs of their children and grandchildren.

I think those are crocodile tears that they're crying when they say they want to preserve this country for their children and grandchildren. Give me a break.

In the headlines today in one of the rags here on the Hill—''Senator LEVIN Considers Defense Executive Pay Cuts.'' Where is this going to end? Our colleagues in this administration think they have all the answers. They're going to run this country from the government down to every single business in the country: ''Let's just cut their pay. They're getting money from the government.'' Where is it going to end?

Are we going to have a President—he's already running GM. He's now the executive in chief of GM. And so our colleagues want to take on every single entity in this country and say, We know best. The government knows best. We're from Washington and we're here to help you. The American people have heard that before. They are not going to be fooled again by this kind of comment.

And, I'm sorry, but, again, I think it's crocodile tears when they say they are concerned about their children and grandchildren. If they are, they'll all vote ''no'' on the budget a little later on today and show their true concern. Saying that this upholds the rule of law for their children and grandchildren? Again, give me a break.

I reserve the balance of my time.

Mr. PERLMUTTER. Madam Speaker, I would like to respond to my good friend from North Carolina just to remind her that when Secretary Paulson came to the Congress asking for $700 billion, he brought us a three-page document. The first page said, I need $700 billion. The second page said, I can do anything with it I want. And the third page said, You can't sue me.

Well, we took that in a crunch time based on his—not his demands, his pleas, his pleas to the Congress to act quickly to preserve our banking system because so many things were going wrong all at one time. We took that three pages, which was completely ridiculous——

Ms. FOXX. Would the gentleman yield?

Mr. PERLMUTTER. Let me finish.

Which was completely ridiculous. We expanded it to a hundred pages, and acted promptly at the request of President Bush and his administration to try to get our financial system stabilized. And it is still rocky, but it's going. But we've seen certain companies take advantage of the assistance of the people of America, and we've got to prevent that. This bill is about compensation where it's excessive or not based upon performance.

What I would like to do now, though, is turn it over to my friend from Virginia (Mr. MORAN), and I would yield him 3 minutes.

Mr. MORAN of Virginia. Madam Speaker, I was not intending to speak, but it does seem to me there should be some historical accuracy within the CONGRESSIONAL RECORD. And while the gentlelady from North Carolina is certainly entitled to her own set of opinions, she is not entitled to her own set of facts. So let me review some of the facts in terms of the economic history she purported to describe.

I agree that we did have a substantial fiscal crisis in the 1980s, but it was the Bush administration that has told us that today we are faced with the most severe fiscal crisis since the Great Depression.

Now in the 1980s, President Ronald Reagan was elected on a platform that any President who submitted an unbalanced budget should be impeached. Well, not only did he never balance any budget that he submitted, he tripled the national debt. Every single budget was unbalanced.

President Bush, the 41st President—referred to as Papa Bush or whatever; it's important to distinguish between the two—in 1990, realizing how bad the Republicans' supply-side gimmickry had failed, what damage it had done to the economy, he brought the Democratic leaders and the Republicans together and came up with a fiscal plan. That plan put together by the 41st President, formed the foundation of fiscal responsibility for the next decade. It was called PAYGO. And it worked. Basically, you don't cut taxes unless you cut spending and vice versa. You don't increase spending unless you raise that same amount of revenues.

So we implemented that, and then President Clinton came in, passed a balanced budget, adopted that President Bush the 41st PAYGO concept, and, in fact, balanced the budget. That produced surpluses. And, in fact, at the end of the Clinton administration, he handed over $5.6 trillion of projected surplus based upon this concept of fiscal responsibility.

President Bush took it—this is the 43rd President now—takes that $5.6 trillion and immediately started squandering it by negating the concept of PAYGO. One of the first things that was done by the immediate past-Bush administration was to say, ''We are no longer going to be bound by PAYGO concepts. We'll cut taxes and we'll increase spending.'' They started a war of choice that cost us $1 trillion—not one dime was ever paid for—and then passed two tax cuts which have cost trillions of dollars, $3.5 trillion. Not one dime was ever cut to pay for that, either.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. PERLMUTTER. I yield the gentleman an additional 1 minute.

