

Gramm in the Senate—the same Phil Gramm who was responsible for deregulation in the financial services industry that paved the way for much of this crisis to occur. I like Phil Gramm, but I don't like his economics.

A respected economist at the University of Texas, James K. Galver, said that Gramm was: "the most aggressive advocate of every predatory and rapacious element that the financial sector has" and that "he's sorcerer's apprentice of instability and disaster in the financial system."

It was Phil Gramm who pushed legislation through a Republican Senate that allowed firms such as Enron to avoid regulation and destroy the life savings of its employees, and it was Phil Gramm's legislation that now has Wall Street traders to bid up the price of oil, leaving us to pay the bill.

Warren Buffett called the results of Gramm's legislation "financial weapons of mass destruction." That is what Warren Buffet said.

And now the architect and leading cheerleader for every mistake and neglect that created the Bush-Cheney financial nightmare is whispering into the ear of JOHN MCCAIN, who says he doesn't know much about the economy. I repeat, that is an understatement.

Whether you call it Hoover economics, Bush economics, or McCain economics, it is not a recipe for change; it is a recipe for more of the same.

For all of the college students worried about finding a job, the working families who don't know how they will pay their bills—talking about families and jobs, a man is coming to visit me from Las Vegas. He has two sons who are so brilliant. One of them, a few years ago, was the only person in Nevada to be admitted to Harvard. He had a perfect score in his SAT. He can't find a job. He is a graduate, with honors, from one of our elite ivy league schools and he cannot find a job. His dad is coming to talk to me to see if I can help him. His other boy is still in college and, of course, worried, as I have indicated, about finding a job. Working families don't know how they will pay their bills, and the fixed-income seniors are trying to figure out how to pay for medicine. We have to do better.

We cannot afford another Republican President who will follow his party's ghosts down the path of recession, depression, and more suffering. We desperately need a President who understands that working people, not industry titans, are the backbone of our country and economy.

We need a President who will cut taxes for working people and senior citizens, end the windfall profits of oil companies, and put that money back into the pockets of those who are paying record prices at the pump, and put millions of Americans back to work by investing in jobs on Main Street, not Wall Street.

In November, we can elect a President who will break from the past and invest in the future, a person of change. But until then, the Senate should pass our tax extenders. We need to do that. If we want to jump-start the economy, let's pass the tax extenders for renewable energy. In the State of Montana, the State of the Presiding Officer, renewable energy is a job creator. On August 18 and 19, I had an energy summit in Las Vegas. We had Democrats, Republicans, academics, and people from the industry. I talked to the Governor from Colorado and asked him how his State is doing. He said they are not being hit as hard as others because they are creating thousands of jobs with renewable energy projects. That is what the future holds for us. We need to pass the energy tax extenders. I hope we can work something out with the Republicans to pass other tax extenders for more than 1 year. We have to get away from the 1-year deal. Let's do them for 2 years so that people in the private sector can look at Congress as a friend. I hope we can do that.

I also think we have to take a look at a stimulus package that funds infrastructure projects, creates jobs, prevents cuts in desperately needed State services, invests in renewable energy, expanded unemployment benefits for victims of this administration's economy, and helps working people and senior citizens afford the costs of energy.

I think the House of Representatives will pass the stimulus bill in the coming days. I hope that today they pass the Energy bill. As I indicated to the distinguished Republican leader, we are going to finish this Defense authorization as soon as we can. I hope to get cloture on it this afternoon.

I hope the unanimous-consent request Senator LEVIN will offer around 11 o'clock—whenever we finish morning business—will be accepted. When we finish that, I think there is an agreement between the Republican leader and me that we are going to go to the tax extenders, renewable first. We have to have a vote on AMT. We are going to vote on the other tax extenders. That will be helpful. It sets a great pattern for what we need to do here. I hope the House follows suit and takes care of that business.

We are going to now have a period for morning business, with Senators allowed to speak for up to 10 minutes each, as soon as the Republican leader finishes his statement, if he has one. The Republicans will control the first 30 minutes, and the majority will control the second 30 minutes.

