



Yale SCHOOL OF MANAGEMENT  
*Program on Financial Stability*

## EliScholar – A Digital Platform for Scholarly Publishing at Yale

---

YPFS Resource Library

---

3-19-2009

### Congressional Record - House - March 19, 2009

United States: Congress: House of Representatives

<https://elischolar.library.yale.edu/ypfs-documents/9018>

---

This resource is brought to you for free and open access by the Yale Program on Financial Stability and [EliScholar](#), a digital platform for scholarly publishing provided by Yale University Library. For more information, please contact [ypfs@yale.edu](mailto:ypfs@yale.edu).

The SPEAKER pro tempore. The question is on ordering the previous question.

This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 242, nays 180, not voting 9, as follows:

[Roll No. 142]

YEAS—242

Abercrombie	Grijalva	Olver
Ackerman	Gutierrez	Ortiz
Adler (NJ)	Hall (NY)	Pallone
Altmire	Halvorson	Pascrell
Andrews	Hare	Pastor (AZ)
Arcuri	Harman	Payne
Baca	Hastings (FL)	Perlmutter
Baird	Heinrich	Perriello
Baldwin	Herseth Sandlin	Peters
Bean	Higgins	Peterson
Becerra	Hill	Pingree (ME)
Berkley	Himes	Polis (CO)
Berman	Hinojosa	Pomeroy
Berry	Hirono	Price (NC)
Bishop (GA)	Hodes	Rahall
Bishop (NY)	Holden	Rangel
Blumenauer	Holt	Reyes
Boccieri	Honda	Richardson
Boren	Hoyer	Rodriguez
Boswell	Inslee	Ross
Boucher	Israel	Rothman (NJ)
Boyd	Jackson (IL)	Coffman (CO)
Brady (PA)	Jackson-Lee	Roybal-Allard
Braley (IA)	(TX)	Ruppersberger
Brown, Corrine	Johnson (GA)	Rush
Butterfield	Johnson, E. B.	Ryan (OH)
Capps	Kagen	Salazar
Capuano	Kanjorski	Sánchez, Linda
Cardoza	Kaptur	T.
Carahan	Kennedy	Sanchez, Loretta
Carney	Kildee	Sarbanes
Carson (IN)	Kilpatrick (MI)	Schakowsky
Castor (FL)	Kilroy	Schauer
Chandler	Kind	Schiff
Clarke	Kirkpatrick (AZ)	Schrader
Clay	Kissell	Schwartz
Cleaver	Klein (FL)	Scott (GA)
Clyburn	Kratovich	Scott (VA)
Cohen	Kucinich	Scott (VA)
Connolly (VA)	Langevin	Serrano
Conyers	Larsen (WA)	Sestak
Cooper	Larson (CT)	Shea-Porter
Costa	Lee (CA)	Sherman
Costello	Levin	Shuler
Courtney	Lewis (GA)	Sires
Crowley	Lipinski	Skelton
Cuellar	Loeb sack	Slaughter
Cummings	Lofgren, Zoe	Smith (WA)
Dahlkemper	Lowey	Snyder
Davis (AL)	Lujan	Space
Davis (CA)	Lynch	Speier
Davis (IL)	Maffei	Spratt
Davis (TN)	Maloney	Stark
DeFazio	Markey (CO)	Stupak
DeGette	Markey (MA)	Sutton
DeLauro	Marshall	Tanner
Dicks	Massa	Tauscher
Dingell	Matheson	Taylor
Doggett	Matsui	Teague
Donnelly (IN)	McCarthy (NY)	Thompson (CA)
Driehaus	Doyle	Thompson (MS)
Edwards (MD)	McDermott	Tierney
Edwards (TX)	McGovern	Titus
Ellison	McIntyre	Tonko
Ellsworth	McMahon	Towns
Engel	Meek (FL)	Tsongas
Eshoo	Meeks (NY)	Van Hollen
Etheridge	Melancon	Velázquez
Farr	Michaud	Visclosky
Fattah	Miller (NC)	Walz
Filner	Miller, George	Wasserman
Foster	Mollohan	Schultz
Frank (MA)	Moore (KS)	Waters
Fudge	Moore (WI)	Watson
Giffords	Moran (VA)	Watt
Gonzalez	Murphy (CT)	Waxman
Gordon (TN)	Murphy, Patrick	Weiner
Grayson	Murtha	Welch
Green, Al	Nadler (NY)	Wexler
Green, Gene	Neal (MA)	Wilson (OH)
Griffith	Oberstar	Woolsey
	Obey	Wu
		Yarmuth

NAYS—180

Aderholt	Austria	Barrett (SC)
Akin	Bachmann	Barrow
Alexander	Bachus	Bartlett

Barton (TX)	Gohmert	Moran (KS)
Biggert	Goodlatte	Murphy, Tim
Bilbray	Granger	Myrick
Bilirakis	Graves	Neugebauer
Bishop (UT)	Guthrie	Nunes
Blackburn	Hall (TX)	Nye
Blunt	Harper	Paul
Boehner	Hastings (WA)	Paulsen
Bonner	Heller	Pence
Bono Mack	Hensarling	Petri
Boozman	Herger	Pitts
Brady (TX)	Hoekstra	Platts
Bright	Hunter	Poe (TX)
Brown (GA)	Inglis	Posey
Brown (SC)	Issa	Price (GA)
Brown-Waite,	Jenkins	Putnam
Ginny	Johnson (IL)	Rehberg
Buchanan	Johnson, Sam	Reichert
Burgess	Jones	Roe (TN)
Burton (IN)	Jordan (OH)	Rogers (AL)
Buyer	King (IA)	Rogers (KY)
Calvert	King (NY)	Rogers (MI)
Camp	Kingston	Rohrabacher
Campbell	Kirk	Rooney
Cantor	Kline (MN)	Ros-Lehtinen
Cao	Kosmas	Roskam
Capito	Lamborn	Royce
Carter	Lance	Ryan (WI)
Cassidy	Latham	Scalise
Castle	LaTourette	Schmidt
Richardson	Latta	Schock
Rodriguez	Lee (NY)	Sensenbrenner
Childers	Coble	Sessions
Coble	Coffman (CO)	Shadegg
Coffman (CO)	Cole	Shimkus
Cole	Conaway	Shuster
Conaway	Crenshaw	Simpson
Crenshaw	Davis (KY)	Smith (NE)
Davis (KY)	Deal (GA)	Smith (NJ)
Deal (GA)	Dent	Smith (TX)
Dent	Diaz-Balart, L.	Stearns
Diaz-Balart, L.	Diaz-Balart, M.	Sullivan
Dreier	Dreier	Terry
Duncan	Duncan	Thompson (PA)
Ehlers	Ehlers	Thornberry
Emerson	Emerson	Tiaht
Fallin	Fallin	Tiberi
Flake	Flake	Turner
Fleming	Fleming	Upton
Forbes	Forbes	Walden
Fortenberry	Fortenberry	Wamp
Fox	Fox	Westmoreland
Franks (AZ)	Franks (AZ)	Whitfield
Frelinghuysen	Frelinghuysen	Wilson (SC)
Galeggly	Galeggly	Wittman
Garrett (NJ)	Garrett (NJ)	Wolf
Gerlach	Gerlach	Young (AK)
Gingrey (GA)	Gingrey (GA)	Young (FL)

NOT VOTING—9

Boustany	Hinchey	Olson
Culberson	Miller, Gary	Radanovich
Delahunt	Napolitano	Souder

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). There are 2 minutes remaining on this vote.

□ 1206

Mr. MCNERNEY changed his vote from “yea” to “nay.”

So the previous question was ordered.

The result of the vote was announced as above recorded.

Stated for:

Mrs. NAPOLITANO. Madam Speaker, on Thursday, March 19, 2009, I was absent during rollcall vote No. 142 in order to attend an event with the President in my district. Had I been present, I would have voted “yea” on ordering the previous question to H. Res. 257—Which provides for consideration of motions to suspend the Rules.

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

The resolution was agreed to.

A motion to reconsider was laid on the table.

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 is objected to under clause 6 of rule XX.

Record votes on postponed questions will be taken later.

TAXING EXECUTIVE BONUSES PAID BY COMPANIES RECEIVING TARP ASSISTANCE

Mr. RANGEL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1586) to impose an additional tax on bonuses received from certain TARP recipients.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1586

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

SECTION 1. BONUSES RECEIVED FROM CERTAIN TARP RECIPIENTS.

(a) IN GENERAL.—In the case of an employee or former employee of a covered TARP recipient, the tax imposed by chapter 1 of the Internal Revenue Code of 1986 for any taxable year shall not be less than the sum of—

(1) the tax that would be determined under such chapter if the taxable income of the taxpayer for such taxable year were reduced (but not below zero) by the TARP bonus received by the taxpayer during such taxable year, plus

(2) 90 percent of the TARP bonus received by the taxpayer during such taxable year.