Mr. MORAN of Virginia. So here we are now with the largest deficit we have ever faced, a deficit that is greater than the deficit created by all the previous Presidents in American history, and basically it was because we had a Congress of the same party as the White House who got all the spending programs they wanted, primarily in the defense area, and cut all the taxes they chose.

Now, of course, the money was not well distributed, and that's one of the problems. It went to the wealthiest people in the country. In fact, one of our problems is that more than 90 percent of the income growth that has occurred over the last 8 years went to the top 10 percent. 90 percent of this country's wealth is now controlled by 1 percent of our population. And that's one of the reasons why the bottom 90 percent had to borrow from their assets, their equities, their homes which created this bubble.

But the point is, there was a lack of fiscal responsibility, and that is what is plaguing us today. This President is trying to reinvest in the American people, ultimately balance the budget and put us back on the course that President Clinton set us on and that Democrats want to put us back on.

Ms. FOXX. Madam Speaker, I have said on the floor several times in the last few weeks that the public needs to be reading or rereading the book ''1984'' because we're here in a period where the Democrats continue to rewrite history.

I would like to, just again, say to my colleague from Virginia that he wants to say we have the largest deficit we've ever had. Absolutely. Because the Democrats have been in control of Congress for the past 2 years. The President does not pass a budget, does not pass appropriations bills. The President can either sign or reject appropriations. The appropriations bills were not passed last year because they knew that President Bush would reject them, he would veto them, and so they didn't pass them. We did them this spring. That's what caused the largest deficit.

We have a Democratic President and a Democratically controlled Congress, and you cannot rewrite history in that way. We had a very small deficit when we had a Republican Congress and a Republican President.

With that, I yield 5 minutes to my colleague from Missouri (Mr. BLUNT).

Mr. BLUNT. Madam Speaker, I don't blame my good friend from Virginia for not wanting to talk about the bill today. If I were him, I wouldn't want to talk about it either. I oppose this bill. I oppose this rule.

I was not particularly concerned a few days ago when we were sending a message to AIG and the executives at AIG, the high-paid executives there. I think every once in a while the Congress can send a message, and it is a good thing to send that message. This is a company that taxpayers now own 80 percent of. If that's not a definition of bankruptcy, I don't know what is. In bankruptcy, it's okay to look at the commitments you made in the past.

Now I am afraid—by the way, the AIG executives apparently got the message because many of them have returned that bonus money back to the taxpayers who gave it to the company. I thought that was okay to send that message. We were way ahead of any constitutional concern. There was no Senate action. The President wasn't about to sign a bill. We were sending a message. They got the message.

I think the problem with that message may be that some of our own Members got a different message, which is it's somehow okay for the government to decide that they can decide salaries and how to run companies.

You know, the government can barely run the government. The government this week has announced we're going to run the auto industry. The auto industry is in trouble. If I were picking a group of folks to run it, it wouldn't be the government. But the government is there.

And now we've got this bill on the floor that suggests somehow that the government can set salaries at what I would see as not only the high level that we tried to take care of last fall in a bill. And apparently the stimulus package that came through had language in it that reversed some of that language and made these bonuses at the higher level possible to be paid. I regret that. I am glad I didn't vote for that stimulus bill. I'm glad that I didn't do anything that enabled that.

I am not going to vote for this bill today. It is all we can do to run the government and to try to tell these companies how to pay the people that work for them is not the right thing to do. I mean, as late as last April, the chairman of the Banking Committee in the House that deals with housing, the chairman of the Housing Committee in the Senate were both saying as late as last April that Fannie Mae and Freddie Mac didn't need to be reined in. They were saying as late as last April that these agencies needed even more ability to loan more money.