Following morning business, the Senate will resume consideration of S. 3001, the national defense authorization bill. The managers are working through filed amendments to the bill. Senators should be on notice that the chairman has shared a proposed unanimous consent agreement with Repub-

licans and will ask for consent prior to the caucus recess. If we are unable to reach agreement, at 3 p.m. the Senate will proceed to a cloture vote on the bill, with the final 30 minutes equally divided and controlled by the two leaders, with the majority leader controlling the final 15 minutes. Senators have until 12 noon to file second-degree amendments to the Defense bill.

I will finally say that under the regular procedure, we would have a cloture vote an hour after we come into session. But I had a conversation with the Republican leader last evening, and we felt it would be best to wait until after our caucus so people understood how important this Defense authorization bill is and how Senator WARNER and Senator LEVIN have tried hard to work through all these amendments. Hopefully, we can get cloture invoked and work on the amendments that are available postcloture and finish this bill, say, 9:30 tomorrow morning, something like that. I hope that can be the case.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business for 60 minutes, with Senators permitted to speak therein for up to 10 minutes each, with the time equally divided and controlled by the two leaders or their designees, with the first half of the time under the control of the Republican leader or his designee and the second half of the time under the control of the majority leader or his designee.

The Senator from Missouri.

ENERGY

Mr. BOND. Mr. President, we have heard a very powerful Presidential campaign speech by my good friend the majority leader. He asked what has brought us to this point. What has brought us to the point that farmers are suffering, families are suffering, truckdrivers are suffering—all of us are suffering from the high prices of energy.

It should be no secret to anybody who knows what is going on around here that for the last 20 years, my colleagues on the other side of the aisle have instituted a policy of "don't drill, don't refine, don't develop nuclear power." Our gas and oil prices have gone through the roof because we have artificially constrained the amount of energy we can produce.

What we are asking for and the American people are asking for every

time I go home is some common sense. Impose our good, strong environmental regulations. We have the strongest environmental regulations of any nation on the Earth on producing oil and gas. We can pay high sums of ransom to foreign powers, such as Hugo Chavez in Venezuela or Vladimir Putin in Russia or Ahmadinejad in Iran, and get oil and gas that has not been produced with the same environmental protections we have.

Today, the price of oil is only \$92 per barrel. A gallon of gas on Friday, before Hurricane Ike, averaged only \$3.65. It has come down some now with the unwinding of the Lehman investments in long-term energy futures. But the problem is still there. We have not solved the problem. We have taken some steps that I believe will give the market some encouragement. But if you think oil at only \$92 per barrel is good enough, if you think gas falling to \$3.65 a gallon is good enough, then you must be one of these people who support the Pelosi plan, the Gang of 10 proposal. You must be one of those people who think we can get away with giving just a little bit of opening of our tremendous oil reserves and gas reserves.

What I can tell you is that the price of oil falling only a little bit is not good enough for the families of Missouri, the farmers, the small businesses in Missouri, the truckers, all of the people who have been hit hard by the high price of gas. The price for a gallon of gasoline falling only a little bit is not good enough for my workers and families in Missouri or the workers and families in the United States. That is why opening a little bit of new oil production is not good enough for our farmers and workers. Missouri's families and farmers, workers and small businesses, like the entire Nation, deserve as much relief as we can responsibly give them from the high gas prices, and we need to do it now.

The suffering of our families in today's tough times is certainly not over yet. The mortgage crisis brought on by speculation in the housing finance market is still ravaging our neighborhoods. High food prices are still ravaging household budgets. High health care budgets are ravaging lifetime savings. High education costs are still crimping our retirement funds. Missouri farmers are still struggling with the high fuel costs they pay to run their farm equipment. Dairy producers are struggling with the surcharges they pay to ship their milk to markets. Our food processors in Missouri and across the Nation are struggling with high transportation costs to obtain their raw goods. Grocers in Missouri and across the Nation are still struggling with high shipping costs. That is the high cost of the price of food—the off-farm fuel costs that go to transportation, driving, and other procedures.

