

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

(Mr. INGLIS 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 North Carolina (Mr. MCHENRY) is recognized for 5 minutes.

(Mr. MCHENRY 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 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.)

BIG THREE AUTOMAKERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 2009, the gentleman from Texas (Mr. CARTER) is recognized for 60 minutes as the designee of the minority leader.

Mr. CARTER. I think most people know I spent a little time in the courts of this country. I am going to start off this conversation by saying that I'm not a bankruptcy judge, nor a bankruptcy litigant. And, in fact, I do not claim any expertise whatsoever in the area of bankruptcy. But I have some serious concerns that bother me about some things that are going on, and I would hope at least that the American people have these same concerns, because I really believe that the third branch of our government, the Judiciary, is there for recourse for all citizens, big and small. I think they are the fallback position, where politics should not interfere, but due process should prevail.

I believe that the protection of the minority interests of whatever we may be doing, it is best protected in the courts of our country.

I look at what is going on tonight and have been trying to figure out—and, I'm going to tell you, you're going to hear me ask a lot of questions tonight that I would like someone to give answers to, because I don't understand where things are going. But I'm looking at what is going on with the automobile industry in this country.

You know, the big three automakers in this country have been symbols of corporate greatness for my entire lifetime. We all can have a debate about who made the best car, what is the best car ever made, but most Americans would argue for some form of a GM car or Ford or a Chrysler as the best car they ever drove. Our grandfathers and our fathers have owned these vehicles and they have worked with these companies, and they have been respected and honored across this Nation.

Now, these companies are in trouble. At least two of them seem to be in a lot of trouble—Chrysler and General Motors. At least it has been indicated through the media that Chrysler is going to be seeking recourse in the bankruptcy courts.

The reason I say it has been indicated is because, in the normal course of things, what you normally see is that the board of directors, through its chief executive officer, will have a vote or will discuss the economic situation of the company and will come up with the fact that it's just not going to be viable. That at least they need the reorganization and the cancellation of some of their debts to be able to maintain order within the company and be a viable company.

But, in the case of Chrysler, the announcement was made by President Barack Obama to the media in a speech that he made announcing Chrysler would go into bankruptcy—at least it's my personal opinion that I don't believe at that time Mr. Obama held any position in the corporate structure of Chrysler to speak on their behalf, other than he is the President of the United States and he may have more knowledge than some of the rest of us, but it would be normal for Chrysler to make that announcement.

But then it would be normal for the board of directors of Chrysler to fire the executives of their company if they are not doing a good job, and it would be normal for the board of directors of General Motors to do the hiring and firing of executives that they have hired to manage their company.

March 29 of this year, President Obama forced the CEO of General Motors, Rick Wagoner, to resign from his post. As far as anyone can tell, this marks the first time in American history that a United States President has directly intervened in the daily running of an American business.

So we start with that announcement. The CEO, Mr. Wagoner, is fired by the President. Then, the President announces—not the CEO of Chrysler, but the President—announces the bankruptcy of Chrysler.

This bankruptcy, under normal circumstances, would go before a bankruptcy judge. And we have a set of laws that are established in this country—they are called creditors' rights. And we have creditors that stand in different positions when it comes to being repaid on debts, depending on whether they are secured or unsecured creditors, and we have a battery of laws that make that determination, and the bankruptcy court, doing a way more complicated analysis than I just did, comes up with who gets paid what and when and where and how and what happens; what assets are sold, all or part, and these are laws that are on the books that pretty well anybody can go see, and they are from time-to-time changed by the legislative body.

□ 1945

But we understand now from what the newspapers tell us that the Obama

administration has announced the deal they expect to be rubber-stamped by the bankruptcy court. That deal is, according to the papers, a 55 percent ownership of Chrysler will be owned by the UAW, United Auto Workers. So the laborers of that company will be owning 55 percent of Chrysler. Then, 35 percent of Chrysler will be owned by Fiat, a foreign company out of Italy, and other places, I am sure. Then, 8 percent of Chrysler will be owned by the United States Government, and 2 percent of Chrysler will be owned by the Canadian Government.

I suppose, if we look at who is normally involved in corporate structure, you would have stockholders and preferred stockholders that are probably in there someplace; and, it looks like, to me, that they are divested of any interest in this trade.

Now, let me say that this should be something that the court makes a decision based upon creditors law, but it seems to be this is being shoved into the hands of the court, with an announcement by the White House saying: This is a settlement these people have agreed to, and you will do it this way.