If we could be that wrong that close to the precipice that we went off in the summer and fall, imagine how wrong we could be running a company that doesn't even have any relationship to what the government does every day.

□ 1145

This is a bad bill. It's a bad rule. We should not move forward with this rule and not move forward with this bill.

Mr. PERLMUTTER. Madam Speaker, I will use so much time as I might consume, and I'd like to remind my friend from Missouri, first of all, the first time any kind of regulation over Fannie Mae and Freddie Mac was proposed was in this Congress, was by the House of Representatives, as early as March of 2007 to provide some regulation to those two entities.

The second thing I would remind my friend—and I appreciate his comments about, you know, the shot across the bow of the AIG executives and the fact that they are returning some of the money—but I would also remind him that in the business world, a lender in making a loan to a company may, as part of that loan agreement, put limits on compensation to the executives until that loan is repaid. That's a standard operating procedure in the business world, and shareholders do that, too.

So a board of directors of a company may be restricted by an outside influence like a lender or by its own shareholders. In this instance, we are placing a lot of money into many institutions across this country, and I believe the people of this country have some say as to what the compensation should be of those institutions until those loans or that capital is repaid.

Now, there may be something that might make the gentleman from Missouri a little happier, and that is, there is an amendment that will be proposed, I believe it's an amendment by Mr. CARDOZA, that will exempt, in effect, institutions that have received less than, I think it's $250 million, which is still a lot of money. But small community banks, smaller financial institutions will not be part of the program, if that amendment is accepted.

Mr. BLUNT. Would the gentleman yield?

Mr. PERLMUTTER. Certainly.

Mr. BLUNT. Thank you for yielding.

I just say that on that broader topic of reform of those GSEs, certainly there was legislation proposed in 2007. It wasn't passed. The President of the United States called for legislation every year beginning in 2001.

The point is that the Congress can barely run the government, let alone try to put a matrix together and run these companies in minute detail. The very fact that we're going to have all these amendments today indicates that, once again, we're rushing to the floor with a bill that shows maybe the Congress is not the best daily governing officer of the businesses of America.

I thank my friend for yielding.

Mr. PERLMUTTER. Thank you. And I would just respond to my friend from Missouri by saying that we, at least in this House, passed the GSE reform bills twice, once in 2007 and again in 2008, at which time the President signed it in the summer of 2008.

Secondly, I would just say that the financial sector has been in a heap of trouble, and without the assistance of the people and this government, they would be in worse trouble today. That is my belief, and I think that would be the record reflected by many experts across the country.

With that, I reserve the balance of my time.

Ms. FOXX. Madam Speaker, our colleagues on the other side keep bringing up Secretary Paulson, but they leave out the fact that the current Secretary of the Treasury was the head of the New York Fed at the same time and was standing right beside Secretary Paulson when those recommendations were made.

It also was under his watch that the amendment to allow the bonuses to AIG was done, and we know from statements that Senator DODD has made that he was directed to do that by the Treasury Department. So, again, we're not going to be saddled with the problems they created. They've got a tar baby. They're not going to shift it off to the Republicans.

I'd now like to yield 4 minutes to the gentleman from Georgia (Mr. KINGSTON), my colleague.

Mr. KINGSTON. I thank the gentlewoman for yielding, and I want to just say at the outset I have a number of problems with this, but in terms of bringing up Mr. Paulson, I did not vote for the first TARP program nor did I vote for the second one, but at least Mr. Paulson did pay his taxes. And I think most Americans know that we have a man in charge of the Treasury who was appointed by Mr. Obama who did not pay his taxes. And to hold him up as a standard over and over again I think is ironic for the Democrat Party. In fact, if I was a member of the Democrat Party, I'd have a little squeamishness myself before I embraced Mr. Geithner and all of the wonderful things that you believe he's going to do for this country.

Having said that, even though he did not pay his taxes, I hope he is successful because we need to turn the economy around, and the Republican Party certainly is going to help any way we can and work on a bipartisan basis to do that.