(b) TARP BONUS.—For purposes of this section—

(1) IN GENERAL.—The term “TARP bonus” means, with respect to any individual for any taxable year, the lesser of—

(A) the aggregate disqualified bonus payments received from covered TARP recipients during such taxable year, or

(B) the excess of—

(i) the adjusted gross income of the taxpayer for such taxable year, over

(ii) \$250,000 (\$125,000 in the case of a married individual filing a separate return).

(2) DISQUALIFIED BONUS PAYMENT.—

(A) IN GENERAL.—The term “disqualified bonus payment” means any retention payment, incentive payment, or other bonus which is in addition to any amount payable to such individual for service performed by such individual at a regular hourly, daily, weekly, monthly, or similar periodic rate.

(B) EXCEPTIONS.—Such term shall not include commissions, welfare or fringe benefits, or expense reimbursements.

(C) WAIVER OR RETURN OF PAYMENTS.—Such term shall not include any amount if the employee irrevocably waives the employee’s entitlement to such payment, or the employee returns such payment to the employer, before the close of the taxable year in which such payment is due. The preceding sentence shall not apply if the employee receives any benefit from the employer in connection with the waiver or return of such payment.

(3) REIMBURSEMENT OF TAX TREATED AS TARP BONUS.—Any reimbursement by a covered TARP recipient of the tax imposed under subsection (a) shall be treated as a disqualified bonus payment to the taxpayer liable for such tax.

(c) COVERED TARP RECIPIENT.—For purposes of this section—

(1) IN GENERAL.—The term “covered TARP recipient” means—

(A) any person who receives after December 31, 2007, capital infusions under the Emergency Economic Stabilization Act of 2008 which, in the aggregate, exceed \$5,000,000,000,

(B) the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation,

(C) any person who is a member of the same affiliated group (as defined in section 1504 of the Internal Revenue Code of 1986, determined without regard to paragraphs (2) and (3) of subsection (b)) as a person described in subparagraph (A) or (B), and

(D) any partnership if more than 50 percent of the capital or profits interests of such partnership are owned directly or indirectly by one or more persons described in subparagraph (A), (B), or (C).

(2) EXCEPTION FOR TARP RECIPIENTS WHO REPAY ASSISTANCE.—A person shall be treated as described in paragraph (1)(A) for any period only if—

(A) the excess of the aggregate amount of capital infusions described in paragraph (1)(A) with respect to such person over the amounts repaid by such person to the Federal Government with respect to such capital infusions, exceeds

(B) \$5,000,000,000.

(d) OTHER DEFINITIONS.—Terms used in this section which are also used in the Internal Revenue Code of 1986 shall have the same meaning when used in this section as when used in such Code.

(e) COORDINATION WITH INTERNAL REVENUE CODE OF 1986.—Any increase in the tax imposed under chapter 1 of the Internal Revenue Code of 1986 by reason of subsection (a) shall not be treated as a tax imposed by such chapter for purposes of determining the amount of any credit under such chapter or for purposes of section 55 of such Code.

(f) REGULATIONS.—The Secretary of the Treasury, or the Secretary's delegate, shall prescribe such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this section.

(g) EFFECTIVE DATE.—This section shall apply to disqualified bonus payments received after December 31, 2008, in taxable years ending after such date.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York (Mr. RANGEL) and the gentleman from Michigan (Mr. CAMP) each will control 20 minutes.

The Chair recognizes the gentleman from New York.

Mr. RANGEL. First of all, Mr. Speaker, I want to thank Congressman PETERS, Congressman ISRAEL and Congresswoman MALONEY for coming together and working with the committee to see how, the best we could, right a wrong.

Most all Americans believe that a bonus is something that is paid as a reward for a job well done. And certainly we don't believe in the House that when a handful of people receiving taxpayers' money for threatening the community in which we live, and indeed our country and the financial structure of the world, the whole idea that they should be rewarded millions of dollars is repugnant to everything that decent people believe in. But notwithstanding that, it is not our job to tell the private sector what to do; it is

our job to say you don't do it at taxpayers' expense.

All this bill does is just pull out that part that they called bonus. And if you received, or the company received, \$5 billion of taxpayers' money, we say the tax that you will pay on this is 90 percent. The rest of your income would be at the regular rate of 35 percent. If, indeed, this combination of the so-called bonus reward is combined with the regular salary and reaches a cap of \$250,000, only the regular 35 percent would count.

Maybe somewhere along the line someone might say, “I don't deserve this, we've caused enough damage, people have lost their jobs, their savings, they've lost their homes, their health insurance, they've lost their dignity, they've lost their pride, and we don't deserve to take this money from the taxpayers.” Then give it back, don't receive it, and the law certainly would not apply. But if you're proud of what you've done, we are saying the buck is going to stop here, the red light is flashing. And anyone thinking about doing this, we say you just pay your dues to the IRS because we're going to be watching this.

Mr. Speaker, we're not trying to punish anybody, we just say do what you have to do. Rewards are subjective, but you don't do it with taxpayers' money.

At the end of the day, I do hope that this will be a message that will be sent in a bipartisan way. We may have differences in how we resolve this problem in the future, but this problem is there, and we are saying to the IRS and to the commissioner that we really want to make certain that, at the end of the day, they're not the ones that caused the problem and then get rewarded for it.

Mr. Speaker, I reserve the balance of my time.

□ 1215

Mr. Speaker, I reserve the balance of my time.

Mr. CAMP. Mr. Speaker, at this time I yield 1 minute to the distinguished minority leader.

Mr. BOEHNER. Mr. Speaker and my colleagues, I caught a little grief 5 weeks ago when we had the stimulus bill on the floor. Remember the 1,100-page bill that no one had time to read and then no one did read? Obviously, the President didn't have time to read it either, because in that bill was this one sentence, this one sentence that made it clear that someone knew that these AIG bonuses were about to be paid, and they didn't want them stopped. So somehow in the dark of night, this one sentence was added to the bill so that AIG would pay these bonuses to their executives. This language wasn't in the House bill. This language wasn't in the Senate bill. This language showed up in the dead of night, and no one got to see it.

I'm wondering where did the language come from. Who wrote it? Who asked the conferees to put it in the

bill? What conferees on the part of the House agreed to this? I'm looking for somebody to put their hand up. That's the whole issue.

This political circus that's going on here today with this bill is not getting to the bottom of the questions of who knew what and when did they know it? Somebody was responsible for drawing up this language. Someone brought it to the conferees. Someone brought it to the Democrat leadership, who wrote this bill in secret, and put this language in there. But we have no idea who it was.

Secondly, the bill that's before us attempts to recoup 90 percent of these bonuses. Why 90 percent? The American people are outraged. I'm outraged. And we just voted down an opportunity to bring a bill to the floor from our freshmen Members that said, real simple: We ought to get 100 percent of this money back. We can get 100 percent of it back because the Treasury Secretary has the ability to get it all back. The administration has the ability to get it all back. Why don't we just get it all back? And why are we bringing this bill to the floor today to give Members political cover when, in fact, the Treasury Secretary has the authority, the administration has the authority, to get all of it back? But, no, that got voted down. Our bill would have been a better bill.

Thirdly, our colleagues Mr. LATOURETTE and Mr. MCCOTTER have introduced a resolution of inquiry to get all of the documents surrounding communications between the Treasury, the Fed, and AIG to understand who was in the middle of this conversation. People have known about this for months, and yet we just found out about it over the last 48 hours. So we want this resolution of inquiry to be passed by the committee. We want to get to the bottom of all of this. But in the meantime, do we have to have this political charade of bringing this bill out here? I don't think so.

I think this is a bad bill with bad consequences. We didn't see the bill until last night. Nobody in the committee marked it up, nobody debated it, and nobody understands the consequences of what we're about to do. How can we possibly vote “yes” on a bill like this?

Mr. RANGEL. Mr. Speaker, let me try to answer a couple of questions.

Whatever point the minority leader was making as to what happened in the Senate bill, he should have an inquiry and do whatever he has to do. I can say, as a conferee, that issue never was in conference.

Having said that, it doesn't mean whatever he comes up with with his inquiry that these people deserve to have these bonuses at taxpayer expense. And that's the issue before the floor. It has nothing to do with what was in conference. It has everything to do with, do these people deserve, at taxpayers' expense, to receive these types of bonuses?

The second thing is that, while it's only 90 percent Federal, there is local and State liability, and they're entitled in their 10 percent to take a look at that and make the decisions that they have to.

Mr. Speaker, I want to now yield 1 minute to my friend and colleague from New York, Congressman ISRAEL.

Mr. ISRAEL. I thank the distinguished chairman for giving me the honor of cosponsoring this legislation with him.

Mr. Speaker, we have just seen the difference between rhetoric and action. We can finger point. We can lay blame. We can talk about the past. We just want to recover the taxpayers' money for them. We want to recover the money, and others want a resolution of inquiry.

