

put aside partisanship and lead the way toward recovery. I hope we can get on with that. I hope we can get here to the floor, work as long and as hard as we have to, and with urgency, to show once again that we are supporting the interests of the American people.

It happens that these companies are in an obvious place where something terrible can happen. But what matters is that we work to do something that brings value to our country, value to our people. We have to at least consider it. I am not saying we have to pass any particular bill. We want to make sure the things we are concerned about are in there. But we have to have activity instead of stubbornness and an unwillingness to actively consider solutions to the problems facing us.

We are a great country, America, with its abundant resources and strong people, willing and eager to do their share. And as their representatives, we can do no less. So I hope we will see some activity fairly soon that tells the world out there that the Senate and the Congress are at work trying to help solve the problems instead of searching for ways to obstruct solutions.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Nebraska.

TRIBUTE TO SENATORS

CHUCK HAGEL

Mr. NELSON of Nebraska. Mr. President, I rise tonight to recognize and pay tribute to my colleague from Nebraska, Senator CHUCK HAGEL, who is retiring from the Senate. When I entered this body nearly 8 years ago, Senator HAGEL welcomed me, and since then we have worked together on a number of important issues for the good of our great State and our country. We teamed up to seek Federal assistance to help Nebraskans recover from natural disasters, such as floods, ice storms, and drought; to win congressional approval for naming the new FBI building in Omaha after our esteemed late colleague, Senator J. James Exon, and on numerous other Nebraska projects.

Like me, CHUCK HAGEL grew up in small communities in Nebraska. It is a special experience to be raised among Nebraskans under the wide open skies of the Great Plains. Helping hands are always nearby and opportunities seem limitless. From our families, friends, and neighbors, we both learned the bedrock values of love, of community, of faith, responsibility to others, and devotion to country. These values have been evident during Senator HAGEL's tenure in this body.

Also evident has been an important perspective he shared, one only a few Senators know firsthand, about the reality of war, gained as a decorated U.S. Army sergeant on violent battlefields in the Vietnam war and later as Deputy Secretary of the U.S. Veterans' Administration during the Reagan administration.

Here in the Senate, he represented the people of Nebraska and the United States well as a member of the Foreign Relations Committee, the Banking Committee, the Housing and Urban Affairs Committee, the Intelligence Committee, and the Rules Committee. He will long be remembered as one of our most outspoken and candid Members, as a patriot, and as one who took seriously his duties. Particularly through expressing his views on foreign policy, he fiercely advocated the constitutional principle that the legislative, executive, and judicial branches of government are equal partners.

I take this opportunity to commend him for his honorable service to our State and Nation over these many years. And whatever path CHUCK HAGEL embarks on next, I wish him and his wife Lilibet, daughter Allyn, and son Ziller only the best in their lives. It has been an honor to serve with him.

Mr. President, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REID. Madam President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER (Ms. CANTWELL). Without objection, it is so ordered.

Mr. REID. Are we in a period of morning business or has it been closed?

The PRESIDING OFFICER. Yes, The Senate is in morning business.

CONCLUSION OF MORNING BUSINESS

Mr. REID. I ask unanimous consent that morning business be closed.

The PRESIDING OFFICER. Morning business is closed.

ADVANCING AMERICA'S PRIORITIES ACT—MOTION TO PROCEED

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of the motion to proceed to S. 3297, which the clerk will report.

The legislative clerk read as follows:

Motion to proceed to S. 3297, a bill to advance America's priorities.

Mr. REID. I now ask that motion be withdrawn.

The PRESIDING OFFICER. The Senator has that right. The motion is withdrawn.

ALTERNATIVE MINIMUM TAX RELIEF ACT OF 2008—MOTION TO PROCEED

CLOTURE MOTION

Mr. REID. I now move to proceed to Calendar No. 1128, H.R. 7005. I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the cloture motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the motion to proceed to Calendar No. 1128, H.R. 7005, the Alternative Minimum Tax Relief Act.

Harry Reid, Debbie Stabenow, Byron L. Dorgan, Robert P. Casey, Jr., E. Benjamin Nelson, Joseph I. Lieberman, Sherrod Brown, Claire McCaskill, Carl Levin, Daniel K. Akaka, Barbara A. Mikulski, Charles E. Schumer, Christopher J. Dodd, Patty Murray, John D. Rockefeller, IV, Richard Durbin, Frank R. Lautenberg.

Mr. REID. Madam President, I ask the live quorum, mandatory under rule XXII, be waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. REID. Madam President, I now ask the Senate proceed to a period of morning business, with Senators permitted to speak therein for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HARKIN. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTOMOBILE CRISIS

Mr. HARKIN. Madam President, I come to the floor to talk a little about the so-called auto bailout bill that is someplace out there wandering around. We don't know where.