I wonder, who is looking out for the stockholder? I don't own any Chrysler stock, but if I owned a share of Chrysler stock I would think that at one point in time I owned a portion of the Chrysler Corporation, that I was one of the owners of the business. Because we can cut through all the mystique of a corporate structure, the mystique that many call the bad guys, the big corporations. But big corporations are nothing more than a gathering of people who are called shareholders who invest their hard-earned money into a company, expecting that company to make profits and, in turn, return that value to them by an increase in stock price and possibly a dividend. It is Americans and others investing in America. That is what a corporation is all about.

Now, whether it is a small corporation that is in Round Rock, Texas, where I come from, that maybe has 20 shareholders, or whether it is a giant corporation like the Chrysler Corporation that probably has, who knows, a million shareholders, those people have invested their money and they have some interest in that business, and through their representatives that they elect to the board, they supposedly have a voice in what is going on. Yet, if this deal is the deal we are talking about, I don't see where these shareholders, whether they be preferred or whether they be ordinary stock shareholders, I don't see where they are accommodated at all.

You can hear some criticize and say that the Federal Government is taking over the automobile industry. Of course, I am sure that they would argue: Well, certainly not in the case of Chrysler, because we are not going to own but 8 percent of Chrysler. But their agent, the group that donates 99

percent, by the last report, of their political donations to the Democratic Party, the UAW, owns a controlling interest, 55 percent.

There seems to be an assumption that when this is announced by the White House that this is the deal, even though it seems that some of these preferred creditors have actually stood up a little bit and said, wait a minute, we didn't make this deal. But it seems that these people are then, by the White House, called not cooperative or other things.

In fact, it was reported in the newspapers that they twisted the arms of these preferred creditors to a point where they felt like they were being threatened and not being able to look out for the interest of their people. And, of course, the finger was pointed to them as the big rich preferred creditors, the big rich bondholders, when, in reality, these companies were stepping up and saying: We are not going to be threatened by the administration. We are going to stand firm. Because it is not just the couple of great big rich folks. They have got lots of people, including other people's pension funds, that are invested in their hedge funds and their groups that own this interest.

According to Thomas Lauria, Global Practice Head of the Financial Restructuring & Insolvency Group at White & Case, said that Perella Weinberg Partners was directly threatened by the White House and, in essence, compelled to withdraw its opposition to the Obama Chrysler restructuring deal under the threat that the full force of the White House press corps would destroy its reputation if it continued to fight.

That statement should concern us all. The White House press corps is supposed to be a press corps that is gathering news and making inquiries, not becoming an arm of the White House or the White House's restructuring force that they are putting together to restructure this deal for Chrysler. It should concern every American that the White House is threatening the use of those people who sit in those press conferences supposedly asking the tough questions of the President, they are threatening that they can use them to harm these individual bondholders, these bondholder companies. I think there is something tragically wrong with that.

One of the questions I ask is where are our courts in this situation. I mean, the stockholders are being left with their interests basically dissolved in the Chrysler Corporation. The bondholders are being threatened by the press corps of the White House to the detriment of their shareholders to take possibly 25 cents or less on the dollar as part of the deal, when there are creditors' rights laws that should be looked to by the bankruptcy court. And if you are not getting good recourse from the bankruptcy courts, there are other courts you can go to.

I am very disappointed that there seems to be some weakness that the

courts are not standing up for what could be, and in my estimation would be, a large body of people whose defined rights are being forced away from them by the heavy hand of the White House. And the White House heavy hand is a dangerous place to be.

I will remind you that President Harry Truman seized the Nation's steel mills during the Korean war in order to avoid a shutdown during a strike. He could have sought an injunction barring the strike under the Taft-Hartley law, but instead he chose to seize based on his powers as Commander in Chief. He specifically notified Congress of the right to reverse or endorse his action, but Congress chose not to act. The Supreme Court overturned Truman's Executive order.

The legal questions were: Has the Congress granted the President the power to take possession of the property? The answer was "no." Does the Constitution grant the President the power to take possession of the property? The answer was "no." Is Truman's Executive order in compliance with the Constitution? And the answer was "no."

The opinion written by Justice Black said: All powers of the Presidency are contained in the Constitution or in subsequent acts of Congress granting specific powers to the Executive. The contention that the aggregate power of the Constitution and acts of Congress create new, more far-reaching powers was rejected by the Court. Under the Taft-Hartley Act of 1947, Congress has addressed the precise issue of labor strikes and national security, and has chosen not to grant the President the right to break a strike.

Likewise, nowhere in the Constitution is the Executive granted the right to seize power. An evaluation says Youngstown was instrumental in reaffirming that the President cannot legislate, only execute legislation passed by the Congress.

Black wrote: The Constitution limits his function in the lawmaking process to recommending of laws he thinks wise and the vetoing of laws he thinks bad. The ruling limits the nature of the Executive order to carrying out the limitation of laws already established by Congress.

