

(Mr. DEFAZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

**THE \$700 BILLION GOVERNMENT
BAILOUT IS NOT WORKING**

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

Ms. KAPTUR. Madam Speaker, in 2008, Wall Street's biggest banks got Congress to hand over to them \$700 billion of your taxpayer money. Now they want more.

Yesterday, Neel Kashkari, the Interim Assistant Secretary for Financial Stability, gave a speech at the Brookings Institution. He gave fancy sounding bureaucratic names to the \$175 billion that he has already forked over. He called it Capital Purchase Program, Asset Grant Guarantee Program, Targeted Investment Program. Essentially he was talking about the \$20 billion that went to Citigroup.

He asked rhetorically, when will we see the new banks making loans? Well, that is part of his job, to get them to make the loans. But he said as long as confidence remains low, banks will remain cautious about extending credit.

Oh, Mr. Kashkari, we know that well. The reason the auto industry is in trouble is because credit has dried up. Car loans can't be made.

So let me get this straight: He wants more money, because he has only given \$175 billion from the taxpayers' money out there in the country to the biggest banks that did the wrongdoing to begin with, and they are still reluctant to lend.

Let me give Mr. Kashkari a dose of reality. Your program isn't working, and it is not working for Main Streets across this country.

PNC Bank of Pittsburgh, Pennsylvania, one of the Nation's largest banks, now the fifth largest bank, has received \$7.5 billion from Mr. Kashkari.

□ 1415

And instead of providing additional lending capacity and loan workouts for those mortgages to help resolve the problem, PNC took the money. And you know what they did? They came across the border to Ohio and they bought National City Bank in Cleveland.

I see my dear colleague from the city of Cleveland, Congressman KUCINICH here this evening. He understands this well.

National City has been a headquartered institution in Ohio, headquartered in Cleveland since 1845.

Now, Treasury's money, the taxpayers' money, went to PNC and they came to Ohio and bought National City Bank, putting all those people out of work. And PNC became bigger. So what Mr. Kashkari did was take our money and give it to PNC, that hasn't worked down any of those loans, but they came to Ohio and bought out National City

Bank. So PNC gets bigger, our banking system gets more concentrated, and PNC becomes more powerful. Some say they actually have price control power on the western side of Pennsylvania.

So, PNC gets \$7.5 billion. Cleveland and Ohio lose a Fortune 500 company, and Ohio, where foreclosures are raging, gets nothing. We get nothing. We just get more foreclosures.

In 2008, Citigroup, one of the main culprits that caused the financial meltdown, was given \$25 billion. They got more than PNC. They got it from us, the taxpayer, and then they have foreclosed, just in my district, on another 235 families in Lucas County, Ohio.

Last November I found an advertisement in my local paper that said there was going to be an auction in my home county. I was surprised. I didn't know the company coming in, called Hudson and Marshall of Dallas, Texas. So I went.

Guess what? Citigroup was one of the banks selling properties. I attended and watched homes in my community sold for as little as \$7,900, a price so low that the original owners could have gone back into those homes. Not only was Citigroup auctioning homes that night, but so were TARP money recipients; those are the banks that got the money through the Treasury from us, Wells Fargo, US Bank, Deutsche Bank, ABN/Amro, Chase Home Finance, Fifth Third Bank, Standard Federal and LaSalle. They all got money.

It is clear that some of the recipients of the Treasury money are unwilling to craft real workouts. And so what happened in our region was people got kicked out of their homes. Wall Street hired the auction company from Dallas, Texas. They came to our region, they sold all those properties for very little money, and they're going to get big, huge tax losses written off on their IRS filings for the tax year of 2008.

But where are our families? Out on the street. Our people lost their homes.

I would like to invite Mr. Kashkari, Secretary Paulson and all the PNC executives to come to Ohio, and I want them to live in the neighborhoods that their actions have affected. We'll give them a little heater, Bunsen heater overnight so they don't get too cold in the houses; and we'd like them to experience the results of what they have done to the American people.