I was in Iowa last week and traveling around and talking with people. A couple things kept coming up from time to time. One was the money we put into the so-called TARP program, the money we gave to Secretary Paulson before we adjourned in October and went home for the campaign, the \$700 billion. As we know, they got \$350 billion of that, and now there is some talk that they will come back for the other \$350 billion sometime, probably not this year but early next year.

As we look at what happened to that \$350 billion, a lot of people are quite disturbed, and count me among them. Rather than using the money to put out to banks to help extend credit, some of the banks were using it to buy other banks and get bigger. Some banks are using this money to invest in private equity firms, buy up businesses. One came to my attention last week when I was in Iowa—a company I don't need to name—a company that had gone into bankruptcy. The owner of the company had wanted to buy it out of bankruptcy for a certain

amount. His bank was Bank of America. They wouldn't extend him the credit. So a private equity firm came in and bought the company, and their bank is Bank of America. So here is a small businessman who couldn't get his own company out of bankruptcy, but a private equity firm could. And they both had the same bank, Bank of America.

If this is what is happening with that TARP money, count me out. No more. I voted for that so-called bailout. The more I look at it, the more I wonder if I did the right thing. I wonder where that money is going. Is it going to help anyone? Quite frankly, at the time I had suggested that an important thing we ought to do is extend the Federal Deposit Insurance Corporation ceilings on independent banks from \$100,000 to 1 million or to 2 million. Then the compromise came in. They extended it from \$100,000 to \$250,000, which was not much of anything except keeping up with inflation from the time the \$100,000 was set.

My thought was always that these independent banks, quite frankly, do a much better job of investing your money and my money than those big city banks in New York. They do a better job. They are investing in small business growth, modernization of companies. To the extent they are in mortgages, they are good, solid mortgages, not tightening anything out there. So I wanted to make sure that more money would flow to independent banks around America that could get credit out to someone who wants to buy a car or perhaps refinance a house, expand a small business, invest in new technology. These are the independent banks. This is what they do. But, no, we kept that at \$250,000 and put all that money into the big banks.

Well, I hope we get to address this issue again early next year, because I wish to see more of this directed to the small, independent banks. It doesn't quite seem as though the money we gave to the big banks is trickling down much. It is sort of staying in New York City, places such as that. That is where it is staying. It is right there. And private equity firms are using that money to buy up companies at 10 cents on the dollar, companies that they know, when we are through this recession and things start getting better again, are going to be good companies, have good products. But right now, because of the recession, they are in dire straits. So they are being bought up. Of course, 3 or 4 or 5 years from now, they are going to be great companies, and people bought them at 10 cents on the dollar. Quite frankly, from all appearances, it seems that some of this TARP money is going into that. We need more investigation to find out how much.

That is a prelude to what I wanted to talk about. I wanted to talk about the auto deal, this auto bill that is going around. I got to thinking about our approach earlier on the big bank bailout. We gave money to the big banks and

nothing to the little banks. Not much is going out to help the consumer. Then I looked at this automobile bailout. It started at \$25 billion. Then it went to \$34 billion. Now I hear it is \$15 billion and some billions later. The more I read about it, they are going to be back next spring for more, and it might take as much as \$100 billion to get them through this period of time.

So what do we do? The first inclination is to take a big bunch of taxpayer money and put it in at the top, as we did last fall with the big banks. So now we are going to give the manufacturers all this money. I am not certain giving these manufacturers all this money is going to help them for long. We can give them all the money we want, but if no one is buying their cars, what good does it do? Quite frankly, people aren't buying cars, which is one of the major reasons we are in a recession. If we look at this chart, this is total U.S. light vehicle sales annual rate. You don't need to read all the numbers. What you can see is from November of last year until now, it is a steady decline, especially in the last couple of months, a tremendous drop in the adjusted annual rate of sales of cars. It has been coming down, down, until now it is just about dropping off the chart.

Or we can look at the monthly rate, the big three 2008 sales per month. You see kind of the same thing. My figures say that sales of the big three auto companies—GM, Ford, and Chrysler—fell from 895,000 in January to 363,000 in November. People aren't buying cars. So is the answer to give more money to the manufacturers? I got to thinking about that and thinking about what we had done last fall. I got to thinking, why don't we take some of this money we are talking about and put it in at the bottom rather than putting it in at the top—\$34 billion, \$25 billion, pick your number.