And Missouri truckers are suffering from high diesel costs. Missouri airline workers are losing their jobs because of high jet fuel costs. So why would anyone think that just a little price relief is OK? Why would anyone think we just have to lower gas prices a little bit? Our families don't just deserve a little relief; our families deserve as much gas price relief as we can give them. Our truckers don't deserve just a little relief; they deserve as much diesel relief as we can give them. Our farmers don't deserve just a little relief; our farmers deserve as much fuel price relief as we can give them. That is why we should not open just a little bit of offshore oil production. We should open as much new offshore oil production as we can, have it produced in an environmentally responsible manner to drive oil and gas prices as far down as we possibly can to provide as much relief to families and workers as we can.

The proposal we will consider from the Gang of 10 will not open as much new offshore oil as we can, so it will not drive down oil and gas prices as much as we can. It plans to open a handful of sites in southeast Florida to offshore production, but it leaves closed to the American people east coast and Northeast States. It leaves the entire Pacific coast of America closed. Seventy percent of America's offshore areas, off lower 48 States, would still be closed to the American people and the energy they need under the Gang of 10 plan. Eighty-five percent of offshore areas are currently off limits. So how is opening only 15 percent more in offshore production going to provide relief to the American people?

On the other side, the Speaker's plan does not provide relief to the American people either. It opens certain areas of the east and west coasts of America but does so only outside the 50 miles from shore.

There is a funny little statistic that maybe people would be interested in, and that is that most of the oil off the Pacific west coast is less than 25 miles off the shore. More of it is within 50 miles off the shore. So no more than 3 to 5 percent of the oil off California and the west coast would be opened. It leaves closed to the American people the eastern half of the Gulf of Mexico where almost of all the new oil in the east coast lies.

So the Pelosi plan may well be described as opening everywhere that oil is not and leaving closed and off limits to the needs of the American people everywhere the oil is. The plan will do almost nothing to bring the American people gas price relief.

Let me talk about the Gulf of Mexico. We wish everyone—Texas, Louisiana, across that part of the country—Godspeed in their recovery. We prayed for you during the storm. We now pray for you as you put your lives

back together. But we are also putting the Nation's oil infrastructure back together.

Hurricane Alley, as the western Gulf of Mexico is often known, is also the port of entry for 64 percent of our imported oil and most of our refineries. Rolling right down Hurricane Alley, Hurricane Ike has shut down 63 percent of our oil rigs, idled 73 percent of our gas output, closed 8 refineries, and stopped 96 percent of gulf oil output. Mother Nature can only tell us we asked for it by concentrating so much oil production in the western gulf, by concentrating so much oil refining in the western gulf, by forcing so much oil importation through the western gulf.

We have only ourselves to blame when we keep other parts of our ocean closed to production. We only have ourselves to blame when we keep the other parts of our shores closed to refining. We have only ourselves to blame when prices spike 17 cents in a weekend, as they did over this weekend. We have only ourselves to blame if we continue the Democratic policies of "don't drill, don't refine, don't use nuclear resources." And if we vote for proposals that still keep most all of our shores off limits, we will have only ourselves to blame for not providing American families, workers, and small businesses the relief they need. We will have only ourselves to blame if we do not provide American families the relief they deserve.

I urge our colleagues to consider American families when we vote to give them as much energy, gas, oil relief as we can—not just a little bit more relief but a lot more relief, finding not just a little bit of oil production but as much new oil production as we can. Our American workers, American farmers, American small businesses—all of us in our American economy deserve no less. We must produce what we have, and we must do it now. Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Colorado.

Mr. ALLARD. Mr. President, I thank the Senator from Missouri for his comments this morning. I, too, wish to make some comments about our energy problems we are having in this country.

Before the August recess, I and many of my Republican colleagues came to the floor of this great body to make the case for a sound national energy policy that would make a difference to the millions of Americans struggling with high energy prices.

We just heard the majority leader mention energy as a critical problem in America. But, unfortunately, instead of dealing with this issue, it was set aside by the majority party in favor of a recess, and like the recess enjoyed by millions of American schoolkids, this recess was an opportunity for the

majority party to run away from the hard work waiting for them on their desks on energy.