Now, I guess the question that we would have in what is going on in the Chrysler case, and to some extent the General Motors case, which we will get to in a little while: Has Congress granted the President the power to take control of the negotiations of a private corporation and attempt to make a settlement to go before the bankruptcy court? I would certainly argue that the Congress has not given the President that power, nor do I think that the Constitution grants President Obama the power to take control of the negotiations to be submitted to a bankruptcy court and to threaten those who choose not to enter into these negotiations with abuse by the White House press corps that would harm their busi-

ness. I don't think the Constitution in any way, form, or fashion grants that power to the President of the United States. And I think what is going on with the White House and its heavy-handed manipulation of the duties and responsibilities of the bankruptcy court is nowhere granted by Congress or by the Constitution of the United States.

I think Americans ought to be looking at this, and Americans ought to be concerned about this. These are private businesses owned by private people who borrowed money from other groups of people who either are shareholders or lenders in some form or fashion whose rights are defined by law. And for the President of the United States and the White House to intervene to force a settlement to be submitted to the court and then ask the court to basically rubber-stamp that settlement without looking to the protection of these other rights of the other individuals that are involved, to me, these raise questions that we need to be asking; because if the government can do this to the Chrysler Corporation and the millions of stockholders that own Chrysler Corporation, who else could they do it to that stood in the way of their negotiations? And where does the Constitution or the Congress authorize the President of the United States to heavily-handedly negotiate in this private situation? And where does it authorize the turning over of 55 percent of the business to the laborers who work there in the form of the ownership by their union? And why isn't it quid pro quo, when you look at what that union had done?

In 2008, according to reporting that has been done, according to Open Secrets, the UAW gave 99 percent of its political contributions to the Democrats in the 2008 cycle. If you give 99 percent, then you own 55 percent of the company. Is that the way it is supposed to work? Shouldn't some court somewhere ask that question? Shouldn't some courageous litigant somewhere stand up for the rights of the stockholder, stand up for the rights of the bondholders, speak out for those preferred creditors? Shouldn't someone be going to court and speaking out on these people's behalf?

□ 2000

I have real concerns because I start from the premise that I believe that that third branch of government that I served in for 20 years is there for the protection of all Americans. That is what our court system is about. And if we are going to politicize—and as we look now to an appointment of a new Supreme Court Justice—if we are going to so politicize our court system as to take away the ability for the weaker party to have a voice through politics, then there is something wrong.

We, as Americans, need to be asking that question, and I would challenge my colleagues to start thinking about this: At what point in time does the

President have to follow the Constitution, or at least does the Congress have to grant him powers before he can do these things?

That is just Chrysler. Now, the GM deal, President Obama hasn't announced yet that they are going to the bankruptcy court. But they are trying to work out a settlement.

Oh, going back to the Chrysler deal, doesn't it bother anyone that the deal we are making is taking control away from the American stockholders and from the board of directors of Chrysler and giving ownership to the labor union? I don't see any indication that the labor union is making the assumption of any of these debts or contributing any money to this project. They are just being rewarded for being a labor union. Now where is the logic in that? And then what are they going to do? Thirty-five percent of that is going to be Fiat. I have nothing against Fiat. I actually owned one at one time. So let me lay my cards on the table. It was a neat little yellow convertible, and my wife told me I couldn't keep it, but I owned one for a while, and it was fun and a good car.

But now we are basically turning Chrysler over to a foreign company. I don't have anything against foreign companies. We are in an international world. But let's get a reality check here. The President of the United States is putting together a deal to turn Chrysler over to a foreign company in a foreign country. And you can bet your boots that one of these days the word "Chrysler" won't be in our vocabulary anymore. I hope and I wish Fiat all the best, but realize that it will be the "Fiat Company of North America," or at least logic would seem to make one think so.

All of this is to make sure that we meet a pledge that the President of the United States made to the UAW that he would protect their benefits and pensions. The government didn't protect the benefits and pensions of the Delta pilots when Delta went bankrupt. So why, all of a sudden, is the government going into ownership of this company and taking direct direction of this company to make sure that it benefits this labor union rather than another labor union? It is a question that we ought to be asking. It is a question some court ought to be looking into. This concerns me.

Before I go any further, I do want to go ahead and lay the supposed GM deal that the White House is telling us looks like this is what they are recommending, and I read this one on the front page of *The Wall Street Journal*. Fifty percent of General Motors will be owned by the United States Government; 39 percent of General Motors will be owned, again, by the UAW; 10 percent of the company would be owned by the bondholders, so at least the bondholders of General Motors are going to end up with 10 percent ownership. And the stockholders are going to do all right, too. They are going to go from at

least more than 1 percent, they are going to go from some percentage of GM down to 1 percent. So if you're the proud owner of GM stock, then all of the stock that is out there is going to be worth 1 percent of General Motors.