What if we said, rather than giving it to the auto manufacturers, let's say we are going to make a deal. We are going to provide to low-income and modest income Americans something almost like a voucher where they can go buy a new car. Why don't we give a lot of people in America \$10,000 and say: Here, go buy a car, put it in at the bottom rather than the top? So I am working on legislation which I will be introducing shortly which will do that. Basically it says, if you have an adjusted gross income of \$40,000 for a household, \$25,000 for an individual, and if you have a car that is over 10 years old which you have had registered in your name, titled in your name before now, then you can go to an automobile dealer anywhere in the country, buy a new car, and you will get \$10,000 from the Government towards buying that car. So if you bought a car for \$15,000, a new car, \$10,000 of it is paid for by the taxpayers of this country. Now think about this.

Also in my bill I am stipulating that to do this, you have to have a car that is older than 10 years, the new car you

buy has to get at least 5 miles per gallon more than your old car, and the new car has to get at least 25 miles per gallon adjusted; that is your average fuel mileage. Look at this: 2008 vehicles sold by the big three that get 25 miles per gallon. Seventeen percent get more than 25 miles per gallon; 83 percent get less than 25 miles per gallon. I am interested in these cars in here: those getting more than 25 miles per gallon. I am interested in the low-income and modest income Americans who can't even afford to buy a new car. I am interested in helping the automobile companies.

You tell me: Is it better to take all of our taxpayer money and put it in at the top, or how about getting rid of that inventory out there of all these new cars that no one is buying? We need to build the market for cars, putting more people to work at the big three and all of the parts manufacturers and all of the others that get jobs when cars are sold. Think about the benefits of this. Let's say you are a low-income person and you are going to work and you have an old jalopy you are driving and it breaks down all the time. This happens every day in America.

You cannot afford a new car, so can you keep repairing your old one, fixing it up, patching it up? It is putting out all kinds of bad emissions. It is getting low mileage. You want to get it off the road, but you cannot afford to buy a new car. You cannot afford it. But we would like to get those old cars off the road. We would like to have people have a new car that is more fuel efficient.

How do we do it? Well, this is one way of doing it. And look at it this way: In terms of what we might see here, for example, as shown on this chart, right now a six-cylinder Chevy Malibu gets 20 miles per gallon, but the four-cylinder gets 26 miles per gallon. So it is 30 percent more—30 percent more. So people could buy a Chevy Malibu under this proposal. Those that can use the program will select the more efficient motor and will have lower fuel bills year after year. And, we will have lower pollution and we will need to import less oil.

Now, there is one other piece of this proposal: that if you do partake of this program, you need three things. You need to show your 1040 about what your adjusted gross income is and you need an old car that is at least 10 years old and you need to buy a car that gets at least 5 miles more per gallon than your old car and gets a minimum of 25 miles per gallon. It needs to be from one of the big three and made in America. If you do that, you get \$10,000 towards that new car.

There is one other stipulation. That old car you have? You have to turn it in to the dealer. The Government takes possession and the Government destroys it, smashes it up, destroys it, chops it up, sells it for scrap, so we get millions of these old cars off the road.

They will not be put back into the used car market.

Low-income Americans can get a new car, and it helps the auto industry. Isn't that what we want, a demand pull? We have a demand pull, and they start selling all these cars they have in inventory they cannot sell right now.

My bill would stipulate this program could run from enactment through all of next year and end on December 31 of next year. So if we are going to be throwing \$100 billion at the automobile companies, or \$55 billion—no one knows—why don't we take those billions of dollars and give it to consumers, low-income consumers, to buy a new car that is more fuel efficient, has better emissions controls?

It seems to me that is what I call percolate up economics—percolate up—not trickle down economics. But no one is talking about this. Why shouldn't we be talking about it? Think about all the elderly people in this country who are retired who are driving old cars, but they cannot afford a new one. So they are stuck driving an old car they have put a lot of money into, to repair this and repair that, paying more for gasoline.

Well, here is a chance for an elderly person, a couple on a fixed income, to get a new car. Think about it. You can buy a new car. I do not know what a Chevy Malibu car costs. But you can buy a new car for about \$15,000, \$16,000, and \$10,000 of it will be paid for by the Government. That is not a bad deal.

Quite frankly, more credit would be available for that purpose. Well, you can understand that. If I am going to buy a car for \$15,000, and \$10,000 of it is going to be paid for by the Government, and I only have to finance \$5,000, you can get all kinds of credit for that because the car's asset is going to be worth more than that. It is going to be worth a lot more as you go down in years. So credit will be available easily for something such as that.

So, again, this bailout plan the Bush administration and congressional leaders—I have not been involved in that—this plan they are drafting fails to answer these two very big questions. In the midst of a severe recession, how do we boost demand for new cars? And, secondly, how do we give consumers compelling incentives to purchase fuel-efficient cars, especially at a time right now when gas prices are plummeting? We know they are going to come back, but right now they are plummeting.