When or if we move to the energy debate again, I am hopeful we will be able to accomplish something. This is especially important because this will likely be the last opportunity for many months to offer relief to millions of Americans struggling with high fuel prices. It is relief to commuters, school carpools, it is relief for farmers, it is relief for small businesses, grocery shoppers, and all across the spectrum of American life where higher prices mean budget problems.

The price of oil has dropped from its summer high, and that is good, but the fundamental truth remains: America does not control its energy sources. Americans rely on overseas energy, and we pay billions and billions for it. We see those dollars go to countries that sponsor terrorism, which creates additional problems for the security of this country.

Our precarious position comes to everyone's realization when we deal with an interruption in energy. My esteemed colleague from Missouri just finished talking about the impact of Hurricane Ike and how it has had an effect, and that is when Americans realize how precarious our energy supplies are in this country.

For weeks now, dating back to before the August recess, Republicans have been pushing and prodding the Democrats in an effort to address this growing crisis. I suspect that during the August recess Democrats got an earful from their constituents on energy. The citizens of this country told them to release areas off the coast for domestic exploration. They told them to open sections of ANWR to tap millions of barrels of our own vital oil and natural gas supplies. I heard those same concerns raised when I was back in my State during the summer.

Mr. President, the American people have spoken, and it is high time the Democratic Congress started to listen. We must open the Outer Continental Shelf for exploration. Unfortunately, Congress has enacted appropriations riders prohibiting the Department of the Interior from conducting activities related to production of oil and natural gas on much of the Outer Continental Shelf every year since 1982. The current congressional moratorium under which we are operating places nearly 86 percent of America's Outer Continental Shelf lands off-limits for exploration. No other country does that. Fortunately, the current moratorium is set to expire at the end of this current fiscal year; that is, September 30 of this year. In July, President Bush lifted the executive moratorium leaving only the congressional appropriations Outer Continental Shelf moratorium standing in the way of increased U.S. energy production. I encourage our Demo-

cratic friends to allow the moratorium to lapse. With the high cost of fuel, we must allow American companies to seek out new sources of energy off our coastal regions.

In conjunction with offshore exploration, we must open vital areas of Alaska and the West. Recently, in my home State of Colorado, the Roan Plateau was finally opened to the bidding process, and I am pleased the Bureau of Land Management was able to move forward with the Roan Plateau lease sale. This sale was important for the people of Colorado because it will generate millions of dollars of revenue for our State. But more importantly, Mr. President, the Roan Plateau development is one of the most environmentally conscious plans ever created, representing almost a decade of collaboration between local, State, and Federal officials. Also, more importantly, is what the Roan Plateau lease sale means for people around the Nation. The development of the oil and gas resources on the Roan Plateau will help secure the midrange future energy needs of our Nation.

The development of the Roan Plateau will be conducted in a staged approach in order to minimize wildlife habitat fragmentation, disturbances, and to encourage innovation in reclaiming many of our disturbed areas. The Roan Plateau is an example of how we can strike a balance between energy development and environmental protections.

While additional production of traditional oil sources is vital, we in Congress must continue to provide incentives for implementation of renewable energy and for the infrastructure necessary to support them. Our fossil fuels have become a bridge to better technology and much of what lies in the area of renewable energy. This is a necessary step in balancing our domestic energy portfolio, increasing our Nation's energy security, and advancing our economic prosperity.

The American people deserve an energy policy that calls for funding more domestic energy sources, including oil, natural gas, clean coal, nuclear, as well as renewable resources and new energy efficiency technologies while not forgetting the conservation aspect of our energy problem and doing everything we possibly can to conserve our precious energy supplies. By investing in renewable energy research and development today, we will actually be saving money in future energy costs.

Energy runs the world in which we live, so without affordable, accessible sources of energy we open ourselves to dangers we simply should not allow to happen. I believe renewable energy and energy-efficient technologies help offset fuel imports, create numerous employment opportunities, develop our domestic economy, and enhance and create export opportunities. In addition, renewable energy and energy-effi-

cient technologies provide clean, inexhaustible energy for millions of consumers.