I have some real concerns about H.R. 1664, however. Number one, the institutions who signed up for it understood that there were certain rules that they would abide by, certain understandings, and now that has changed, this is going back and making the rules different for them. And that is one of the things that this administration is most guilty of I think is constantly changing the rules.

The market needs to react. If the market knows the rules are here, or they're here and they're left or they're right but they're poured in concrete, then the market can start making adjustments. But as it is, this Congress is obsessed with each week reading a new poll and coming out with a new rule, and because of that instability, the market will never normalize. The market has to become comfortable with the rules so that they can adjust and live in that environment, but if we keep changing them, we are still going to have instability in the market.

Secondly, this is overly broad. It applies to all employees rather than the top executives, and I know that many in the Democrat Party see this as a delicious opportunity to beat up on executives, successful people who pay high taxes, the rich and the wealthy who seem to be so maligned by the left. But this applies to all employees. Now, the gentleman mentioned that there might be a Cardoza amendment that's going to make some changes in this, maybe eliminate some of the companies that would be qualified for it. I'm interested in that amendment and look forward to that debate.

Number three, this is really all about AIG, and the fact that Mr. DODD, the Democrat chairman of the Senate Banking Committee, had taken out the language which was put in by Republican OLYMPIA SNOWE that would have eliminated the AIG bonuses. Mr. DODD purposely, under the instruction, according to him, not me, under the instruction of the Obama administration, took that out.

So now we're crawfishing—I'm not sure if you have crawfish out in Colorado, my friend, but crayfish, either way, but you know how they swim, when they're scared they put the tail in, they go backwards. And I think there are Members of the Democrat Party right now who are crayfishing or crawfishing, and they're doing it for Mr. DODD's politics. Nobody in the House was aware of that negotiation and the language, but I think this is all about AIG, and this is a political decision.

You know, we've got a really smart administration right now, one that's on the side of fighting the war, can turn around the car industry, can turn around the banking industry, turn around the insurance industry, and guarantees us the efficiency of the post office and FEMA as an end result, as the standard that we've got to live by.

This is a bill that actually has some good intentions, something that we're all frustrated about. We do not want to reward inefficiency, but unfortunately, the government and these companies got in bed together, and now they're trying to live in that framework, and the government keeps changing the rules.

The SPEAKER pro tempore. The time of the gentleman has expired.

Ms. FOXX. Madam Speaker, I would be happy to give the gentleman 2 more minutes.

Mr. KINGSTON. I thank the gentlewoman, and I just want to say this.

One other thing that Mr. Geithner recently announced is this public-private partnership to buy the toxic assets, now legacy assets, of banks, and the idea is to get the public sector and the private sector to take all this bad real estate off the books of financial institutions so that we can get a bottom, so that we can get a market, so that we can get them off the taxpayers.

But unfortunately, if you are a public-private kind of entrepreneur who might want to put together a deal like this, you're saying, you know, do I really want to do this when the government is going to come back and change my compensation? I think most people would say, you know, if these folks actually have to make as much money as some of the leading Democrats of the world like Barbra Streisand and George Soros, some of the big donors in your area, you know, if we have to pay them but they can do the job right, they can turn around AIG—which I think probably it's too late for that—maybe it's worth it because, after all, we are paying a lot of people to play professional sports and star in movies and things like that.

So maybe it's worth it to pay people high salaries to turn around the financial institutions, which have a ripple effect throughout our housing and our credit system and our banking system. It might be something that we should do. But I just think that this bill is a politically motivated bill and not a sound economic bill in the current situation.

So, with that, I certainly appreciate the gentlewoman for yielding.

Mr. PERLMUTTER. Madam Speaker, I yield myself such time as I might consume.

I would just advise my friend, Mr. KINGSTON, that take a look at the bill. It's a very simple bill. My friend from North Carolina was correct, and it just basically says no financial institution, while it has money that's taxpayer money through TARP or otherwise, can pay excessive compensation or anything other than performance bonuses. An executive cannot hold the company hostage, as was done in the AIG instance.