Last year, 4,100 homes in my region were foreclosed upon. In the last 2½ years, 10 percent of the properties in my home community have been foreclosed. 10 percent of the housing stock. And as foreclosure rates continue to rise in places like Ohio, it's pretty obvious that's what's happening here in Washington isn't connecting to Main Street.

Sadly, Hudson and Marshall, the auction house that Wall Street hired to sell all those homes in my community, are coming to your town too. This month alone they are slated to be in several cities in Michigan, Arizona, Connecticut, Massachusetts, Rhode Is-

land and New Jersey, and they're going to auction another 1,455 properties. They've now sold over 70,000 homes in the last few years, and expect another 30,000 in the year 2009.

Mr. Kashkari, your program isn't working.

Madam Speaker, I would like to place the additional remarks that I have in the RECORD.

What is happening is an outrage to the American people, and they're being asked to pay for it. There shouldn't be any more TARP bills clearing this Congress until hearings are held in the communities that have been affected. We need to use our power in order to go out to the voters that sent us here.

Equity is bleeding profusely from our communities. The sheer volume of the properties sold at auction is disturbing. Financial institutions which have been capitalized through the TARP Program have failed to do mortgage workouts—FDIC and SEC should do their jobs, and they are not—and must be required to do mortgage workouts, rather than foreclosing on homes and participating in auctions. Hudson & Marshall stated in a press release that they have made \$1.2 billion doing auctions.

The intent of the TARP was to help stabilize our financial system, which includes in large measure our housing industry. Yet, we financial institutions enriching themselves, merging, and yet foreclosing on families rather than working to stabilize families in their homes. A stable home permits people to focus on obtaining and maintaining employment, purchasing food, and contributing to society in positive ways rather than relying on social services funded by State and Federal dollars. Furthermore, we see communities falling apart. Community members and local banks are effectively locked out of the opportunity to reinvest in themselves because monies from the Department of Housing and Urban Development which would allow community banks and members to purchase foreclosed homes have not yet arrived.

No second round of TARP money should emerge from this Congress unless regular hearings are held and the victims of this crisis can have their voices heard in the deliberative process. The Committees should travel to the communities most affected. Why should we trust Wall Street Banks again as more families teeter on the edge.

The SPEAKER pro tempore (Mrs. GILLIBRAND). 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.)

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

(Mr. NEUGEBAUER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

IMPROVING HIGHER EDUCATION AFFORDABILITY

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

Mr. DOGGETT. Madam Speaker, in these tough economic times, our families need all the support that we can provide them. Whatever we can do to assist those who seek more education and training to better prepare themselves for this tougher, tighter job market and rising unemployment and under-employment rates, we need to do.

That's why today, Representative TOM PERRIELLO and I, joined by a number of our colleagues on the House Ways and Means Committee, are introducing the College Learning Access Simplicity and Savings Act. We want to put more students in class. It will make our ability to assist students to gain access to our institutions of higher education much easier. Students and their families can benefit from additional and more simplified tax credits for higher education expenses.

Last year, legislation that I offered simplified the student financial aid forms. Now, this legislation will take on the 1040. Today, higher education provisions are needlessly complex. It takes IRS an 86-page brochure to explain to families how to use the existing tax credits for higher education. The complex process is so challenging that 1 in 4 eligible taxpayers don't claim any of the benefits available. It shouldn't take a certified public accountant to become a CPA, or a teacher, or an engineer. This legislation would consolidate some of the existing provisions into a single, unified, easy-to-understand, higher education tax credit that is both more generous and easier to use.

Our bill joins the Hope Tax Credit (currently up to \$1,800 per year) with the above-the-line tax deduction for qualified tuition and expenses (currently tax deductible up to \$4,000). We replace all of this with a new \$3,000 tax credit that is usable for undergraduate education and the first 2 years of graduate school, up to a lifetime limit of \$12,000. Up to half of this new tax credit would, for the first time, be refundable. This ensures that working folks, families that are struggling to become part of the middle class, will no longer be excluded from this higher education tax credit.

This bill is, of course, no substitute for a substantial increase and an acceleration of those Pell Grant increases Congress has already enacted. But tax relief, done in a refundable form, can work hand-in-hand with Pell Grants to ensure more opportunity.