But renewable energy alone is not enough. We still need additional sources of domestic energy. Mr. President, I disagree with my own Governor from the State of Colorado and the points he was making at the majority leader's energy conference in Nevada, where he stated that renewable energy was the main reason we were having many job opportunities and why our economy was doing well in Colorado. There is no doubt that the renewable energy effort in Colorado has created more jobs. It has created some diversity in our economy, and that is good. But it is the oil and gas industry that has provided the revenues for the State of Colorado and will continue to do it for some time. If we push too hard and too quickly to go to renewable energies before that industry has matured, we will create additional economic problems not only for the State of Colorado but for this country.

It is fascinating when one looks at the retirement portfolio for the employees of the State of Colorado. A large percentage of that revenue and that portfolio is coming from oil and gas companies. It is helping provide for the future retirement of employees who have worked for the State of Colorado. So although renewable energy is beginning to play a larger and more important role in the State of Colorado, it is not ready to replace the huge amount of revenue oil and gas is producing for my State.

One of the most promising sources of domestic energy in the Nation is found in my State of Colorado, and that is oil shale. This shale could easily yield 800 billion barrels of oil, which is more than the entire proven reserves of Saudi Arabia. Now, the estimates on the oil shale in Colorado and Utah and Wyoming are estimated up to 2 trillion, but 800 billion seems as though it is the minimum amount that most people believe we can bring to the surface with the new technologies we have in oil shale, which, by the way, is environmentally favorable.

Unfortunately, we can't even begin to move toward assessing this unparalleled resource because Democratic obstructionism has effectively put this resource out of reach. Any Member of Congress who refuses to consider comprehensive solutions that include reducing energy consumption while increasing domestic supplies is ignoring the needs of this country.

I am very hopeful that within the next few weeks we will be able to find a commonsense approach to our energy crisis that addresses the basic economic law of supply and demand. It is simple: If we increase our supply while reducing demand, energy prices will go down. We shouldn't forget that we live in a supply-and-demand economy.

So, Mr. President, I urge the majority leader, and I urge the majority party to quickly get us on the issue of energy and onto reasonable common-sense solutions to move us forward. This country is dependent on our doing the right thing on energy because it is such an essential part of our economy. It builds into all levels of manufacturing, it builds into each individual American's life, and it is a driving factor when we talk about the inflation that is happening right now in our economy.

So, Mr. President, let's move forward. Let's do something about the energy crisis we have in this country, and let's not let the current election year environment in this country disrupt our effort to try to do what is best in making sure we have a safe and secure country and a secure economy.

Mr. President, I yield the floor, and I ask unanimous consent that the remainder of the Republican time be reserved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Washington.

OIL MARKET SPECULATION

Ms. CANTWELL. Mr. President, as I rise to speak this morning, for the first time since April 1, the price of oil has fallen to below \$100 a barrel, and that is certainly a welcome relief to many Americans across this country and to businesses who have been devastated by high energy markets.

We shouldn't underestimate the damage that has been caused. Just this past Friday, in my home State of Washington, Alaska Air announced that more than 1,000 people will lose their jobs because of high fuel prices and a slowing economy. Compared to last year, Americans have paid \$76 billion more for gasoline in 2008, and I know many people went without vacations, and businesses have cut back on their operations.

Now, we have had various independent reports that have shown that the fluctuation in price from 2007 to 2008 cannot be explained by simple supply-and-demand fundamentals. And we are having a hearing at 2:30 this afternoon in the Energy Committee about excessive speculation and how prices were driven to record highs this summer. But what we need to also realize is the scrutiny Congress has placed on Wall Street along with the promise to have stricter oversight has had an impact; prompting a large volume of capital starting to leave these markets.

It wasn't that long ago when President George Bush was picked up on the Internet at a reception saying "Wall Street got drunk." Now, I don't know if the President really meant to have this publicly captured on the Internet, but it was, and I know afterwards his Press Secretary was quoted as saying:

Well, you know, I actually haven't spoken to him about this, but I imagine what he meant, as I have heard him describe it before in both public and private, was that Wall Street let themselves get carried away and that they did not understand the risks these newfangled financial instruments would pose to the markets.