So, again, I will be introducing the Selling Fuel-Efficient Cars Act of 2008—it might be 2009, by the time we get back in January. That is my proposal. Do not put it in at the top. No, do not give it to the big boys. Let's let the consumers—low-income and modest income Americans—buy millions—millions—of new cars made in America, made here. Get rid of all that inventory. I tell you what, I think you would see that the automobile companies could probably get lines of credit if

something such as that happened. Then they could get back into the market without relying upon the taxpayers anymore.

So I guess I would sum it up by saying this: Go to your average taxpayer out there and say: Look, we are probably going to do something to save the automobile industry. Now, the taxpayer may say: I don't want to do anything to save them. Well, OK, fine. That is a legitimate point. But let's say that is not your choice. Your choice is: We are going to put money into the automobile industry. How would you like it done? Would you like it done by taking your tax money and putting it in at the top—there will be some restrictions on it; they have to do certain things such as that—putting it in at the top, or would you rather have your money go out so the little guy, the little woman, the little poor people, the retired people can buy a new car, have a little more of an asset, get the old clunkers off the road, have more fuel-efficient cars, with less bad emissions, and we will destroy all those old cars they turn in? We will destroy them, chop them up.

You take that to any average taxpayer out there, and I will bet you my bottom dollar, if given that choice, if those are their two choices—put it in at the top or put it in at the bottom for consumers—they will pick the second choice. They will want to put it in for consumers, not just give it to the big boys.

So I do not know why no one is talking about this. We should talk about it. We should talk about it more. I do not know. The bill they bring up may not be amendable. That is what I hear. But we ought to offer this. We ought to have the chance of saying: We can have a different approach to bailing out the automobile companies than just putting it in at the top.

I believe the plan I am proposing will work. It will be better for America. It will help a lot of low-income people and elderly people in our country to have a new car and we will get millions of old clunkers off the road and we will destroy them and we will have a better system for our consumers.

So for those who say we have to help the automobile companies, I say, OK, but is there only one way or is there another way? Well, I think there is another way, and I think the proposal I have laid out is the way we ought to go.

With that, Madam President, I yield the floor.

TRIBUTE TO SENATORS

GORDON H. SMITH

Mr. KOHL. Madam President, I rise today to pay tribute to my colleague, Senator GORDON H. SMITH of Oregon. We have served together on the Special Committee on Aging for since he came to the Senate in 1996. And for the past 4 years, I have had the distinct pleasure of leading the committee alongside him.

Our committee has a proud history of bipartisanship. Both the chair and the ranking member have the power to hold hearings, lead investigations, and conduct oversight for the good of older Americans. In every effort, the majority and minority staff involve each other, offering insights and inviting witnesses. The work we have done as leaders of the committee very much reflects the partnership we forged. And I am pleased to have had the opportunity to share many successes with Senator SMITH, the most recent of which—a 2-year extension of Supplemental Security Income, SSI, benefits for refugees and other humanitarian immigrants—was signed into law by President Bush this fall.

As the end of our era comes to a close, I wish to applaud Senator SMITH for his commendable leadership of the committee, and thank him for the comity he ensured as we worked together to support older workers, improve rural health care and Medicare accountability, and strengthen elder justice. I will be honored to push forth on these issues, which represent just a few of the many priorities we shared, though I will certainly regret the absence of my collaborator, Senator SMITH.

I wish Senator SMITH nothing but success and happiness as he leaves this institution. I, along with millions of older Americans, owe him a debt of gratitude for the work he has done here.

HONORING OUR ARMED FORCES

CAPTAIN ROB YLLESCAS

Mr. NELSON of Nebraska. Madam President, I rise today to honor Army CPT Rob Yllescas who was wounded in Afghanistan on October 28, 2008, and tragically succumbed to his injuries on December 1.

Captain Yllescas, who was a native of Guatemala, attended the University of Nebraska at Lincoln, where he met his wife, Dena, a native of Osceola, NE. He came to call our State home, and today I know that every one of my fellow Nebraskans is proud to claim Captain Yllescas as one of our own.

Captain Yllescas commanded B-Troop, 6-4 Cavalry of the 3rd Brigade, 1st Infantry Division, The Big Red One, where 90 American troops and more than 200 Afghan fighters were under his command. A graduate of Army Ranger School, Captain Yllescas had deployed twice before during his 10-year military career, both times to Iraq. His fellow soldiers recognized and respected Captain Yllescas's commitment to the missions he performed. Although trained as a warfighter, Captain Yllescas knew the importance of connecting with the local populations and was known to sit down with local leaders for tea and discussions of democracy.

After he was severely injured by an improvised explosive device, Captain