Mr. Speaker, this vote is the difference between solving the problem or continuing the problem. We're going to cast this vote and go home to our districts, and the American people are going to say to each of us, did you get my money back or did you continue your posturing? Did you get my money back or did you continue in politics? Did you vote to recover my money or did you vote to allow them to get away with my money? That's what this is about, Mr. Speaker.

The American people have had it with the posturing and the partisanship and the politics. They want their money back. And the only way to get their money back, Mr. Speaker, the only way to get it back is to tax it back.

Let me say one other thing, Mr. Speaker. I have heard from some of my friends in New York who said this is unfair. It's unfair because I thought I'd get my bonus. Mr. Speaker, they're going to have to tighten their belts just like the rest of America.

Mr. CAMP. Mr. Speaker, I yield myself 2 minutes.

Frankly, the chairman of the Ways and Means Committee and I agree that bypassing the committee is a dangerous way to legislate. That invites unnecessary errors, and I think the stimulus bill is proof positive, and that's why we are here today. But again we are faced today with a bill that has had no public scrutiny and has not come before the Ways and Means Committee. Mr. Speaker, let us do our jobs.

When Congress acted to stave off an imminent financial and economic collapse, the results of which would have been Depression-era unemployment levels, we did so with faith that past and current administrations would carefully manage the people's money. That trust has been shattered. Lesson learned.

What has been particularly troubling is the difficulty with which the truth has come out recently. After many varying and contradictory excuses, we now know that the Obama administration, working behind closed doors, secretly eliminated provisions that

would have prevented the appalling abuse of taxpayer money. Adding insult to injury, they explicitly protected bonuses at companies that in many cases are operating only due to the generosity of the American people. It's a breach of the public trust that should have the Treasury Secretary, who repeatedly failed to pay his own taxes, looking for a new job.

Several of my colleagues on this side of the aisle and even Chairman RANGEL have noted good reasons to oppose the bill before us. It's an extreme use of the Tax Code to correct an extreme and excessive wrong done to the American people. I'm sure we'll hear today that two wrongs don't make a right. But neither does inaction. It is our duty to protect and defend hardworking tax-paying Americans. At the end of the day, this insult to taxpayers cannot, should not, and will not stand, and I urge my colleagues to vote for the measure.

Mr. RANGEL. Let me thank my leader, the ranking Republican on the committee, for pointing out that this is, and I agree, an extraordinary procedure. And I've given a lot of thought to it. And it just seemed that this is an extraordinary situation when President Bush and Secretary Paulson would come to the Congress and ask for \$700 billion of taxpayers' money, and if we didn't do it in a week or two, the sky would fall not only in the United States but around the world. If, indeed, people among that group of people, who without regard to the people that we were trying to protect, take this money, then it calls for an extraordinary response to it.

So I feel very, very comfortable in saying we tried to look at the arsenal that we had, whether it's the Justice Department, the Finance; the American people demand protection, and that's what we're doing today with your help.

Mr. Speaker, I would like to call on a senior member of the committee, my friend from Michigan, Congressman LEVIN, for 1 minute.

(Mr. LEVIN asked and was given permission to revise and extend his remarks.)

Mr. LEVIN. Mr. Speaker, it's interesting to hear the debate from the other side. I guess some are going to vote "yes," and I hope the vast majority will, after trying to make political points. This isn't the time for that. We are in the midst of a national economic crisis. Almost 4½ million jobs lost during this recession, homes are being lost. I think everybody has to participate in the solution and no one should exploit it.

In one bonus payment, these executives, who worked in the division that helped bring about the havoc, are taking home more money than 99 percent of Americans take home in a year.

The head of AIG has suggested their returning the bonuses. They should. And if they don't, we're taking action. We have the authority under the Tax

Code not to punish but to protect the taxpayers of the United States of America. That's what we are doing today, and we should pass this overwhelmingly.

Mr. CAMP. Mr. Speaker, I yield 1 minute to a distinguished member of the Ways and Means Committee, the gentleman from California.

Mr. NUNES. Mr. Speaker, what we should really do here today is slow down.

What I want to know is who's responsible for including this in the stimulus package, authorizing these bonuses? We need to know if it's Senator DODD, if it's Secretary Geithner, or President Obama. Who knew and who knew when? So, to me, if we're looking at whom to blame for this, we ought to be looking at the folks that voted for the bailout, that voted for the stimulus bill. Every Republican opposed the stimulus bill.

I believe this is a gimmick. I don't think this bill will become law. I don't even know if it's constitutional. This bill never even went through regular order.

I think what we should do today is calm down, stop this process, and go meet in the Ways and Means Committee so that we can go through this bill and determine whether or not this is the right course of action. So today I ask my colleagues to just slow down. Let's read the legislation. Let's not vote on this today. And let's come up with a real solution and not just a gimmick.

Mr. RANGEL. Mr. Speaker, as chairman of the Ways and Means Committee, I've taken a deep breath and am now relaxed. I have reviewed this thing, and I am going home saying we have got the taxpayers' money back. And our colleagues and friends and those who love America as much as I do are saying, hey, slow down, we've got to make an inquiry.

You make your inquiry; we're going to do what we have to do.

Mr. Speaker, I am pleased to present a young man that is a freshman who hasn't been here that long but he came here with a feeling about what is moral, what is just, and the committee appreciates his advice on this bill, Representative PETERS from Michigan, for 1 minute.

Mr. PETERS. Mr. Speaker, today I rise in support of H.R. 1586, legislation that I helped craft that will reclaim outrageous bonuses paid with our taxpayer dollars that were given out to AIG and other companies that received billions in TARP funds. Million-dollar bonuses to the very people who drove our economy to the brink of collapse is simply unacceptable.

When reports of AIG bonuses broke this week, many said there was nothing that we could do because AIG was contractually obligated to pay the rewards. I rejected that notion. Auto industry workers are renegotiating their contracts and making sacrifices as a condition of receiving Federal support.

If financial executives had thought that they should be held to a different standard, today they know that we mean business.

□ 1230

I am grateful to my colleagues who worked with me to quickly develop a plan to put a stop to these outrageous bonuses.

I would like to thank Chairman RANGEL, Congressman ISRAEL, and Congresswoman MALONEY for working with me to help write this bill, which turned the outrage of the American people into action for the American taxpayer.

Mr. CAMP. I yield 1 minute to the distinguished gentleman from Nebraska.

Mr. TERRY. The public has an absolute right to be upset, and I share that. But let's look at the facts here. This language that specifically allows the bonuses was written into the stimulus, with the righteous indignation of my colleagues and friends on the Democrat side now demagoguing what they voted for and put in.

Another fact: no Republican was allowed in the room when that conference report was actually written. We do know four people that were involved in writing that: one was Senator REID, Senator DODD, who has claimed responsibility for that language and accepted \$200,000 in donations from AIG; we know Speaker PELOSI was in the room; and we know BARNEY FRANK was, too, probably Secretary Geithner.

Another fact was that the original language, before it got into that private little room, said that bonuses would be banned. But yet they replaced it with specific language allowing the bonuses.

So what we see here today, with the people who actually voted for the bonuses, is a little CYA, a disingenuous attempt to cover their rears.

Mr. RANGEL. Madam Speaker, it seems like my friends on the other side got the wrong bill. If you want support for an inquiry, let's talk about it.

We want the taxpayers' money back, no matter who is wrong. So talking about the inquiry, we are talking about recouping the taxpayers' money.

I yield to my friend, Mr. BLUMENAUER, from Oregon.

Mr. BLUMENAUER. Thank you, Mr. Chairman. I appreciate your leadership and the ability to work with you on this bill on what has been a sharp reversal of past practice.

In most of my career here, we have watched the Tax Code twisted, stretched, bent to lavish rewards on a tiny minority of Americans, a few thousand of the richest Americans, and the favored special interests.

Today, in a sharp reversal, under your leadership, we used the Tax Code to rebalance the scales. We will use the Tax Code to strip away the outrageous benefits of these bonuses to some of the people who helped drive the economy into the ditch in the first place.

We are helping protect taxpayers, get their money back, and I hope, Mr.

Chairman, sending a message on how the Tax Code will be used under the Obama administration and in your work on the Ways and Means Committee to be able to help the American public as we move forward to protect and rebalance the American economy.

Mr. CAMP. I yield 1 minute to the distinguished gentleman from Texas (Mr. GOHMERT).

Mr. GOHMERT. Madam Speaker, here, once again, we are going to hastily do something wrong, good intentions. There is nobody in this Congress that wants that money back more than I do.

But going back to September, going back to the stimulus, spendulus, going back to the omnibus, we hastily went through this stuff. Some of us said don't go so fast, and we can make sure we got a better bill, and we didn't do that.

So here we are, going to hastily shred the Constitution, with an ex post facto law that says we will take 90 percent as taxes.

Mr. Speaker, that's not right. We don't take bad law and make worse law shredding the Constitution. You want to get it back, I want more than 90 percent. I want 100 percent.