And while it is Wall Street that has gotten drunk, it is the American public paying for the hangover.

Today, we are struggling to contain one of the most severe credit crises since the Great Depression, and American families are going to pay dearly for that lack of oversight and regulatory indifference to what have been critical markets for us to oversee. I give credit to Secretary Paulson for his swift action over the last couple of weeks to contain the economic fallout from a reeling Wall Street.

During the past decade, the agencies charged with financial oversight have turned their eye from what has been one of the worst excesses our country has seen. My question for my colleagues today is, when are we going to learn the lessons of history and make sure Congress does its job in the oversight of the regulatory agencies so they do theirs?

In many ways, today's super-bubbles are a repeat of the 1920s when too much borrowing to underwrite too many speculative bets using too much of other people's money set up the entire economy for a crash. In 1999, Congress repealed key parts of the Glass-Steagall Act of 1933. The repeal allowed banks to operate any kind of financial businesses they desired, and it set up a situation where the banks had multiple conflicts of interest.

Several economists and analysts have cited the repeal of this act as a major contributor to the 2007 subprime mortgage crisis.

In fact, Robert Kuttner, cofounder and co-editor of the *American Prospect* magazine wrote in September 2007:

Hedge funds, private equity companies, and the subprime mortgage industries have two big things in common. First, each represents financial middlemen unproductively extracting wealth from the real economy. Second, each exploits loopholes in what remains a financial regulation.

But we didn't end our deregulation there.

In 2000 we also deregulated a new and volatile financial derivative that is at the heart of today's housing credit crisis—credit default swaps.

As White House press secretary Dana Perino described it earlier this year, these "newfangled financial instruments" that posed a risk to the market actually grew into a \$62 trillion industry.

Warren Buffett has called these credit-swaps "financial weapons of mass destruction."

The proliferation of these newfangled financial instruments has resulted in huge profits and losses without any physical goods changing hands.

I come to the floor asking my colleagues: when are we going to learn the lessons of the past?

When are we going to realize that the 1929 stock market crash has the same root cause as the recent housing bubble?

Both were financed by dangerously high leveraged borrowing. And after the crash many banks failed—causing a ripple effect that devastated our Nation's economy.

After the 1929 crash, Congress stepped up and changed the banking laws to eliminate some of the abuses that had paved the way for economic disaster.

My question is—we acted after the crisis and Congress did step up and do something. What I want to know is whether we have learned our lesson. Are we going to legislate consumer protections in advance, or only after a bubble bursts?

The savings and loan crisis of the 1980s and 1990s when 747 savings and loan associations went under provides a similar lesson.

Like before, much of this mess can be traced back to the deregulation of the savings and loans which gave these associations many of the capabilities of banks, but failed to bring them under the same regulations.

Congress eliminated regulations designed to prevent lending excesses and minimize failures.

Deregulation allowed lending in distant loan markets on the promise of higher returns, and it also allowed associations to participate in speculative construction activities with builders and developers who had little or no financial stake in the projects.

The ultimate cost of this crisis is estimated to have totaled around \$160 billion, with U.S. taxpayers bailing out the institutions to the tune of \$125 billion. This, of course, added to our deficit of the early 1990s.

I ask my colleagues: When are we going to learn this lesson?

We have failed to see that oversight and transparency are always critical parts of any functioning market.

We have failed to see that when Congress makes reforms, like the Commodities Futures Modernization Act in 2000, or like the repeal of key portions of the Glass-Steagall Act in 1999, or the deregulation of the energy markets in the 1990s, they cannot disregard these important fundamentals of transparency and strong Federal oversight authority.

I could go on and on for my colleagues on my own personal experience with the western energy crisis that happened in electricity markets in 2000 and 2001.

We saw that during the electricity deregulation experience which started in the mid 1990s, people argued that electricity was just another commodity. But it is really a very critical element to our economy.