One of our Members was telling me that he owned, I forgot what he said, 1,000 shares of General Motors or something like that. The diluted price is estimated to be somewhere between two cents and a nickel a share for General Motors stock—General Motors, that great icon of American industrial might. Many pension funds, teachers' retirement funds and other people invested in them because they were like the American flag. They were American industry at its best. And now all those people and all those funds that invested in stock are going to own 1 percent of a company where they used to own most of the company.

They are going to take the burden, the great burden, of the mistakes made by General Motors and, I would argue, that overwhelming pressure put on by the United Auto Workers to maintain, at all costs, their right of contract. There are written and unwritten contracts, but the contract is sacred in America, and the unions certainly stand up for the rights under their contract. But under creditors' rights, there are rights, too, that are created by law. And a person who does something and buys stock or invests in a bond, those people have the right to rely upon the law to protect them, just like a contract. But it seems that every day as we go forward in the Obama administration, the sanctity of contracts seems to be of less and less importance, and, truthfully, that will be terrible for this Nation.

I am very pleased and blessed to have my friend, a good friend from Iowa, STEVE KING, to be here with me tonight. I will yield to him such time as he may wish to consume.

Mr. KING of Iowa. I thank the gentleman and judge from Texas for taking the lead and coming here to the floor to help convey this message across the country as he addresses you and as I address you, Madam Speaker. As I listen to this, the transition goes, the segue handoff goes to AIG. I happened to look at the AIG story that is there today. "AIG nears sale of headquarters in Japan for \$1 billion." We look at the AIG, the big Federal bailout that is there, the effort to block, after the fact, the bonus packages, the retention bonuses that were paid under the contract, the sanctity of the contract, as the judge said. And what happened was this process here in this Congress raced too far too fast. And there was a big TARP bill that passed last fall before the Presidential election. Half of it, \$350 billion of that, was made available pretty close to right away. Another \$350 billion had to go to the next Congress. Most of that money was going to be spent by a Secretary of the Treasury to be named later by a President to be elected later, Madam Speaker, and that is what happened.

So those \$700 billion went forward, the \$787 billion on the stimulus plan and the \$410 billion on the omnibus spending bill, 1,222 pages stacked up that high. They arrived at 11 o'clock at night and were brought to the floor the following morning. We were asked to read 1,222 pages, or have staff read all that, and figure out what was in it, and then figure out what was not in it and draw a good judgment on all of this. This was pushed through, shoehorned in and rammed through quickly for political reasons, I believe, Madam Speaker.

The AIG loophole was actually written into the bill. We don't quite know yet whether it was the chairman of the Senate Finance Committee or whether it was the White House that actually had the most influence in that. We know there was communications going back and forth between the White House and the Chair of the Finance Committee and the Senate, and they wrote language in there that was a loophole that allowed for major, major bonuses to be paid. First it was \$165 million. Then it went up to \$200 million. Then it got up to about \$240 million that went into bonuses for people who had led a company into disastrous ruin.

So now we are watching some of the spin-offs. This is some of the effort, some of the nationalization that goes on. Fannie Mae and Freddie Mac were nationalized. They were organizations, companies, that should have been capitalized and regulated. We tried to do that on the floor of the House of Representatives, Madam Speaker, and we were blocked at every turn by some effort on the part of Republicans and a big effort on the part of Democrats. They argued, especially right now the chairman of the Financial Services Committee came to this floor and argued, Fannie Mae and Freddie Mac are not in trouble. They don't need to be capitalized. They don't need to be regulated. I don't see any problem there. I'm going to oppose any efforts. The gentleman who is now the Chair undersells his persuasive ability. But many of us tried during that period of time.

This thing unfolded with Fannie Mae and Freddie Mac being nationalized, AIG effectively being nationalized and spinning off the headquarters in Japan for \$1 billion or so. And then we heard the gentleman from Texas, the judge, talk about Chrysler, well, formerly Daimler Chrysler, now Chrysler, and this push merger that goes on with Chrysler and Fiat—I never owned a Fiat. I want to make that clear to the gentleman from Texas. But I probably would have enjoyed it if I had had one—and the de facto nationalization of General Motors Company.

Now, that should alarm Americans. It alarms me that there was a poll that went out about 1 month ago that found that only 53 percent of Americans said they believe in capitalism. Now I didn't see the exact text of the question. I

think they have to believe in free enterprise in a bigger number. They might think capitalism is something not quite as clean and pure as free enterprise, but we have got to believe in our market system.