You do that by forcing them into bankruptcy, going back and putting these preferences aside so we can get 100 percent, and we can get more than just the bonuses in bankruptcy or receivership. That's constitutional.

Don't shred the Constitution after we have already messed up by blowing aside the procedure and doing the hastily wrong thing.

Mr. RANGEL. Well, there is no constitutional challenge here, I can assure you. But one thing may be clear, I may be supporting an inquiry as to who did the stimulus, schpimulus.

The people want to know, are these guys going to get away with what they have done to our communities, what they have done to our homes, what they have done to our pride, what they have done to our country, and what they have done for the world?

So when the score is taken, it is going to be those who voted for the bill and those who voted against it. And that's it. You can go on with your inquiry, but this bill is abundantly clear, and the question is which side are you on?

I yield 1 minute to the distinguished member of the Ways and Means Committee from Florida, Representative MEEK.

(Mr. MEEK of Florida asked and was given permission to revise and extend his remarks.)

Mr. MEEK of Florida. Mr. Chairman, thank you so very much for bringing this bill to the floor.

The bottom line is, at the top of this week, when we all learned what happened with the bonuses and all, the American people wanted to know what the Congress was going to do as it relates to these taxpayer dollars that are being used for the bonuses.

Are you going to get our money back, are you going to file an inquiry? No one called me, no one called my district office and said, "Congressman, please go to Congress and file an inquiry about what happened with my taxpayer dollars." They are saying, "Get it back, get it back now."

Now the other side is talking about the Constitution and wrapping themselves in the flag right now saying that, "oh, my goodness, we are shredding the Constitution." Well, that's the pot calling the kettle black, as far as I am concerned. Because the Supreme Court, and courts throughout the land, there are unconstitutional measures that have been brought to this floor, and that's up for the courts.

But as far as I am concerned, what we are being told, that this is fine. This language is well in order, and we are going to pass this legislation. So you have to vote up or down.

You can't come with excuses. The bottom line is we are getting the taxpayer dollars back.

#### PARLIAMENTARY INQUIRIES

Mr. GOHMERT. Parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. GOHMERT. Is it inappropriate and against the rules to ask another person to yield?

The SPEAKER pro tempore. Any Member can ask another Member under recognition to yield.

Mr. GOHMERT. Further parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. GOHMERT. Is it inappropriate, when somebody accuses me of being the pot calling the kettle black, in other words, of being the very thing I am accusing others of doing, of asking the gentleman to yield so I can find out where the heck he is coming from?

The SPEAKER pro tempore. That is not a parliamentary inquiry.

Mr. GOHMERT. So it's inappropriate to ask?

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. GOHMERT. The parliamentary inquiry is, if I am allowed to ask someone to yield after they have called me a name?

The SPEAKER pro tempore. That is not a parliamentary inquiry.

Mr. GOHMERT. So you are saying you don't know whether I can ask another person to yield?

The SPEAKER pro tempore. A Member under recognition is allowed, by House Rules, to determine who they will or will not yield to.

Mr. GOHMERT. All right. So, would it be inappropriate to ask the gentleman who controls the time to specify how I am shredding the Constitution when I say someone else is doing so?

The SPEAKER pro tempore. That's not a parliamentary inquiry.

Does the gentleman have another parliamentary inquiry?

Mr. GOHMERT. I think you have pretty well taken care of that.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will remind all persons in the gallery that they are here as guests of the House, and that any manifestation of approval or disapproval of proceedings or other audible conversation is in violation of the rules of the House.

Mr. CAMP. I yield 1 minute to the distinguished gentleman from Indiana (Mr. BURTON).

Mr. BURTON of Indiana. I thank the gentleman for yielding.

The stimulus bill was 1,100 pages. My good friend, CHARLIE RANGEL, signed that. And in that was this language that was stuck in in the middle of the night that allowed for all these bonuses to be paid to AIG executives.

CHARLIE, you signed that, and nobody on our side voted for it, and nobody on our side read the bill, and nobody on our side read the bill. And that's because they were trying to sneak this through in the middle of the night without anybody knowing it.

In my opinion, this is a way that you cover up a big mistake that was made by you and the conferees. This should never have happened. These bonuses should never have happened. And now you are trying to do something that's of questionable constitutionality to cover up a big mistake. I don't know why you just don't own up to it.

This is something that should not have happened. This is something that the Democrats, my good friend, CHARLIE, and others signed on to, it's a bill that nobody read in this Chamber, and we certainly didn't vote for it.

And now you are saying if we don't vote for this cover-up that you are coming up with, we are the bad guys. We are not. The American people won't be fooled by this.

Mr. RANGEL. Let me say to my friend that you have to look at me and read my lips.

This issue was not before the conference committee. Now, it may have been on the other side.

And after I say that, I am telling you that this has nothing to do with this being the right time to correct anything that you allege is wrong. These people are getting away with murder. They are getting paid for the destruction that they have caused our communities.

And before we leave here, we have to decide not what they did on the other side, because no one back home was asking about the conference report, they are asking, "Are these people going to take away bonuses that taxpayers have paid for?"

And I think that DANNY DAVIS, the gentleman from Illinois, might be in a better position to explain our position in the majority, for 1 minute.

Mr. DAVIS of Illinois. Thank you very much, Mr. Chairman.

Mr. Speaker, where I live on Main Street in America, if you get something that you didn't deserve, or if you get something that was unwarranted, you either give it back or it's taken back. It's my position that these bonuses were unwarranted, not deserved.

If they are not going to give them back, then we are going to take them back, and I know that the people in mainstream America will applaud us.

PARLIAMENTARY INQUIRY

Mr. BURTON of Indiana. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. BURTON of Indiana. My good friend, Mr. RANGEL, took some time to make a statement just a moment ago.

Did he claim any time when he made that statement?

The SPEAKER pro tempore. The gentleman from New York is always charged his allotted time whenever he is speaking.

Mr. BURTON of Indiana. But it was charged to him, the time?

The SPEAKER pro tempore. The gentleman from New York and the gentleman from Michigan, while they are on their time, are charged for that time.

Mr. BURTON of Indiana. Thank you.

Mr. CAMP. At this time I yield 1 minute to the distinguished gentleman from Texas (Mr. BURGESS).

Mr. BURGESS. I thank the gentleman for the recognition.

Mr. Speaker, the President most recently in his inaugural address said, and I am quoting, "And those of us who manage the public's dollars will be held to account—to spend wisely, reform bad habits, and do our business in the light of day—because only then can we restore the vital trust between a people and their government."

Well, I agree wholeheartedly with the President's statement.

Now, if we expect the American people to trust the decisions we are making with their hard-earned money, we, ourselves, must be accountable.

Now, it is a fact that, as Members of Congress, we earn a base pay. Members of leadership earn an amount above that, essentially a bonus, a performance bonus. If this bill were under a rule, I would have an amendment, and the Burgess amendment very simply would tax that extra pay, the bonuses that we give leadership, on top of their congressional salary. The Democrats' leadership solution is to impose a huge tax on bonuses.

But what about raising the tax on their own performance bonuses? Again, Mr. Speaker, how can we expect to be able to restore the vital trust between the people and this government, as the President stated, if we will not first hold ourselves accountable?

AMENDMENT

OFFERED BY MR. BURGESS OF TEXAS

At the end, add the following:  
SEC. 2. APPLICATION OF TAX TO CONGRESSIONAL LEADERSHIP.

(a) IN GENERAL.—In the case of a member of Congressional leadership—

(1) so much of the annual rate of pay of such member as exceeds the annual rate of pay of a Member of Congress who is not a member of Congressional leadership shall be treated as a TARP bonus for purposes of section 1, and

(2) the Federal Government shall be treated as covered TARP recipient for purposes of such section.

(b) MEMBER OF CONGRESSIONAL LEADERSHIP.—For purposes of this section, the term "member of Congressional leadership" means the President pro tempore of the Senate, the majority leader and minority leader of the Senate, the Speaker of the House of Representatives, and the majority and minority leader of the House of Representatives.

Mr. RANGEL. May I inquire as to the time remaining on both sides?

The SPEAKER pro tempore. The gentleman from New York has 7¾ minutes remaining, and the gentleman from Michigan has 12½ minutes remaining.

Mr. RANGEL. Mr. Speaker I would like to yield to a distinguished member of the Ways and Means Committee, Mr. ETHERIDGE, 1 minute.

(Mr. ETHERIDGE asked and was given permission to revise and extend his remarks.)

Mr. ETHERIDGE. I thank the gentleman for yielding.

Mr. Speaker, I thank the chairman for bringing this bill forward, we are all outraged, as we should be. It affects every American. The fact that they are using public money to pay bonuses should enrage everyone.

Taxpayer funds should not be used to reward the individuals whose excessive risk-taking caused the financial crisis that has harmed the livelihood of my constituents in North Carolina, people across America and people around the world.