And if and when that money's paid back, then fine, the board of directors, and the shareholders will determine what appropriate salaries their management deserves, and that is all this does. Lender has a chance in this instance to put some restrictions on salaries, and if the borrower, being the financial institution, doesn't like those restrictions, feels it's in a solid position and can return the moneys, then so be it. That's the way it is.

But the private sector, and particularly the financial system, was on shaky ground until this loan was made to them, and the purpose of this is to make sure that the institutions don't take advantage of the good graces of the American people.

It brought kind of a chuckle when my friend Mr. KINGSTON talked about FEMA and the way the government ran FEMA. Well, FEMA under the Clinton administration, I would say, was run in a very good fashion. FEMA, on the other hand, under the Bush administration was at best a troubled organization.

With that, I reserve the balance of my time.

Ms. FOXX. Madam Speaker, I think that my colleagues who have spoken have been very eloquent in pointing out again what is wrong with this bill. I want to reiterate that this is simply to provide political cover for Democratic Members of the House and to change the subject away from the administration's failure to exercise adequate oversight of taxpayer dollars extended to prop up AIG and other organizations.

Most Republicans voted against the bailout last fall. All Republicans and 11 Democrats voted against the stimulus bill. So, again, we can't be blamed for the things that the Democrats have carried out in this session of Congress.

We are for accountability, and we want to see the administration and the Democratically controlled House get these things under control. But they keep doing things that make it worse and worse and worse.

I believe, as do many of my colleagues, that we need to be focusing on holding all programs that get Federal dollars accountable. However, there is absolutely no effort going on in this Congress to scrutinize programs that are controlled by the Federal Government.

□ 1200

As my colleague from Georgia pointed out, we have such great examples of the wonderful way that the Federal Government spends money, such as FEMA and other areas where the public knows a big disaster has been made.

But I want to point out again that this is the wrong way to go. We've said this from the beginning—again, with the bailouts last year. And we're asking now: What is the exit strategy from all of the sweeping government involvement in the private sector? What is the exit strategy?

Is it going to be week after week after week that we're going to see another bill that tries to cover up the mistakes that the Democrats have brought to us over and over again?

This moves in the wrong direction from an exit strategy. It makes the Treasury Secretary, with approval of the members of the Federal Financial Institutions Examination Council, in consultation with the chairperson of the TARP Congressional Oversight Panel, the arbiters of what is reasonable or excessive compensation for covered institutions. They don't even define that in this bill. They leave it up to the Treasury regulators, the bank regulators, who created this problem to begin with. What kind of a system is that?

It's a little crazy to say that we're going to give the people who created this problem more authority, more responsibility. They're going to define what is unreasonable or excessive.

I asked yesterday, ''Can we define those things?'' No. We leave that up to the Treasury Department. But it was the Treasury Department who decided that the AIG bonuses were just fine. In fact, they promoted them. So are they going to say that they are going to give big bonuses under this? That doesn't make any sense.

The best approach to protecting the taxpayers' investment in private businesses is through stronger oversight and accountability, not by further entrenching government in the operations and management of hundreds of businesses across America.

I say again, Senator LEVIN says he wants to consider defense executive pay cuts. Are we going to go into every single business in this country and decide? Is the Congress going to do that, is the Treasury Department going to do that?

We know that the bill a week ago to tax bonuses 90 percent—those at AIG—was clearly unconstitutional. My guess is that this bill is going to be decided that way also.

We also know there was this big hue and cry and, again, outrage, outrage, outrage, expressed on the floor of this House about that bill, and the bill is going nowhere. After all the outrage, then the President says, Oh, maybe we went too far. The Senate buried the bill. Nobody's going to do anything about it. I'm wondering if that's going to happen to this too. And that's what should happen to this bill—the same thing that happened to the bill last week.