This free enterprise capitalistic system that we have in the United States of America is the engine that defeated the Soviet Union in the Cold War. For 45 years, we fought a Cold War, and we were playing chess and Monopoly on the same board. And the question was, will the Soviet Union checkmate the United States militarily with their ICBM missile endeavor before we bankrupt them economically? On that board, chess and Monopoly on the same board, this American free enterprise system defeated the Soviet Union and won the Cold War without technically firing a shot because our economy has been, and remains, the strongest in the world, the most robust in the world, the most resilient in the world and the most adaptable in the world because it rewards entrepreneurs better than any other in the world and because we have created a favorable tax arrangement and a favorable regulatory arrangement compared to, let's just say, European socialism.

But our President, Madam Speaker, has drawn a different message. He has drawn a different message from the New Deal in the 1930s. The message that he has drawn is that the failed New Deal actually would have succeeded if FDR had not lost his nerve and spent a lot more money. And this President has not lost his nerve. He has spent a lot more money. He has spent so much money that I look for the vibrations and reverberations down there. I would just think that FDR would be rolling over in his grave right now watching the trillions of dollars that have unfolded.

I have expressed this before that when we say "trillions of dollars," these trillions are being discussed across America in the coffee shops as we used to talk about, well, let's just say millions, \$1 million here, \$1 million there, and pretty soon you have some real money. But trillions work out this way. I don't know how much corn they raise in Texas, but I can tell you how much we raise in Iowa. We will raise about 2¼ billion bushels this year for 2009. And if it is worth a little better than 4 bucks, which it probably is not going to be in this economy, it is about \$10 billion worth of corn. That is about what that crop is worth.

Now, if all of our producers took all of their input costs and put all their labor, all their land prices away and they swallowed all that and just gave that corn crop at market prices to help pay down the deficit, let's just say to help pay down \$1 trillion, they could take the 2009 crop, the 2010 crop, the 2011 crop, all the corn we raise, give it to the government to pay down \$1 trillion, and when they paid down the \$1 trillion in real present value, the 2108 crop, 100 years would be how long it

takes to accumulate \$1 trillion with all the corn that Iowa can raise, an entire century of corn for \$1 trillion. And now we can think in these terms: dollars, corn.

Put it in another term here, that is only \$1 trillion. I said that into the RECORD, Madam Speaker. All the corn that Iowa can raise in 100 years is only \$1 trillion, and it is only compared to a \$9.3 trillion deficit approved by this budget that was just passed out of here the other day, 9.3 trillion. Now, how long does it take to pay off \$9.3 trillion at present value? That would be—I have to round this a little bit so I can do the math in my head. That would be 1,000 years of all the corn that Iowa can raise with no expenses deducted from it, the gross value of that crop as it comes out of the field and will be delivered, 1,000 years of all the corn Iowa can raise just to offset the deficit created by the budget that was proposed by this White House and passed by this Congress.

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And then if we thought we were going to pay off the national debt, that is another \$11.5 trillion or \$11.8 trillion, and you add that to the \$9.3 trillion deficit, and these numbers I am looking at are \$20.8 trillion to \$23 trillion depending on who you ask for that number. But let us say \$20 trillion, the downside, that would be all of the corn at present value and at present yields that we could raise in Iowa for the next 2,000 years. Or if you want to back up, take it back to the birth of Christ. That is what it would take to pay off the national debt and pay off Obama's deficit by his budget. President Obama, I should say.

On top of that, what we have, Madam Speaker, is the nationalization of great American companies. Great companies, companies that grew right out of the entrepreneurship of the can-do spirit of receiving a reward for value invested, invest some dollars and put some investors together, and put together some shareholders, crank out a company that is going to start making cars and sell to the market. And sometimes even go out and create the market, which Henry Ford did. Henry Ford actually created a market for him to sell to.

You have heard the numbers from Judge CARTER.

Today, well, 50 percent of General Motors is owned by President Obama. And representing the United States of America, representing the disenfranchised taxpayers that will be paying off the debt and not receiving any return on this particular investment, 39 percent, you heard the number right, from the UAW, the union, own shares in the company. And what did they pay for those? Maybe they actually did, if the shares are down to a couple of cents, but I don't know those numbers. And the bondholders are reduced down to 10 percent, and the stockholders 1 percent.

This is a nationalized company. Isn't anybody alarmed about this? Didn't anybody see the image down in Central America when we saw the glad-handing and the extra hand up there on the arm of Hugo Chavez, the happiness that showed the big, grinning faces that came from President Obama and Hugo Chavez, sending an image to the world that they are good buddies.

I see two things when I see that image. One of them is Hugo Chavez, standing at the podium at the United Nations the day after President George W. Bush spoke to the United Nations and calling our President in Spanish the devil, El Diablo, and saying there is a stench that still lingered at the podium, to snickers of laughter from the people sitting in the United Nations funded by Americans.