We ought to be outraged. We ought to be together on this. There shouldn't be a division on this issue. There is room for that on others. We should not reward Wall Street traders who have done this, at the expense of people, not just people on Main Street, to people who live on rural roads all across this country.

Mr. Speaker, you know, we voted for this package originally to put money in banks, to lend to people, to buy cars, to save for homes, to pay for college education, to do the things that make a difference and help America grow. And here we are today taking care of the very scoundrels that got us into this mess.

I urge my colleagues to vote for it.

If AIG will not halt these bonuses, and if its employees will not voluntarily turn them down, then this bill will ensure that the money is returned to the taxpayers. I regret having to use the tax code in this manner, but the blatant abuse of taxpayer dollars by AIG leaves us with no other choice. This bill will send a message not only to AIG, but to other companies receiving taxpayer aid that this behavior is unacceptable.

□ 1245

Mr. CAMP. I yield 1 minute to a distinguished member of the Ways and Means Committee, the gentleman from Texas (Mr. BRADY).

Mr. BRADY of Texas. There's no question everyone wants these bonuses returned. That isn't an issue before us today. Taxpayers have a real simple question: When did the White House know about these bonuses, and why didn't they stop them?

The government owns AIG, for heaven's sake, so don't tell me they couldn't have stopped them if they truly would have wanted to.

The bill before us today really is a diversion—an attempt to shift the blame from Democrats who, at the last moment, got approval for these bonuses snuck into the stimulus bill. For our folks back home, the President has said honestly, he didn't know this provision is in the bill. Yet his own White House made the request and they complied with the bill.

Let's not cover up the truth here. Let's get the real answers. That's what taxpayers deserve.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Alabama (Mr. DAVIS).

Mr. DAVIS of Alabama. Thank you, Mr. Chairman. Here we go again. This Congress is finally doing the right thing in a timely fashion, recovering ill-gotten gains. What do the American people do? They turn on the television and they hear this turned, once again, into a partisan controversy, an effort to deflect blame onto the other party, instead of celebrating the fact that we have a chance to do something together as an institution.

This is the heart of the problem, Mr. Chairman. To the many people watching this broadcast now, listening to these proceedings, there are two sets of rules—one set of rules for people who are trying to send their kids to college, who are trying to make a living, but making sacrifices during this incredibly deep recession; and another set for rules for these Wall Street geniuses who are so smart, they figured out how to wreck a company so completely to almost wreck a national economy. That does take a level of skill, I suppose, to figure that out, how to be that bad at doing anything.

We are recouping those ill-gotten gains. And the American people ought to be glad to see this prompt, decisive action. Instead, they are hearing more partisan back and forth.

Mr. CAMP. At this time I yield 2 minutes to the distinguished gentleman from Indiana (Mr. PENCE).

(Mr. PENCE asked and was given permission to revise and extend his remarks.)

Mr. PENCE. Like a majority of Republicans in Congress last fall, I opposed this Wall Street bailout from the beginning because I feared both the intended consequences and the unintended consequences that would come and bring us to days like today.

House Republicans share the outrage of millions of Americans that AIG would use taxpayer dollars to award executive bonuses. But the plan brought to the floor today by the

Democratic majority is a constitutionally questionable bill. It would enact a 90 percent tax on AIG employees and, the truth is, it's a transparent attempt to divert attention away from the fact that Democrats in Congress and this administration made these bonus payments possible.

House Republicans believe the American people deserve 100 percent of their money back. We have offered legislation that would deny one more dime of bailout money to AIG until they collect 100 percent of those bonuses back for the American people. But Democrats have blocked the Republican plan. And the American people deserve to know this entire outrage that has dominated the national debate this week could have been avoided.

Senator RON WYDEN, the Democrat from Oregon, authored thoughtful legislation in the so-called stimulus bill that passed the House. It was legislation that would have banned bonuses of this type but, to use his words, he said "It was unfortunate that it was stripped from the bicameral conference committee." He said, "We had an opportunity to send a well-targeted message that would have communicated how strongly the administration felt about blocking these excessive bonuses," but, "I wasn't able to convince them."

Senator DODD, the chairman of the bicameral conference committee, said the administration expressed reservations about the language. They asked for modifications.

The truth is that Democratic leadership in the House and the Senate were in the room when this language was struck that made these bonuses possible.

The American people deserve to get 100 percent of their money back. They deserve it to be done in a way that doesn't give offense to the Constitution of the United States of America.

Let's do what's right for the American people, and let's speak the truth.

Mr. RANGEL. I would like to yield 1 minute to the gentleman from Colorado (Mr. POLIS).

Mr. POLIS. The power to tax is the power to destroy. I will support destroying this creeping socialism imposed on us by the Bush administration before it takes over our entire economy. Executives and boards of private companies must know that to call in the Federal cavalry means that you will be run out of town when you misbehave.

Businesses beware. You do not want the Federal Government or the American people owning your business. We will hunt down your executives with pitchforks, we will subpoena your boards and haul you before Congress, we will use personal rhetoric to decry your greed, we will make life miserable.

And no, our cruelty will not be reserved just for your executives. Your workers will be bureaucratized, your competent managers squeezed out, your conferences and travel canceled.

I am proud to support this bill, and hope that it serves as a siren call to executives, shareholders, and workers to oppose nationalization of your companies.

In voting for this bill today, Mr. Speaker, we are demonstrating that there is a fate worse than death, and this is it. And if your business might be "too large to fail," then, by all means, spin off divisions and downsize, because too big to fail seals a purgatory stay of abject misery.

Pillage not our public troughs yet ye be pillaged.

The power to tax is the power to destroy. I will support destroying this creeping socialism imposed on us by the Bush administration before it takes over our entire economy. Executives and boards of private companies must know that to call in the federal cavalry means that you will be run out of town when you misbehave.

I am reminded of Emperor Alexius I of Byzantium, who called forth the Christian kings of western Europe to help him hold off the Turks at his gates. Help us, he said, prevent the heathens from taking the holy land.

The Christian kings of the west responded in force. At first the crusades served Alexius's goals. But with time many crusaders saw a richer and easier target in Constantinople itself, and the hordes from the west looted the very emperor's domain who had called them forth.

Businesses beware, you do not want the federal government or the American people owning your business. We will hunt down your executives with pitchforks, we will subpoena your boards and haul you before Congress, we will use personal rhetoric to decry your greed, we will make life miserable. And no, our cruelty will not be reserved for your executives. Your workers will be bureaucratized, your competent managers squeezed out, your conferences cancelled, your work hours extended, your incentive structure turned upside down. I dare say that with a different party in the white house and congress as is unfortunately the case from time to time, your union will be busted and your jobs lost.

I will be supporting this bill, and hope that it serves as a siren call to executives, shareholders, and workers to oppose nationalization of your companies. In voting for this bill today, Mr. Speaker, we are demonstrating that there is a fate worse than death, and this is it.

And if your business might be "too large to fail" then by all means please spin-off divisions and downsize; because too big to fail seals a purgatory stay of abject misery.

Mr. CAMP. I yield 1 minute to the distinguished gentleman from New Jersey (Mr. LANCE).

Mr. LANCE. On opening day, January 6, our leader, Mr. BOEHNER, indicated that we would provide better solutions to the issues confronting the American people. Obviously, on a bipartisan basis, Congress wishes to address this issue, and to address this issue as quickly as possible.

House Republican Members on the Republican side—freshmen—have a better solution, we believe. Our solution—and I'm sorry it's not debated on the floor—the House Republican freshmen would demand that Treasury, notwithstanding any other provision of



law, implement a plan within the next 2 weeks to recoup 100 percent of the payment of AIG bonuses.

Also, the freshmen plan on our side says that any future bonus payments of any kind to TARP recipients must be approved in advance by the Department of the Treasury. Third, any future contractual obligations entered into by TARP fund recipients to make bonus payments of any kind must be approved in advance by the Treasury.

We commend to our friends in the majority our freshman Republican proposal in the spirit of bipartisan cooperation.

Mr. RANGEL. I certainly wish I'd heard the Republican freshmen proposal before, because we really wanted to get a bipartisan solution to this problem.

I yield 1 minute to the gentleman from Illinois (Mr. HARE).

Mr. HARE. I thank the chairman.

Mr. Speaker, today we have been told to slow down, take a deep breath. Well, I'm not in the mood for slowing down and I'm not taking a deep breath.

I was in a grocery store and had people coming up, saying, What are you going to do about it?

My friends on the other side have spent the largest portion of the debate today finger-pointing, wondering who said what; who wrote what, when. I do know this. When this vote is called, that board will have red lights and green lights next to every Members' name. And the chairman is absolutely right—for those Members who feel that they cannot and don't want to make sure that these people get their bonuses, they will vote for Mr. RANGEL's bill. For those of you who want to continue to dole it out to the people who deserve it the least, then you're going to have a red light next to it.

I will have a green light next to my name. I am tired of this. These people have stolen the very money that is supposed to help keep people in their homes.