But is it going to be a bill a week where we deal with this? Again, we try to make Republicans look bad because they are standing up for the Constitution, they're standing up for the people of this country. They are trying to rein in the government. Again, we don't say, We're here from Washington, and we're here to save you.

The Congressional Oversight Panel that they want to put in charge of this, along with the Treasury Department, was never intended, nor is it authorized, to set policy.

So here we have, again, a situation where we're going to mix the executive with the legislative. We know the Supreme Court has ruled in the past that that is unconstitutional. But this majority doesn't seem to care about the Constitution. They don't mind that they took an oath to uphold the Constitution. Day after day after day we see violations of the Constitution. This happens to be the latest one.

I want to point out again what one of my colleagues said earlier. There's a rush to judgment here. This bill was introduced on March 23. So, here we are, continuing to rush in. Fools rush in where angels fear to tread is something my mother taught me a long time ago. I'm wondering if we need to think a little bit before we rush into areas where we might be treading on thin ice.

I reserve the balance of my time.

Mr. PERLMUTTER. Mr. Speaker, I would inquire of my friend from North Carolina whether she has any other speakers.

Ms. FOXX. Mr. Speaker, I don't have any other speakers, but I do have a closing statement.

Mr. PERLMUTTER. I would reserve the balance of my time.

Ms. FOXX. The other side of the aisle, I think, is trying to demonize this issue. It's constantly trying to say that Republicans favor the rich and that they favor the poor and are looking after the taxpayers.

Their vote later today on the budget is going to prove they're not looking after the taxpayers. They're not concerned about our children and grandchildren. They're simply concerned with politicizing every issue they can possibly politicize. And I think that I have a perfect example of that stated by one of their own.

Yesterday, the D.C. Examiner published an article on the underlying measure that this rule deals with, and I will place it in the RECORD at this point.

[From the Washington Examiner, Mar. 31, 2009]

BEYOND AIG: A BILL TO LET BIG GOVERNMENT SET YOUR SALARY

(By Byron York)

It was nearly two weeks ago that the House of Representatives, acting in a near-frenzy after the disclosure of bonuses paid to executives of AIG, passed a bill that would impose a 90 percent retroactive tax on those bonuses. Despite the overwhelming 328–93 vote, support for the measure began to collapse almost immediately. Within days, the Obama White House backed away from it, as did the Senate Democratic leadership. The bill stalled, and the populist storm that spawned it seemed to pass.

But now, in a little-noticed move, the House Financial Services Committee, led by chairman Barney Frank, has approved a measure that would, in some key ways, go beyond the most draconian features of the original AIG bill. The new legislation, the ''Pay for Performance Act of 2009,'' would impose government controls on the pay of all employees—not just top executives—of companies that have received a capital investment from the U.S. government. It would, like the tax measure, be retroactive, changing the terms of compensation agreements already in place. And it would give Treasury Secretary Timothy Geithner extraordinary power to determine the pay of thousands of employees of American companies.

The purpose of the legislation is to ''prohibit unreasonable and excessive compensation and compensation not based on performance standards,'' according to the bill's language. That includes regular pay, bonuses—everything—paid to employees of companies in whom the government has a capital stake, including those that have received funds through the Troubled Assets Relief Program, or TARP, as well as Fannie Mae and Freddie Mac.

The measure is not limited just to those firms that received the largest sums of money, or just to the top 25 or 50 executives of those companies. It applies to all employees of all companies involved, for as long as the government is invested. And it would not only apply going forward, but also retroactively to existing contracts and pay arrangements of institutions that have already received funds.

In addition, the bill gives Geithner the authority to decide what pay is ''unreasonable'' or ''excessive.'' And it directs the Treasury Department to come up with a method to evaluate ''the performance of the individual executive or employee to whom the payment relates.''

The bill passed the Financial Services Committee last week, 38 to 22, on a nearly party-line vote. (All Democrats voted for it, and all Republicans, with the exception of Reps. Ed Royce of California and Walter Jones of North Carolina, voted against it.)

