

bailout similar to the savings and loan crisis. Moreover, the area of rating agency oversight is very technical. We should have thus worked with the experts of the Securities and Exchange Commission on these specialized matters.

The failure to work with our Nation's primary securities regulator on H.R. 2990 is unexplainable, and a poor way to develop public policy. Instead of taking a hard approach with the Securities and Exchange Commission and guiding the legislation for the best interests of the public, we do neither.

Mr. Speaker, this is important, not necessarily to the wealthiest or most sophisticated investors in America; this is important to the average investors in America, their pension funds and other investment instrumentalities. These nationally recognized statistical rating organizations are not just some dealership; they rate quality of portfolios that affect trillions of dollars in our economy.

If we open up for purposes of quantity and competition this registration without addressing the question of quality, we run the risk that the misusers of this proposal will file, will register as a nationally recognized statistical rating organization, and will literally be able to sell their ratings to portfolios in the future and to instruments in the future.

What will happen and what is the weakness here? This bill can pass today, open up those loopholes and the reality will not be known for 5, 10 or 15 years, until the next financial crisis in this country.

We have no need to make this rush today. We should do it right. I ask that the substitute be supported.

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

Ms. MATSUI. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey (Mr. HOLT).

Mr. HOLT. Mr. Speaker, I thank the gentlewoman from California for yielding me time.

Mr. Speaker, today we are considering legislation brought by the majority party that will help investors invest and help Fortune 500 companies increase their bottom line. I want to talk about 15 million people who will not be affected by this bill, who will not be investing any money this year, the 15 million people trapped by the low level of the Federal minimum wage.

Mr. Speaker, we should be discussing legislation today to increase the Federal minimum wage. The Federal minimum wage has not been brought to a vote on the House floor because the majority party will not allow it to be brought. And yet millions of people are stuck at a low minimum wage of \$5.15 an hour.

Just think about it. You do not have to have a vivid imagination to understand how hard it is for a family, and many families we are talking about, not just high school kids, many fami-

lies trying to get by on \$5.15 an hour, the lowest level in purchasing power in 50 years.

We will have a recorded vote in a few minutes on the previous question. This is not an arcane parliamentary procedure. Every editorial board, every citizen group, every voter ought to understand what this vote means. It means, will we have a vote on the floor about raising the minimum wage to something that is tolerably humane?

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We have the time to do it. Mr. FRANK pointed out, yesterday we finished legislative business midafternoon, today we will finish in the midafternoon. Friday we won't even be in. We have time. We could do it.

But I ask the majority party, do you think we have no time? Has the majority party no heart? Have they no brain? The evidence is clear: Raising the minimum wage makes economic sense.

It is not just a matter of compassion and heart, although that should be reason enough to raise the minimum wage, but it is also good economic practice.

We have the opportunity to do it. The minimum wage has been frozen for nearly 9 years at this low, inhumane rate. The vote on the previous question is a very clear vote; it is whether or not we are going to leave these people stranded at the low, inhumane, minimum-wage rate, or whether we, on the floor, are going to consider raising it. That is what the vote means.

Mrs. CAPITO. Mr. Speaker, it is my honor to yield 4 minutes to Mr. BAKER of Louisiana, a champion of the Financial Services Committee.

Mr. BAKER. I thank the gentlewoman for yielding time.

Mr. Speaker, I rise today to express concern about where we are and where we have been with our current credit rating agency methodologies.

Many have come to the well today to express concern that we will be sacrificing quality for the sake of quantity. Let us simply go back a few short months, a few short years, and think about the irate comments made on the floor of this House with the disclosures of WorldCom and Enron and Global Crossing; and you make your own list. Guess what, the keepers of the gate were on duty when all that happened.

We can go back a little further to the tragic loss of taxpayer resources in the S&L crisis. Guess who was on duty.

It is the structure that some stand before the House today to defend and decry that we are going to sacrifice quality. Well, gentlemen, if that is your definition of quality, we have had enough. It is time to make a change.

What do we suggest? Just lightly opening the doors and let someone run down the hall and say, now I am an NSRSO, I am qualified? No, you have to be in business for 3 years. That is a pretty long internship to spend money and resources to establish you have the ability to issue credit ratings on which the market invests its confidence.