We are justifiably concerned with the federal deficit, but there's a real oppor-

tunity deficit we need to be concerned with also. When our students are not able to achieve their full, God-given potential, a deficit occurs, and it is that deficit, that opportunity deficit, that this legislation seeks to address.

I respectfully call on our new President-elect to consider inclusion of this legislation in the economic recovery legislation that this Congress must adopt as soon as possible. Investing in American students is an investment in America's future. Putting Americans to work means ensuring that they have access to all the education for which each is willing to work.

It was Thomas Jefferson who urged public support of higher education, wanting the youth of all our states to "drink from the cup of knowledge."

Today, there are students who are thirsty for that knowledge, but they confront a number of challenges. Mr. PERRIELLO and I, and our colleagues, hope to address those challenges, and we hope we will have the opportunity to see this legislation enacted into law in the next few weeks.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Ms. CORRINE BROWN) is recognized for 5 minutes.

(Ms. CORRINE BROWN of Florida addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

WE HAVE TO PUT AMERICA BACK TO WORK

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

Mr. KUCINICH. We've heard the economic reports, over 10 million Americans out of work, 7.2 percent unemployment. Some say that unemployment could go to 10 percent. We could be looking at 12 million Americans out of work.

The productive capacity of this Nation is not being used. It's withering. We have to put America back to work. Our program actually is pretty simple. Jobs, jobs, jobs. Put people back to work with good paying jobs.

How do you do that?

You go back to that old time religion of FDR reflected in the New Deal. He rebuilt America. There's over \$1.6 trillion in infrastructure needs that are unmet, that can't be met by local or State governments. The stimulus package that we hear discussion about does want to do something about addressing infrastructure. That's significant. We should support that.

But we also have to look at our experience, and we don't want to be TARPed again in this Congress; because this Congress voted for a \$350 billion bailout of banks. I didn't vote for it, but the House and the Senate voted for it. And it resulted in the banks using the money, not to help people

stay in their homes, but in using the money to buy other banks, take over other banks. They hoarded the money.

There is a credit freeze. We cannot—we must take notice of that. I know Chairman FRANK, BARNEY FRANK, is going to do that with the next tranche of TARP money, try to make sure money goes to keeping people in their homes. That's a positive step in the right direction. But Congress must take note of its experience in the bailout when we're fashioning a so-called stimulus package because we want to make sure that the money gets to the people who need it the most and it gets to people quickly.

Now, some say that you can do that through tax cuts. Well, actually, with people being afraid of the economy getting worse, they're holding on to their money. Look at the Christmas retail returns. Sales are down dramatically. People don't want to spend if they have it.

So how do you get the economy moving again?

Tax cuts, tax carry forwards, giving businesses that made bad choices a chance to get more money so they can hold on to it?

No, we have to prime the pump of the economy. And the way you prime the pump of the economy is that you create millions of jobs. Putting people back to work, rebuilding our roads, our bridges, our water systems, our sewer system, that's infrastructure. But there are some broader issues here we have to look at.

The banks have shown that they can't be trusted with the American economy. That's generally been the case, but now it's out in the open, \$350 billion later.

In 1913, the money power of the country was taken away from the people. By constitutional privilege it belongs with the Congress, but it was given up in the Federal Reserve Act. The Federal Reserve is no more Federal than Federal Express. But yet it has the power to determine the direction and use of money in our economy. If we could take that power back and put the Federal Reserve under Treasury, we start to be in a position of being able to control monetary policy on behalf of the United States people.

We also have to address the issue of the fractional reserve system, which is how banks create money out of thin air. And then, as they do that, they've created the conditions where we've had this kind of Ponzi scheme collapsing, banks and the hedge funds working together. So we have to halt the banks' privilege to create money by ending the fractional reserve system. Past monetized credit would be converted into U.S. government money, and banks would act as intermediaries, accepting deposits and loaning them out to borrowers. Fine.

But then, with the ability to control our fortunes, we then, once we control money again, we spend the money into circulation on infrastructure; not just