And what is the message that the world gets, glad-handing, big grins, President Obama, President Hugo Chavez? They get the message that there is no penalty for insulting the United States or declaring the United States to be your enemy. There is a reward for it. There is a happy image to send around the world.

The second thing, the second message is the one that I get, and that is two leaders of their representative countries, one of them, the leader of the free world, standing side by side grinning at the cameras, each of them had nationalized at least one important company in their country within a 30-day period of time. And in President Obama's case, he way out did Hugo Chavez when it comes to the socialization of major corporations. He nationalized General Motors and he nationalized Chrysler all in the same day; and he stepped up and took credit for it.

This free enterprise country, this country that forged freedom and settled a continent because we had entrepreneurs that could go out and struggle and receive on their investment for their labor and brains and for their intuitiveness, that is how we settled this country. And now we are to the point where we have the radical nationalization of major American companies, General Motors, Chrysler, on the same day. And you would think if a President thought that he needed to do that in order to save a company, that he would have at least been wise enough to keep his fingerprints off it, but he took credit for it. He took credit for it. He did the press conference. He did the nod. He did the smile.

I am sitting there appalled that there could be such a thing taking place in this country, and with a disregard for what made this a great nation. And one of the central pillars of American exceptionalism is free enterprise capitalism, and you cannot deny that from a historical perspective. But he did that. And he said, I will work to protect your benefits, to the unions.

And NANCY PELOSI, the formal Speaker of this House, said she is not going to give the automakers bargaining leverage over the unions. When

you see the unions are stepping in on ownership, I have to take you back to a Web site that everybody in America should visit, and it is the Democratic Socialists of America, DSA.org. And on that Web site, you can read some things.

One says, "We are not communists." Okay. Well, I need to understand that distinction. So I read that carefully. It says we are not communists because communists believe in the nationalization of everything. They think that they should own all of the properties and all of the companies and tell everybody what to do and what to make and what they are going to make. And socialists are not really like that. They recognize there is merit to have little mom-and-pop shops running around making donuts, probably not selling gas anymore, but running the barber shop and the flower boutique. So they say, we don't want to nationalize everything; we just think that the major corporations should be run for, get this, "the benefit of the people affected by them."

What does that tell you? Running major corporations for the benefit of, which is it, the unions or the customers? It sure in the world is not the shareholders and the bondholders. But it is for the unions, the labor unions, the employees, one might say, or the customers.

And so we have now national socialism in America. The nationalization, socialization of these major companies, 50 percent of General Motors to the Federal Government, deemed by the President, 39 percent to the UAW, 10 percent to the bondholders, 1 percent to the stockholders. And watching this happen is a sad, sad tragedy that is not bringing the alarm in this country that I think it ought to bring.

I am greatly disturbed by what I see, and these are not speculations; these are the facts. These are after-the-fact facts that are there. History can't write it any other way unless somehow they wake up tomorrow morning and decide they are going to start selling shares off to some private interest so that the stockholders can start to run the company again, and maybe they can decide whether they want to fire the CEO rather than the President of the United States. And the President of the United States has also decided what people can collect for a salary and what they can't.

And they have put money into the banks, and some of the banks are resisting it. They want to give the money back. The President doesn't want to take the money back. He doesn't want to denationalize the nationalized banks.

That sounds like I might be impugning his motives. And I tell you, I look at the facts. Here is how I draw this conclusion, Madam Speaker. This is the 12 of 14 rule. With the mortgage-backed securities, the toxic mortgage debt that is out there, the proposal that came out about 3 or so weeks ago,

it was on a Monday, we get these proposals on a Monday. Work on them all weekend long, Monday morning you get a new idea, and another new idea, and it comes at you over and over again like a cannon going off every Monday morning, sending shock waves through our economy.

But this rule, 12 of 14 rule works out to be like this: If an investor will partner with the President in picking up this toxic debt on these mortgage-backed securities, a regular investor, like Judge CARTER, for example, could lay \$1 down on the table and then the Federal Government will match it with one of your tax dollars. So there are \$2 on the table. And then there are loan guarantees that are guaranteed for the balance. And this is a \$14 package, \$12 worth of loan guarantees, guaranteed by President Obama, your tax dollars. So there is \$12 worth of skin on the table from the taxpayers that are loan guarantees. There is another dollar on the table from the taxpayer that is matching the \$1 that Judge CARTER introduced for his investment. The individual has a 7 percent investment, and the taxpayers will have a 93 percent investment. And so how do you think you might split some kind of an investment like that?

I would think, okay, I will give you 7 percent of the profits for your 7 percent of the investment. But President Obama says no, no, no. I want you to have half of the profit, Judge. You can take half the profit for your 7 percent investment, and the Federal Government, the taxpayers, will take 93 percent of the risk and even that wasn't good enough. Then the President says, why would we want to tax the people who are our partners? So now they don't want to tax 50 percent of the profit that you get for 7 percent of your investment, they want to waive the tax on that.