The legislation is expected to come before the full House for a vote this week, and, just like the AIG bill, its scope and retroactivity trouble a number of Republicans. ''It's just a bad reaction to what has been going on with AIG,'' Rep. Scott Garrett of New Jersey, a committee member, told me. Garrett is particularly concerned with the new powers that would be given to the Treasury Secretary, who just last week proposed giving the government extensive new regulatory authority. ''This is a growing concern, that the powers of the Treasury in this area, along with what Geithner was looking for last week, are mind boggling,'' Garrett said.

Rep. Alan Grayson, the Florida Democrat who wrote the bill, told me its basic message is ''you should not get rich off public money, and you should not get rich off of abject failure.'' Grayson expects the bill to pass the House, and as we talked, he framed the issue in a way to suggest that virtuous lawmakers will vote for it, while corrupt lawmakers will vote against it.

''This bill will show which Republicans are so much on the take from the financial services industry that they're willing to actually bless compensation that has no bearing on performance and is excessive and unreasonable,'' Grayson said. ''We'll find out who are the people who understand that the public's money needs to be protected, and who are the people who simply want to suck up to their patrons on Wall Street.''

After the AIG bonus tax bill was passed, some members of the House privately expressed regret for having supported it and were quietly relieved when the White House and Senate leadership sent it to an unceremonious death. But populist rage did not die with it, and now the House is preparing to do it all again.

I will quote briefly from the article. This is a quote—and I probably will say that more than once because I think it's very important to continue to make sure this is a quote:

''Representative ALAN GRAYSON, the Florida Democrat who wrote the bill, told me its basic message is, 'you should not get rich off public money, and you should not get rich off of abject failure.'

''GRAYSON expects the bill to pass the House and, as we talked, he framed the issue in a way to suggest that virtuous lawmakers will vote for it, while corrupt lawmakers will vote against it.

''This bill will show which Republicans are so much on the take from the financial services industry that they're willing to actually bless compensation that has no bearing on performance and is excessive and unreasonable,'' GRAYSON said. ''We'll find out who are the people who understand that the public's money needs to be protected, and who are the people who simply want to suck up to their patrons on Wall Street.'' That's the end of the quote from the D.C. Examiner.

I certainly hope that the gentleman from Florida wasn't inferring that I, a Republican who opposes this bill, am a ''corrupt lawmaker.''

None other than Thomas Jefferson in his manual, which is our guide here—Mr. Speaker, I know you are familiar with Mr. Jefferson's manual. It is what we use to guide us—not just day by day, but minute by minute on this floor.

Mr. Jefferson said: ''The consequences of a measure may be condemned in the strongest terms; but to arraign the motives of those who propose to advocate it is not in order.'' Just because a Member chooses to oppose legislation, whether it be for reasons of policy or principle, they should not be disparaged by their colleagues, who wrestle with the very same voting decisions every day.

We're seeing things which are unprecedented in our history. Just yesterday, the President of the United States fired the CEO of what was once the largest corporation in the world. Some of us are concerned about where this is going. Some of us think this is simply the wrong thing to do.

It's easy to demonize the high-flying Wall Street fat cats who contributed mightily to our current situation. It's politically expedient to criticize corporate CEOs who seem tone deaf to the problems experienced daily by our constituents. But just because we're elected every 2 years doesn't mean that we leave our principles at the door when we enter this Chamber.

Ambition is a good thing, but not when you impugn the motives of those who disagree. Those of us who have some experience understand that such words quoted from the D.C. Examiner, if they had been spoken on the floor, would have been considered inappropriate. They are just as inappropriate off the floor as they are on the floor.

Mr. Speaker, this rule is wrong. The underlying bill is wrong. The efforts to continue to involve our government in places it has no business in is wrong.