Don't ask me to slow down and don't ask me to be patient. My patience has run out.

I thank the chairman for his work on this bill. And if anybody wants to worry about the constitutionality, you take it up with the court.

Mr. CAMP. I yield 1 minute to the distinguished gentleman from Arizona (Mr. FLAKE).

Mr. FLAKE. Mr. Speaker, it is a sad day in Congress when the main justification for passing legislation we don't understand is that we are correcting legislation we didn't read.

We keep hearing that we have got to do this because our constituents are demanding it; that they want to see these executives tarred and feathered.

George Washington once said, "If to please the people we do what we ourselves disprove, how do we later defend our work?" That is the position we are in today.

This is a representative democracy. Our constituents may not understand

that this is a bill of attainder, but we know that. We are the representatives of the people—and we know that. And it's our duty to uphold the Constitution.

I don't like the fact that these executives got these bonuses—and we should find a way constitutionally to deal with this issue. But rushing to pass a bill we don't understand to correct a bill we didn't read, is not the solution here today.

Let's reject this proposal.

Mr. RANGEL. At this time I'd like to yield 1 minute to a person that was one of the prime movers in this concept, the gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY. Thank you, Chairman RANGEL. New York is so proud of you. Thank you for your leadership. I stand in strong support of the Democratic leadership during this financial crisis.

On Sunday night, the bonuses were sent. On Thursday we are on the floor correcting this and returning the money to the American taxpayer. Rarely have I seen so many Members of Congress come forward with proposals to correct it.

Chairman RANGEL has molded all of the ideas together in this fine proposal before us today. If anyone wants to criticize someone, President Obama has said, "I'm in charge. Criticize me. But then let's get back to work, get our eye on the ball of moving this economy forward, putting Americans back to work, putting more credit out into the communities, stabilizing housing."

President Obama said, "When you're going in the wrong direction, you've got to change course." And under 55 days of his leadership, we have passed the economic recovery bill, we have passed a housing stabilization bill, we have passed measures to stabilize our financial institutions. We are investing in education and health care.

Vote positive. Vote for this bill.

Mr. CAMP. I yield 1 minute to the distinguished gentleman from Florida (Mr. STEARNS).

(Mr. STEARNS asked and was given permission to revise and extend his remarks.)

Mr. STEARNS. My colleagues, here are some facts. Last month, the Senate unanimously approved an amendment that would stop these bonuses. It was an amendment by OLYMPIA SNOWE of Maine and, of course, RON WYDEN from Oregon.

They had that in the bill. They went to the conference. The conference stripped out that amendment, bipartisan amendment, by Senator CHRIS DODD, a Democrat from Connecticut. All of you know that.

Now Mr. RANGEL is here on the floor saying he knew nothing about this conference report. Yet the amendment by Senators SNOWE and WYDEN was stripped out by Senator DODD. And I find it very difficult, Mr. RANGEL, that you knew nothing about this amend-

ment that was stripped out, explicitly exempting bonuses agreed to prior to the passage of the stimulus bill.

How in the world can you say you knew nothing about it? I've got the exact language from Senator DODD talking about his amendment which stripped out the amendment of Senator SNOWE and Senator WYDEN.

The fact is Republicans have a plan to include 100 percent of these bonuses. I ask Mr. RANGEL: Why didn't you take 100 percent of these bonuses?

The American people have a right to know what the administration knew, and when they knew it.

Mr. Speaker, I rise today to express my outrage at the AIG taxpayer-funded executive bonus giveaway and Senator DODD's and the Obama Administration's potential implication in ensuring AIG would be able to hand out hundreds of millions of taxpayers' dollars to executives who ran AIG into the ground contributing to a global economic crisis.

Insurance company AIG—which has been deemed "too big to fail"—has received \$170 billion in federal bailout money, yet this money has done little to stabilize the company. And now, millions of Americans awoke to news yesterday that their taxpayer dollars intended to prevent AIG from collapse are being funneled to AIG executives in the form of "bonuses."

The most unfortunate part of this story is that a senior member of the Senate Democratic party offered an amendment allowing this to happen. The utter abuse of taxpayer dollars that we have seen through the TARP program due to lack of transparency and Democrat legislative neglect is staggering. But to know that these bonus payments could have been easily prevented is beyond disheartening. This atrocious abuse of taxpayer dollars must stop now.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the leader of our Democratic caucus, indeed, a leader in the Congress, the gentleman from Connecticut (Mr. LARSON).

Mr. LARSON of Connecticut. I thank the chairman for bringing this important legislation to the floor in all due speed, because it was necessary.

What is at stake here is really the full faith and credit of our system. When those in the private sector and on Wall Street and the great barons of capital can laugh up their sleeves at the American public that sacrifices on a daily basis, who find themselves unemployed, unable to educate their kids, out of work, and we are going to sit idle and allow them to receive these bonuses? This is wrong. And if we expect to govern as an institution, we have to do the extraordinary and set it right.

These are difficult and uncharted waters and uncharted times and it's time for us to act on behalf of the American people.

Thank you, Mr. RANGEL.

□ 1300

Mr. CAMP. I yield 1 minute to the distinguished gentleman from Georgia (Mr. GINGREY).

Mr. GINGREY of Georgia. Mr. Speaker, I rise in opposition to this majority



mendacity bill, or maybe unrighteous indignation bill. You just heard it from the other side.

They want to say to the American people that we are going to make everything all right by getting back with a 90 percent tax this \$175 million. But what they don't say, Mr. Speaker, is how they are going to get back the \$170 billion that was given to AIG in the first place, 1,000 times these bonuses.

Yes, we are outraged over the bonuses; but on our side of the aisle, we are outraged over these bailouts and these giveaways, and there is nothing in this bill about getting the \$170 billion back.

Mr. Speaker, this is the Lenten season, so let me make a little analogy for my non-Catholic friends. This is like asking forgiveness for a mortal sin by saying one Hail Mary, one Hail Mary, this little bill to pass under suspension to get those bonuses back, when the real sin is the \$170 billion that was thrown away on AIG.

Mr. RANGEL. Let the church say "amen."

I would like to yield 30 seconds to Congressman KRATOVIL from Maryland on this subject.

Mr. KRATOVIL. Mr. Speaker, once again, this body finds itself engaging in a classic example of partisan politics and the blame game. I am no longer interested in wasting any more time or any more taxpayer dollars arguing who is to blame for our failing economy, who is to blame for the AIG bonuses being paid, or who is to blame for a declining sense of personal responsibility we see not just among our AIG executives but across this country.

What I am interested in doing today is doing what we can do to recoup the taxpayer dollars that were used to pay AIG executives bonuses that not only did they not deserve but should be ashamed for having accepted. That is what this bill does.

Now, just so there is no confusion. This body voted to increase the oversight and accountability of the monies provided under TARP in the TARP Reform and Accountability Act. I voted for that legislation to address the exact issue that is now presented at AIG. 166 members of this House voted against it and many of them now stand up and criticize the lack of oversight with regard to these contracts. This country has had enough of partisanship and obstruction on one hand, combined with no solutions on the other.

In terms of the stimulus bill, the language in the bill provided more, not less restrictions on executive pay.

How can those who voted against additional restrictions on the TARP funds and against additional accountability, now stand up and with a straight face argue that we have not done enough.

The American people are tired of these old political games. What we need are solutions, not rhetoric.

Mr. CAMP. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Minnesota (Mrs. BACHMANN).

Mrs. BACHMANN. Mr. Speaker, I thank Mr. CAMP for yielding.

Now we find out that President Obama's stimulus bill, over \$1 trillion stimulus bill, was actually the AIG Bonus Protection Plan. This is a scandal of huge proportions that we are only now just unraveling. It appears that language was put in the stimulus bill that would prevent the United States Government from recouping these outrageous bonuses that were paid to executives at AIG.

The Republicans have a message, and it is this: We want 100 percent of these bonuses to come back to the United States taxpayer, and we say "time out" on these bailouts. No more bailouts. We don't want to see any more. They haven't been working, and the American people are saying enough is enough.

This is a scandal. We need to know, who knew about these bonuses? When did they know about them?

Yesterday in the Financial Services Committee, the CEO, Mr. Liddy, disclosed that the chair of the Federal Reserve knew about the bonuses and acquiesced to them. We are now finding out that the Treasury Secretary as well, or that Mr. Summers, also knew about these several weeks ago. We need an investigation and we need answers.

Mr. CAMP. I yield 1 minute to the distinguished gentleman from Utah (Mr. CHAFFETZ).

Mr. CHAFFETZ. A moment ago we heard you stand up and say that there is a question about whether or not the freshmen were engaged. You had questions about whether or not we would be bipartisan. Are you kidding me? Seriously. We have been here in this body.

Look, I am a freshman; I didn't create this problem, but I am here to help clean it up. And the idea and the suggestion that there was no idea, no sense that the freshmen had an idea, because it would come from the Republican side of the aisle.