Let us think one more step, Fannie Mae and Freddie Mac. Some may be surprised to know that after a multiyear, multibillion dollar restatement, Fannie Mae cannot issue financials that meet their auditing requirements for the public benefit. Today, they can't.

Others may be surprised to learn that 43 percent of America's financial institutions have 100 percent of their tier one capital requirement invested in Fannies and Freddie's. Now, some people rush to say, oh, no, it is not all Fannies and Freddie's. Oh, great, it is Farm Credit System; that is even better.

The point is, we have the financial security of our Nation and our financial system invested for the money in the sock drawer when things go bad, the tier one capital requirement, so if they hit a bump in the road, they can reach in the drawer and pull out a few bucks and pay off the loan. That money is tied up in Fannie and Freddie securities that this enterprise, S&P and Moody's, have said are great, they are fine, notwithstanding the fact that for 5 years corporate executives paid themselves \$250 million in bonuses on financials where they cooked the books. Boy, we have got a great system; I am going to fight to the death over preserving this.

Look at what it has done for America's taxpayers and American investors. Man, if there ever was a clear-cut case to make a change, why aren't we making the change? If you don't believe me, go to McGraw-Hill's Web page. Go to McGraw-Hill's Web page and look at the income from S&P, which is a subsidiary of McGraw-Hill. In 2005, their operating revenue was 2.4 billion; their operating profit was 1 billion. Now, friends, a 42.5 percent rate of return on your operating expense is a pretty hefty rate of return; it represents 68 percent of McGraw-Hill's entire operating profit. McGraw-Hill is only one of 34 companies to have increased its dividend payments for 33 consecutive years.

Put it in perspective. In looking at the first quarter performance in 2005 versus the similar quarter in 2004, McGraw-Hill actually lost money in its educational activities. It had in its information and media arena, down 65 percent; but financial services, which is S&P, it was up \$222,512,000.

I think I figured out 222 million reasons why this bill is controversial. It is a fight about money. Let's get it right this time.

Ms. MATSUI. I yield 5 minutes to the gentleman from Wisconsin, my friend, Mr. OBEY.

Mr. OBEY. Mr. Speaker, we are being asked why we are raising the issue of the minimum wage on this legislation. The answer to that is very simple: The way this House works, absolutely nothing can be brought to the floor for a House vote unless we have the permission of the majority party leadership to do so. And the fact is that for the

Mr. GEORGE MILLER of California. Mr. Speaker, I yield myself 1 minute.

I would just say, only my Republican colleagues would think that \$7.25 an hour is a high wage for working people. In fact, in the motion to instruct he knows it is "not less than \$7.25 an hour."

My colleague has also said that this is neither the time nor the place. We haven't been able to find out since 1997 where is the time and where is the place to raise the minimum wage for 6 million American workers. That is what the American public wants to know, that is what the American public supports our doing, but we have been unable to find out from the Republican leadership. All we get from the Republican leadership is "no."

When it passed in the Appropriations Committee, the bill has not come to the floor because it has the minimum wage in it. Then when those same people had to vote in another Appropriations Committee, the Republican leadership got them to change their votes against the minimum wage.

Our committee has had no hearings and they are not reporting the bill. Where is the time and where is the place? Where do these 6 million poor workers, where do they go to make their case to this Republican Congress? Where is that time and where is that place?

Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey (Mr. HOLT).

Mr. HOLT. Mr. Speaker, I thank the gentleman from California for yielding me time, but even more for bringing this issue to the floor.

Yes, where is the time and place?

Since 1997, the minimum wage has been frozen and millions of people have been stranded. I don't know of a better word to use. During that time we have seen congressional pay increase by several times the total amount that a minimum-wage earner would earn in a year. We have seen CEO compensation raised many times what a minimum-wage earner would earn in a year. I mean, the increase is that much.

Mr. MILLER talked about the 6 million people who are stranded. It is more like 15 if you consider all of the people who are indirectly affected by this also. The chairman said that there has been no discussion of minimum wages, and so why should we bring it up with this bill at this time. That is right, there has been no discussion. We are trying to find a place to have that discussion.

Indeed, \$7.25 is not a high wage. In fact, if the minimum wage were to be paid at the purchasing power that it used to have, it would be \$9.05, still not a high wage, but considerably better than the minimum wage of \$5.15.