Now, if we were in desperate condition and we needed to figure out something to do with these toxic debts and mortgage-backed securities, maybe that would be an act of desperation where you put together a package like that, and you can say, I am partnering with the private sector. This really isn't the nationalization of the mortgage industry; I really didn't follow along on what we did to Fannie Mae and Freddie Mac. No, this is a free enterprise endeavor.

Well, it doesn't work out this way. Some of us, and I introduced legislation to do this, would suspend the capital gains tax on those investments that pick up the toxic debt. But we couldn't suspend those. That idea was off the table in a heartbeat. The chairman of the Financial Services Committee swept those things off the table immediately. So we couldn't give a tax break to willing investors, but we would give a tax break if you partner with the Federal Government. We can't suspend income tax on the profits made by most who pick up mortgage-backed securities because that would be, what,

free enterprise capitalism that had a favorable tax situation that could come in and rescue this situation with willing investors.

That confirms for me that this President is determined to nationalize, nationalize, nationalize until we become nationally socialized big business in America, exactly verbatim within the model plan that is on the Democratic Socialists of America Web site, dsa.org, where it says we just want to nationalize the big companies and run them for the benefit of the unions and the benefit of perhaps the customers, but not for the benefit of the shareholders.

That is the scenario today. I thank the gentleman for yielding, and appreciate him leading this Special Order.

Mr. CARTER. I thank the gentleman. I want to point out a couple of things so we don't get off into this magic world that has been created by our Democrat friends and the media, that stockholders are some sort of exotic, wealthy billionaires that own all of these companies.

The teachers retirement system of Texas probably owns General Motors stock. I don't know, I haven't looked into it. But back when General Motors was \$60 or \$70 a share and everybody was proud to be an American, I am sure that pension funds for our teachers around this country invested. So those people would be looking at a 2-cent value or a 3-cent value or a nickel value for stock that they paid \$60 or \$70 a share for. So don't get into this magic myth that is created by those who would like to socialize this country that we are talking about fat cats. We are not talking about fat cats. We are talking about the ladies down at the Catholic church that got together and decided they would have an investment club. And they all put a little bit of their egg and butter money, as my grandmother used to say, in a little pot and said, now let's sit around and study the stock page in the newspaper and let's buy ourselves some stock.

A lot of them made a whole lot of money and lost a whole lot of money during the dot-com boom of the 1990s. But those were not fat cat investors. Those were little old ladies at the Catholic church, okay, or at the Methodist church or at the Baptist church or the bridge club or whatever. They are your neighbors. They are the people who live next door to you. They are the people your children go to school with, their parents; and even the kids' college funds are invested in things like General Motors and Chrysler.

So when we nationalize these industries, when we take it out of the hands of the people who own it, which is the stockholders, and we don't give them, defend their rights as stockholders, we make a deal through the pressure of the White House.

□ 2030

You know, interesting statement, this is one of the lawyers talking about what happened to the bondholders in

the Chrysler deals. He said, "One of my clients was directly threatened by the White House and in essence compelled to withdraw his opposition to the deal under threat that the full force of the White House press corps would destroy his reputation if he continued to fight. That was Perella Weinberg," Tom Lauria, the head of the bankruptcy department for the top New York City law firm of White & Case, told a WJR 760 radio host.

He goes on to say down here, "Some of the critics charged that the administration used leverage to provide TARP funds to force banks to comply with this deal. In other words, investors like JPMorgan Chase, who also were bondholders in this Chrysler deal—the old TARP fund deal that we've been talking about now for months—was all of a sudden the twist to make them get in line. And what happened was this group that Mr. Perella Weinberg was involved in, they didn't take any TARP funds, so they didn't have the twist. And they stood up. And what did they do? They threatened them with the White House press corps. I'm sorry, when I was a kid, this doesn't sound like the America that we grew up with. This sounds like the people we used to fight. This sounds like Joe Stalin and some of those people that threatened their way to power.

I am telling you, we ought to be worried about this. And I am deeply worried—although I am happy to see that this New York law firm is involved. I would hope that good litigants—because I believe in the justice system—would use the justice system to protect the rights of these creditors. I would hope they would do that.

I would hope that we would realize that neither this Congress nor the Constitution of the United States has given the White House or the President of the United States the kind of power and authority that he is executing and utilizing on these two car companies. And then we find out that we've got some folks that—they have already said that they would take common stock in the banks, so they want to be stockholders when it comes to the banks. They want to vote that stock and control those banks. They want to take majority interest in our large banks. That is another nationalization of an industry.