It is not in the spirit of this body to make a question about whether or not we are going to be participants in this. Absolutely, the Republicans have suggestions. We have been excluded from this process. We were promised time and time again that we would have time to see and read bills, and that has not happened.

I would encourage both sides of the aisle, but especially my friends on the Democratic side of the aisle, to stay true to their word and actually engage and allow us to participate in the dialogue that should be in the best interests of the United States of America and in this body.

Again, I didn't create this mess, but I am here to help clean it up. And any suggestion that says that you didn't know that there was a bill introduced, come on.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Members are reminded to direct their remarks to the Chair.

Mr. CAMP. I yield 1 minute to the distinguished gentleman from Arizona (Mr. SHADEGG).

Mr. SHADEGG. I thank the gentleman for yielding.

It occurs to me that, once again, Democrats in this House are acting in haste and we can repent in leisure. It seems to me fairly clear that there are questions that deserve to be answered.

Secretary Geithner began the week saying that he had only known about these bonuses for roughly 1½ weeks; and yet, yesterday Ed Liddy, the chairman of AIG, said that the Federal Reserve was told about these bonuses in December. Where was Mr. Geithner? How come he didn't act? If he didn't know back then when the bailout occurred, it seems to me he should have known.

Now, flash forward to yesterday again. Not just Mr. Liddy places doubt on what Mr. Geithner claims, but no less than Senator DODD says that, in February, he put the money into the bill at the request of the Treasury Department. Who was the head of the Treasury Department at that point in time? It was Secretary Geithner.

I would suggest that Secretary Geithner wants us to believe that when he was at Fed, he neither knew nor should have known and then, when he was the head of Treasury and the language was put in by the Secretary of the Treasury he neither knew nor should have known. I think there are questions that Mr. Geithner needs to answer before we are asked to vote on this bill.

Mr. RANGEL. I reserve the balance of my time.

Mr. CAMP. I yield myself the balance of our time.

The SPEAKER pro tempore. The gentleman from Michigan (Mr. CAMP) is recognized for the remaining 2½ minutes.

Mr. CAMP. Mr. Speaker, just briefly. We have a chance today to do the right thing by those who acted right, those who went to work every day, paid their taxes, and did nothing wrong, and that is the American taxpayer. This is their money, and we should get it back. I urge support for this legislation.

I yield back the balance of my time.

Mr. RANGEL. I thank the remarks of the other side, and I appreciate and have a great deal of respect for those Members that want to inquire about how these contracts came about, who knew what, and when did they know it.

The Ways and Means Committee has no jurisdiction over these questions, whether they are valid or not. The real question is, do you really believe that people who did this damage to our families, to our community, to our country and, indeed, the world, deserve a bonus? If you want to know whether it is 90 percent or 100 percent or whether the State or local governments get the 10 percent, that is another question.

We are not always right, but what we are saying is that the American people do not want their taxpayers' money paying for bonuses for people who have caused such destruction, and to that we have unanimity.

So at the end of the day, when we put this on the suspension calendar, it is because we didn't think it was controversial. We didn't think it was a Democratic idea or a Republican idea. We thought you felt the frustration of your constituents in saying stop the thievery at taxpayers' expense.

Now, this has been going on. No one can deny this will not happen. I urge you to vote for this bill for the American people.

Mr. POLIS. Mr. Speaker, the power to tax is the power to destroy. Today I rise in support of H.R. 1586 and destroying the creeping socialism imposed on by the Bush Administration before it takes over our entire economy. Executives and boards of private companies must know that to call in the federal cavalry means that you will be run out of town.

I am reminded of Emperor Alexius I of Byzantium, who called forth the Christian kings of Western Europe to help him hold off the Turks at his gates. Help us, he said, prevent the heathens from taking the holy land.

The Christian kings of the west responded in force. At first the crusades served Alexius' goals, there were some initial "bonuses" such as the taking of Antioch and Jerusalem. But with time many crusaders saw a richer and easier target in Constantinople itself and soon the very forces that Alexius called forth looted his own capital and hastened the demise of the Byzantine Empire.

Businesses beware: You do not want the federal government or the American people owning your business. We will hunt down your executives with pitchforks, we will subpoena your boards and haul you before Congress, we will use personal rhetoric to decry your greed, we will make life so miserable that you will leave. And no, our cruelty will not be reserved for your executives. Your workers will be bureaucratized, your competent managers squeezed out, your travel and conferences cancelled, your work hours extended, your incentive structure turned upside down. I dare say that with a different party in the White House and Congress, as unfortunately happens from time to time, your union will be busted and your jobs lost.

I will be supporting this bill and hope that it serves as a siren call to executives, shareholders, and workers to oppose nationalization of your companies. By voting for this bill today, Mr. Speaker, we are demonstrating that there is a fate worse than death, and that this is it.

And if your business might be "too big to fail" then by all means, please spin-off divisions and downsize because "too big to fail" means that you will end up in this eternal purgatory of misery, blame and scapegoating.

Let your companies die quietly, silently, and call forth not the mighty crusaders from Washington DC lest we loot and pillage your company as the Christian crusader innocently called forth by Alexius I went on to loot the center of eastern Christendom itself.

Pillage not our public troughs lest ye be pillaged.

Ms. WOOLSEY. Mr. Speaker, Wall Street, and possibly some in Congress and the Treasury Department, still don't get it.

When Congress voted to create the TARP program, we were voting to unfreeze the credit markets and get capital flowing again. Little did we know that much of the capital would be

flowing out of the Treasury and into the bank accounts of executives at AIG.

As a former Human Resources Manager, I know the value of performance based bonuses in motivating outstanding employee performance. The only thing that these bonuses are motivating is more bad behavior. Obviously we are dealing with a system that is severely broken, where Wall Street executives truly don't know the value of a dollar or even right from wrong.

We need a massive overhaul of our financial services regulations, and it can't come a moment too soon. While H.R. 1586 is a measure to fix a specific problem, we need to put in place laws to prevent these abuses from happening in the first place. The days of the "anything goes" mentality on Wall Street must come to an end, and it must end now.

Mr. Speaker, today must be the first of a series of bills that come to the House Floor to address our broken regulatory and oversight system of the financial services sector. I urge my colleagues to support this legislation as a way not only to express our outrage, but also as our commitment to a new system of regulation and oversight.

Mr. STARK. Mr. Speaker, I rise today in support of H.R. 1586, a simple measure to address an appalling practice.

My constituents are angry. As they scrimp and save and watch the value of their homes and college savings plummet, AIG—the recipient of more than \$180 billion in government funds—has decided to award over \$165 million in bonuses to the very executives that created the ongoing financial mess. I voted against the Wall Street bailout twice, precisely because it rewarded bad actors and bailed out companies that created a financial house of cards. Make no mistake, these bonuses are not necessary to keep the "best and brightest," they are simply a leftover bad habit from a company and an industry that was unregulated and left to run wild.

This legislation is straightforward. Any executive of a company surviving because of government intervention (including AIG, Fannie Mae and Freddie Mac) that has received or chooses to accept a bonus will be taxed at a 90% rate. Companies will no longer continue to be able to reward bad actors at taxpayer expense.

Despite the outrageous behavior of AIG and others, most Americans understand that the current economic times call for shared sacrifice and a renewal of the American dream. My constituents know that we have to rebuild our nation and turn the page on the last eight years. Today we have the chance to send a message to AIG and others that would put private greed above the public good: enough.

I urge all of my colleagues to support this legislation.

Mr. THORNBERRY. Mr. Speaker, none of us support payments of these bonuses to AIG employees or employees of other companies that the government has had to bail out. Unfortunately, we are only presented with one alternative to correct the situation. Interestingly enough, it is a tax bill.

But the more important point is: How did we get here? We got here because the Democratic majority insisted on passing a 1000 page bill which nobody read and which was not exposed to the light of day, and in the hundreds of provisions in that bill was one that allowed bonuses to be paid. That bill passed

without a single Republican in the House voting for it.

And now that the provision tucked away in that 1000 page bill has come to light and proven embarrassing, how does the majority deal with it? They tax it—at a 90% tax rate.

Now if this sounds familiar, it should. Hidden spending provisions, high taxes, spending, taxes, taxes, spending. It's a pattern.

The majority wants to make sure that the government decides who gets what and then is able to take it away. And they want to deflect attention away from their missteps.

The better approach would have been for the Obama Administration not to allow these bonuses to begin with. They can put the necessary conditions on the money. It would have better to have that 1000 page bill open for viewing and for amendment. Instead we are left with a crass attempt at political cover. There has to be a better way.

Mr. KILDEE. Mr. Speaker, I rise today in support of the H.R. 1586, a bill to impose an additional tax on bonuses received from certain TARP recipients. Financial firms such as AIG, who have accepted government assistance, need to recognize that the days of lavish travel, million dollar bonuses and golden parachutes are over.