The chairman says this is a political ploy. Try to tell that to someone who is trying to buy gas, to buy food. You know, since the minimum wage was pegged, the price of bread has gone up, oh, at least 25 percent. The price of

milk, at least 25 percent, the price of gas a couple hundred percent. The price of health care 100 percent, but I am not sure why we are discussing health care because no one on minimum wage can afford it.

This is not a political ploy; this is about the ability of people to make ends meet and to feed their families. Yes, we are talking about families. The other side often says minimum wage, that only applies to kids on summer jobs. Try to tell that to the millions of people who are trying to feed families, children, pay for rent and buy gas to get to work.

I ask the majority party, who has not found a time or place to discuss the minimum wage: Have they no imagination? We are supposed to be Representatives here. One of our challenges is to put ourselves in the shoes of the hundreds of thousands of people whom we represent. Have they no imagination? It shouldn't take much imagination to figure out how difficult it is to get by on today's minimum wage. Do they think that we don't have time to discuss it here on the floor? Of course, we do.

They will say it is going to kill jobs. There is no evidence of that. In fact, the best evidence we can find, and this goes back to the days when Henry Ford increased the wages for his workers, the best evidence we can find is that increasing the salaries of hourly workers helps the economy. In States that have higher minimum wages, they have better job creation.

So don't give us that, that this is going to hurt the economy. No, what it is going to hurt if we don't raise the minimum wage is 15 million people.

We have the opportunity with this motion to instruct because the Vocational Improvement Act has the purpose of creating high-skill, high-wage jobs. All we are saying is that there ought to be a floor. If you are going to talk about wages, there ought to be a floor. For more than half a century, for three-quarters of a century almost now, it has been deemed appropriate for the Federal Government to set that floor. That is what we are asking to do now, to set it at least at a barely humane level rather than the inhumane level at which the minimum wage now stands.

I urge support of the Miller motion to instruct.

Mr. McKEON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I compliment the gentleman on his eloquent speech on the minimum wage. However, this bill before us is not a minimum-wage bill.

As I said earlier, what it does is change high-skill, high-wage to \$7.25 an hour. That is what I read from their motion to instruct.

One of the things I would like to say is that I appreciate Mr. CASTLE, chairman of the Subcommittee on Education Reform, for his leadership in producing a good House bill in support of educators and supported by nearly every Member of this Chamber.

I would also like to thank the committee and the subcommittee ranking members, Mr. MILLER and Ms. WOOLSEY, for working with us in a bipartisan manner both on the House bill and in our preliminary discussions with the Senate to get us to this point. Their willingness to work with us toward our mutual goal of improving and modernizing our career and technical education programs has allowed us to get to this point today.

I am confident that our negotiations with the Senate will produce a measure that will be widely supported by Members of the House on both sides of the aisle. I would like to see us move forward quickly to get to conference to finalize this bill so we can have a vote on it before we adjourn for the summer recess.

Again, I thank all those who have worked so hard to bring us here today, and reemphasize again, aside from all of the rhetoric about the minimum wage, this is not a vote on the minimum wage bill, it is a vote on reauthorizing the Vocational Education Act.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio (Mr. KUCINICH).

Mr. KUCINICH. Mr. Speaker, I thank the gentleman and I thank Mr. MILLER for his motion to instruct.

With all due respect to the chairman, the Miller motion to instruct establishes in the language that in no case shall the wage be less than \$7.25 an hour. It is not a cap. It actually establishes a floor, not a ceiling.

We all understand that for many people even \$7.25 may not be enough, but the Miller amendment creates some progress in an area where the American people haven't seen much progress. Think about it. Do you know, if the minimum wage had kept pace with increases in corporate executive compensation over the last dozen years, do you know what the minimum wage would be today? It would be over \$16. That is how far and fast the top executive salaries have gone up.

But those people who provide the service for those executives and for all of us, those people who work in restaurants, who work in hotels, those people who are humble working people, \$5.15 an hour, and it has been frozen there while the cost of everything keeps going up.

My constituents talked to me over the July 4 break about the high cost of gasoline. If you are making \$5.15 an hour and gasoline goes up to \$3 or more a gallon, what does that do to your family budget? We have some practical considerations we need to look at here and we are not looking at them.

That is why I am rising in support of the Miller motion to instruct conferees, because vocational education and training are vital parts of workforce development in America, and they help to provide the highly trained, skilled workers that our Nation needs.

But you can get training and you can get education, but that doesn't assure