And so some of the banks said, you know what? We see the handwriting on the wall. We see that freight train coming down the track right at us. Here's your money back. We don't want your TARP money, take it back. And they are refusing to take the money back and threatening to charge massive penalties if the banks return the money that the American taxpayers provided to bail out banks in this TARP program. If they don't need the money and they want to give it back, what in the world is wrong with that? Except you no longer control the bank when they give the money back. You no longer can control the deals that are made

with Chrysler by twisting the arms of the banks. You no longer can control American industry. And that is the kind of thing that these trillions of dollars that we're spending, we, as Americans, should be deathly afraid of, that there are people who would control our Nation with the money that we give them out of our pocket and we permit them to borrow in our name that we are going to have to pay back.

I remember what I told my children as soon as they could understand English: the United States Government, nor any other government, never made a dime; they took it from you.

Mr. KING of Iowa. Will the gentleman yield?

Mr. CARTER. I yield.

Mr. KING of Iowa. I thank the gentleman from Texas.

It just brings to me a number that was reported in the aggregate, the union contributions, political contributions for the last election cycle, 45 billion dollars. And now we see a President and a Speaker of the House, and others, who have decided that they are going to make sure that there are shares in the hands of the workers without a transfer of wealth? But just simply—apparently they are good workers, all right. They think they are good campaign workers, that's what I hear.

This question now troubles me, as I listened to the gentleman discuss this, with the teachers' salary, Teachers Union salary, and perhaps as invested in General Motors and Chrysler. And a big part of that portfolio perhaps is spiraling downward—has spiraled downward. Now, if you take the position that the President has, "I will protect your benefits," and the position that the Speaker is taking, "I am not going to let the automakers get bargaining leverage over the unions," and if that turns it into, Here are some stock shares, and the union can have controlling interest in the company—or at least to break even, half the interest—and broker it, if they can get together with the stockholders that have 51 percent, if that can be the case, this is a Federal Government bailout of a situation where they are setting up jobs for people, not jobs for production for profit. But if that happens—and it has happened—and the taxpayers are there, what happens if the retirement funds for the Teachers Union meet the same end as the value of the stock shares for General Motors and Chrysler? How do you go in and nationalize a retirement fund for a union? I think you don't, except to put the capital in there and just say we are going to guarantee it, just like we will with Social Security or any other entitlement.

By great, huge gulps, this government is swallowing up the private interests, large corporations swallowing up one after another after another and nationalizing them and taking on obligations in the process that are implicit, that go on down the line. If you remember Fannie Mae and Freddie

Mac, they didn't have a guarantee from the Federal Government. They just had the implicit full faith and credit of the Federal Government. And we came through, \$100 billion here, \$100 billion there, \$5.5 trillion in contingent liabilities. This can happen with these retirement funds, too. And when they get nationalized, pretty soon everything is government except the barber and the shopkeeper and the little ones. And it is right off the Web page, dsa.org.

Mr. CARTER. And then we have national socialism, which is something we should fear.

Mr. KING of Iowa. We would have national socialism.

Mr. CARTER. Something that we have fought against a lot of time.

I think we are about to wrap this up. I want to thank my friend for coming in here tonight. I want to thank the Speaker for her patience. We are raising questions that we think everybody and Members of this House should be asking each other and should be asking on the floor of this House and in committee and around this town. We didn't sign on to get on the slippery slope to socialism, and it is time for us all to stand up and say so.

CONGRESSIONAL BLACK CAUCUS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 2009, the gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN) is recognized for 60 minutes as the designee of the majority leader.

Mrs. CHRISTENSEN. Madam Speaker, it is my honor to be here to host this hour on behalf of the Congressional Black Caucus. And we want to talk about health care this evening.

Before the votes, I attended a District of Columbia Black AIDS Leadership Mobilization Summit; it was a town meeting held at the Kaiser Family Foundation. I want to commend the Congressional Black Caucus Foundation, the Black AIDS Institute, the Kaiser Foundation, NAACP, National Urban League, the YWCA, Southern Christian Leadership Conference, the National Council of Negro Women, Us Helping Us, The Women's Collective, Balm in Gilead, the National Black Leadership Commission on AIDS, Phi Beta Sigma, the National Medical Association, and all of the associations which came together to address the epidemic in the District of Columbia and around the country.

On March 16 of this year, the D.C. AIDS Office released its latest HIV surveillance report. And what it showed was that the HIV rate in the Nation's capital is the highest in the country, and that an estimated 3 percent of the population is affected with AIDS. One percent would make it an epidemic, so it is of epidemic proportions here in the District.

The D.C. rate of infection is higher than 28 African countries. The infection rate puts Washington, D.C. on a par with Uganda. So this is an issue