When bridge loans were granted to General Motors and Chrysler, they were required to reduce wages and salaries. Auto workers are being asked to accept lower wages and stock contributions to their benefits account—which funds their healthcare—rather than cash.

What are executives at banks and financial institutions asked to do? Maybe spend fewer afternoons at the spa. Those firms should be subject to the same requirements imposed on GM and Chrysler and on their employees. My constituents have had enough of the double standard that rewards greedy executives and punishes working families.

After accepting \$170 billion from the federal government, AIG is responsible to the American taxpayer.

Before I ran for elected office, I was a high school Latin teacher. And I can tell you that in Latin, "bonus" translates to "good." A bonus is supposed to be a reward for something good—for excellent performance, not for running your company into the ground and sending the economy into a tailspin.

AIG's performance warrants a pink slip, not a paycheck.

Mr. HARE. Mr. Speaker, I rise today in strong support of H.R. 1586 to pose an additional tax on bonuses received from TARP recipients. Like my constituents, I am frustrated and angry that the American International Group (AIG) paid \$165 million in bonuses after we have given them billions of hard-earned taxpayer dollars. Clearly, the 'G' in AIG stands for greed.

It is outrageous that taxpayers are subsidizing bonuses as much as \$6.5 million at a time when working families are struggling to make ends meet. I am reminded of the saying: 'Fool me once, shame on you. Fool me twice, shame on me.' I wholeheartedly opposed the decision to pour an additional \$30 billion into AIG earlier this month given the company's record. AIG is a company that spent \$440,000 on a luxury retreat less than a week after receiving its first federal bailout. To make matters worse, the company then spent \$86,000 on an English hunting trip. Enough is enough.

I support any and all legal efforts to recoup this money, and protect working families in this difficult economy.

I urge all my colleagues to vote yes on H.R. 1586 and tell the American people that this Congress is fed up with corporate abuses of the Troubled Asset Relief Program and we will do everything in our power to be better stewards of taxpayer money.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise today with pitchfork in hand to take back from the executives at AIG, monies that rightfully belong to the taxpayers of this country. I urge my colleagues to support H.R. 1586.

The understanding that most Members of Congress had when we passed the TARP legislation was that these measures were necessary to keep our financial system from collapse. I believe the term is systemic risk.

We then voted last month for another economic recovery package of over \$700 billion dollars which contained language that limited executive compensation for companies that received certain TARP funds.

It appears that the AIG executives may not have broken the law but certainly the spirit of the law. In other words, if AIG has received over \$190 billion in funds from the federal fiscal coffers in the last year, the company is acting in broad contravention of the essence of the law to use \$165 million of that for bonuses. The country is now \$12 trillion dollars in debt after passage of last month's American Recovery and Reinvestment Act of 2009. We literally cannot afford irresponsible uses of taxpayers' dollars.

Last September, the House and Senate voted on one of the most extraordinary pieces of legislation in the history of our country. During the same time, the federal government loaned the American Insurance Group (AIG) \$85 billion, as the company could no longer access credit to fund its day-to-day operations. In addition, an economic "bailout" package enacted in October (PL 110-343) provided a total of \$700 billion in federal aid to financial institutions to remove "toxic" debts and infuse capital into the credit market.

AIG has now received more than \$180 billion in taxpayer money and is now nearly 80 percent owned by the government. As part of a restructuring plan announced by the Treasury Department earlier this month, AIG is set to receive an additional \$30 billion in federal rescue aid.

The news that AIG paid \$165 million in retention bonuses, including bonuses of at least \$1 million each to 73 employees who worked in the financial products division that contributed to the company's troubles, has incited fervor among lawmakers and the public over the past week. Eleven of those top bonus recipients—including one who received \$4.6 million—have since left AIG. If these payments were intended to motivate them to stay with the company it truly scares me to think what they might have needed to stay—\$1 million not being enough.

Edward M. Liddy, the chief executive of AIG—selected in consultation with the Treasury Department after the first large infusion of government assistance—testified before a House Financial Services subcommittee that he has called on employees who received in excess of \$100,000 to give back at least half of their bonuses, but which he also said are a legal obligation of the company. The reason that Mr. Liddy was selected is because he was expected to have the common sense as well as the financial sense which his job now entails.

Over two million Americans have lost their jobs in the last four months. Many of them still owe taxes from last year and will not get a stimulus check, TARP payment or waiver to pay those taxes. Neither will they have access in many cases to teams of topflight lawyers from swanky law firms to defend this excess that reminds me of the biblical tale of Sodom and Gomorrah.

Previously, Merrill Lynch paid \$3.6 billion in bonuses days before its merger with Bank of America to avoid collapse. Bank of America, which acquired Merrill Lynch on January 1, 2009 received \$45 billion in bailout money, some of which it used to acquire.

I was pleased to learn that Oversight and Government Reform Committee Chairman TOWNS sent a letter to Bank of America's chief executive last week asking for details on the bonuses. It appears they are ready to comply with Chairman TOWNS's request.

Treasury Secretary Timothy F. Geithner sent a letter about the AIG matter to lawmakers this week saying the Treasury Department will "deduct from the \$30 billion in assistance an amount equal to the amount of those payments."

This bill taxes bonuses given to individuals at a rate of 90 percent—if their employer received more than \$5 billion in federal assistance under the Troubled Asset Relief Program (TARP). It applies to individuals whose total family adjusted gross income exceeds \$250,000 per year, and affects bonuses received after December 31, 2008.

Employees or former employees of covered TARP recipients would face a tax on their income minus the TARP bonus as determined by existing tax code, plus a 90 percent tax on the bonus. The term "TARP bonus" is defined by the bill to include any retention payment, incentive payment, or other bonus that is in addition to the amount paid to the individual at a regular rate, but it does not include commissions, welfare or fringe benefits, or expense reimbursements.

Employees who waive their entitlement to the bonus payments, or return them to their employers before the close of the taxable year, would not face a TARP bonus tax.

This exemption would not apply, however, if the employee receives any benefit from the employer in connection with a waiver or return. Any reimbursement of the tax by a TARP recipient would be treated as a TARP bonus to the taxpayer.

The TARP recipients that are covered under the bill include any entity that received, after December 31, 2007, capital infusions exceeding \$5 billion under the financial industry "bailout," as well as the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac). It would also apply to members of affiliated groups or partnerships with more than 50 percent of the capital or profits owned by TARP recipients. Any tax increase as a result of the measure would not be treated as income tax for purposes of determining the amount of any credit against the alternative minimum tax.

Mr. Speaker, I urge this body to seek redress from AIG with this strong piece of legislation so that we may get on with the business of moving our economic recovery forward.

Mr. DINGELL. Mr. Speaker, I rise today in strong support of H.R. 1586, which will impose a significant tax on bonuses received by em-

ployees of certain TARP-recipient companies. This legislation, of which I am an original cosponsor, sends a clear message that excessive compensation practices by TARP-recipients are indefensible and, as such, must be heavily penalized. On Tuesday of this week, I introduced my own bill, H.R. 1543, on this matter, which would subject bonuses to employees of TARP-recipients to a 95 percent tax. I am pleased to see that H.R. 1586 incorporates elements of my bill and thank Chairman RANGEL for his kind consideration in doing so.

As AIG's recent actions remind us, it is unconscionable that companies dependent upon the largesse of the federal government for their very existence should in turn pay irresponsibly exorbitant bonuses to the rapscallions partially responsible for the current recession. From their glass towers, they frittered away the Nation's economic well-being. Compare that to the men and women who work on the assembly lines now being asked to make wage and healthcare concessions—also contractually guaranteed, I might add—to justify the rescue of U.S. manufacturers. If we can demand that decent people, who wear hard hats and blue jeans, must renegotiate their contracts, I see no reason those people wearing neckties and \$1,000 suits should not also have to sacrifice to help their country in this time of need.

In closing, I offer my thanks to Chairman RANGEL, as well as Representatives PETERS, ISRAEL, and MALONEY, for their work to ensure that TARP funds are not wasted on reprehensible and undeserved bonuses. I urge my colleagues to vote in support of H.R. 1586.

Mr. VAN HOLLEN. Mr. Speaker, I rise today in strong support of H.R. 1586, which will recover outsized and unwarranted executive bonuses at companies like AIG that have received taxpayers' money under the Troubled Assets Relief Program (TARP), if those bonuses are not voluntarily repaid.

Mr. Speaker, we simply cannot continue with business as usual. These are serious times, and the American people expect that their hard-earned money will be used to repair the financial system—not reward the very executives that helped cause the current financial crisis. The bonuses at AIG are an egregious waste of taxpayer dollars, and we must take quick and decisive action to ensure that taxpayers are repaid.

I urge my colleagues to join me and pass this bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. RANGEL) that the House suspend the rules and pass the bill, H.R. 1586.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. CAMP. 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 and the Chair's prior announcement, further proceedings on this motion will be postponed.

#### GENERAL LEAVE

Mr. RANGEL. Mr. Speaker, I ask unanimous consent that Members may