We need to do everything we can at this time—and we know we have people in this country hurting. Republicans are very, very sensitive to that. But the last thing in the world we need to do is to cut out the basis of this country—to weaken the very things that have made us the greatest country in the world. And involving ourselves more and more in controlling private enterprise will do nothing but to weaken this country more, to get our government involved.

It's the wrong way to go. I urge my colleagues to vote against this rule and to vote against the underlying bill.

With that, I yield back the balance of my time.

Mr. PERLMUTTER. I yield myself such time as I may consume.

I would urge an ''aye'' vote on this rule. So we will begin with that. The rule is designed and provides for seven amendments to a bill that limits executive compensation that is excessive, unreasonable, and not performance-based.

If an executive of an institution that's been loaned money or in which it has had capital advanced by the United States of America, by the people of America, and pays $5 million, $10 million, $20 million for no reason, in an excessive manner, then that kind of bonus is restricted.

The people's money as we've advanced it is to get the institutions back on track and not to pay executives exorbitant salaries. The people across the country expect that, number one. So I support the rule and I support the underlying bill.

Now there are a lot of reasons we got into this position where the government and the people of this country have had to assist the financial system—not the least of which was something like the Gramm-Leach-Bliley, which dropped regulations; or an inattention by the Bush administration to regulations within the financial system. But we are where we are.

President Bush and Secretary Paulson asked for a huge advance to the financial system to keep it upright. We did that. As a Democrat and as a Democratic Congress, advancing $700 billion to a Republican President and his Treasury Secretary to put the financial system back on track was not the first thing I wanted to do. But they made a good case. Their pleas were heard. And we did that.

Now we've got to make sure that people within that system don't take advantage of the good graces of the American people. And that's the purpose of this bill.

It provides for guidelines and regulations. There will be amendments, Mr. Speaker, that will potentially limit this to bigger banks—not to smaller community banks.

I would agree with my friend from North Carolina that whether it's on this floor or out in public, hyperbole and rhetoric can impugn somebody's character. She's concerned about Mr. GRAYSON. I would say there are others on her side who call people un-American because of the way they vote here.

I would just say to you, Mr. Speaker, and to the Members of this Chamber, that our words do really matter, and we do need to keep an eye on what we say. We really do have to watch ourselves and not get caught up in the heat of debate.

This bill is appropriate at this time to manage the lending that this country has done. As companies pay back their TARP advances, they're no longer subject to this. The management payments and salaries are subject to the board of directors and their shareholders.

But at this point in time, with those particular institutions, we are both lenders and shareholders, and we certainly have a say over the compensation of the management.

I urge an ''aye'' vote on the rule and on the underlying bill.

I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. SALAZAR). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Ms. FOXX. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

☐ 1215

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote incurs objection under clause 6 of rule XX.

Record votes on the postponed questions will be taken later.

FEDERAL RETIREMENT REFORM ACT OF 2009

Mr. TOWNS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1804) to amend title 5, United States Code, to make certain modifications in the Thrift Savings Plan, the Civil Service Retirement System, and the Federal Employees' Retirement System, and for other purposes.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1804

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Federal Retirement Reform Act of 2009''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

TITLE I—PROVISIONS RELATING TO FEDERAL EMPLOYEES RETIREMENT

Subtitle A—Thrift Savings Plan Enhancement

SEC. 101. SHORT TITLE.

This subtitle may be cited as the ''Thrift Savings Plan Enhancement Act of 2009''.

SEC. 102. AUTOMATIC ENROLLMENTS.

(a) IN GENERAL.—Section 8432(b) of title 5, United States Code, is amended by striking paragraphs (2) through (4) and inserting the following:

''(2)(A) The Board shall by regulation provide for an eligible individual to be automatically enrolled to make contributions under subsection (a) at the default percentage of basic pay.

''(B) For purposes of this paragraph, the default percentage shall be equal to 3 percent or such other percentage, not less than 2 percent nor more than 5 percent, as the Board may by regulation prescribe.

''(C) The regulations shall include provisions under which any individual who would