that gets in trouble has to be handled. I do not see the advantage of providing one special industry billions and billions of dollars bailout when we know this $14 billion is just the first installment. One economist has predicted it would be $75 billion to $125 billion before we are through. So this minimal, legitimate government assistance as a provider of debtor-in-possession financing would be a better way to do it.

Proponents of chapter 11 for automobile companies include Luigi Zingales of the University of Chicago and Edward Altman of New York University's Stern School of Business. They explain how this government supported debtor-in-possession mechanism operates. They note that:

This option would be superior to a non-bankruptcy bailout because it would provide greater protection (bankruptcy's ''super-priority'')—

To the person who puts in the money at the end to make the company viable—

to taxpayers, would do more to force the automakers to reform their operations while providing them greater flexibility to do so, and would be more likely to succeed.

I know some ideas have been floated recently; that our distinguished colleague, Senator CORKER from Tennessee, has proposed that we may well be able to accomplish most of these things without going into bankruptcy. We are studying that. But his proposal has the hammer that if agreements are reached to modify and protect the companies from claimants, then they would be required to go into bankruptcy.

One of the problems of Congress trying to fix the problem and the automakers not going into bankruptcy is a constitutional problem. Bankruptcy courts modify in part and sometimes invalidate in part, and entirely, portions of contracts. That is a great power and the Constitution provides for this use of bankruptcy.

I am not sure we in Congress can pass a law that could invalidate contracts. I have argued we should go in that direction always, I hope my colleagues understand, under the belief that this is the regular order; this is the proper legal way for a company to reorganize itself and survive if it is in financial difficulties.

We need to quit giving special privileges where they are not needed. Such behavior ought to be kept to the most narrow, special benefits outside of the traditional free market principles that have made this country great. If we have to go around them or violate them or bend a bit because of the size and the number of people who might be involved, well, let's do so within our heritage as much as possible, within the rule of law as much as possible. I think that is the best way to do it.

So I wished to share my thoughts with my colleagues. I would urge them, if they are interested in the details, to look into the Web site of the Heritage Foundation to examine what this bankruptcy report study shows and why, according to their report: ''Bankruptcy Is Best.'' I believe it is.

I thank the Chair and also express my appreciation for what I understand to be some progress toward reaching a proposal we could vote on in this body that would be much better than the one that has originally been put forward by the Democratic leader and the White House. I do not think the President or the Democratic leader has it right. I think a lot of other Members of this body do not feel like they have it right. What we need to do is to do what we can to assist these companies through a very difficult period of time, to give them an opportunity to eliminate some of the excessive burden they have been carrying so that when they enter into the race to the competitive marketplace, they will be leaner and more efficient and more capable of being successful, more able to be competitive, and can restore their vigor and vitality.

We have to do that, and they have to get out from under some of these burdens. I personally think the best way to do that is through bankruptcy. It may be that some of the work Senator CORKER and others have worked on can get us there in a slightly different way. I am open to that thought and certainly am desirous of a conclusion that could gain bipartisan support.

I thank the Chair and yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SANDERS). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

ORDER OF BUSINESS

Mr. REID. Mr. President, approximately 20 minutes ago the negotiation team broke up for purposes of having Senator CORKER, who has worked since 2:30 this morning on the compromise, see if we could get this legislation over the finish line. It is my understanding he is making a presentation to the Republican caucus as we speak, to see if they will accept his compromise.

It has been a difficult negotiation, principally conducted by Senators CORKER and DODD. Senator DURBIN has represented me in those meetings.

I am hopeful we can finish this matter tonight. I do not know what the odds are that the Republican caucus will accept the work done by Senator CORKER and others but we should know soon. I am sorry it is 8:30 at night and people have been here—I received a call from one Senator who has been here since early this morning and wishes to leave and come back tomorrow. There are other Senators who have flights early in the morning to go other places. They hope we could finish tonight. One of those other places is home. They have family waiting for them.

I wish I could be more dictatorial and say we are going to vote right now, but I do not have that ability. If everyone will be patient, we should know within a half hour or so if they can work something out.

We are ready to go. I think with rare exception the Democrats understand this is Christmas season, that there is a lot of hardship out there. People are losing their jobs, losing their homes, losing their cars, and losing their patience. We Democrats believe this Christmas season we do not need to pile on. If we are not able to work something out, 2.5 million people are going to be directly impacted and millions of others will be impacted. This is Christmastime and I hope we can give the American people a gift of hope that we are going to wind up with an automobile manufacturing industry that will be stronger and more reliable. Certainly that is our desire. We hope our friends on the other side of the aisle, the Republicans, will recognize the good work done by Senator CORKER and others and finish this matter tonight.

Mr. REED. Mr. President, I am dismayed by the turn of events that have occurred this evening.

Our Nation faces economic conditions not seen in decades. By preventing action tonight on a plan to give the auto industry a chance to turn itself around, the minority is playing with fire.

The jobs of countless workers, including thousands in Rhode Island, are on the line, at a time when we can ill afford more losses. Moreover, these companies going into bankruptcy could be far more costly to the federal government. And, as economist Mark Zandi testified before the Senate Banking Committee last week, if these companies are forced into bankruptcy proceedings, it would have a cataclysmic effect on our already fragile economy.

The bill that Chairman DODD and my other colleagues worked on diligently had the potential to give the industry a chance to put its house in order while preserving jobs and protecting the taxpayers. I regret we did not have a chance to proceed to this measure, engage in vigorous debate, and make a judgment on the merits.

Mr. McCAIN. Mr. President, I have been very vocal in my support of the U.S. auto industry and have gone on the record saying that we need to do whatever is necessary to help the auto industry become strong and economically viable. But we need to be realistic and fiscally responsible in our approach to the troubles facing this and other industries. I cannot support the proposal before us today. We simply cannot leave the American taxpayer with a tab of tens of billions of dollars without some serious concessions from the industry and some assurance of the domestic auto manufacturers' long-term viability, otherwise, we are just throwing good taxpayer money after bad business decisions.

I have great faith in the skills, energy and ingenuity of the American auto worker. This crisis is not their fault. I am committed to making sure that U.S. auto workers are not left to fend for themselves. Ours is the finest workforce in the world, able to compete with anyone. I stand ready to ensure that Washington does its job so they can do theirs.

But simply throwing money at the industry is not the way to ensure its long-term viability or to help stabilize our economy. As we all have learned in the past few weeks, the domestic auto manufacturers are in much worse shape than we could even imagine, with one company, GM, announcing they may not survive through this year without Federal help. But why is it that Toyota sells approximately the same number of cars that GM does and is profitable?

Clearly, the automakers will need to change dramatically the way they do business if they hope to be on course for long-term profitability. Rather than seeking an unconditional handout from the taxpayer, industry leaders must first consider how they can restructure their business models in order to fix the problem themselves and build more competitive products—including changes in management, renegotiating labor agreements, and reorganizing under the bankruptcy process. And, they should have been doing so months, if not years, ago. And if the bankruptcy laws need to be changed, then the Congress should do that.

The automakers need to prove to Congress and the American people that they are serious about making the changes necessary to ensure their long-term success before they seek further assistance from the taxpayer. As noted Harvard University economics professor Martin Feldstein wrote: ''the goal of restructuring should not just be to require the companies to make cars that are fuel-efficient and more environmentally sound . . . although that can be included in the government's list of requirements. The goal should be to put companies on a course that will allow them to survive for the long term, producing cars and creating jobs.'' I fully agree with Professor Feldstein.

The auto industry executives, as well as many of my colleagues, have argued that bankruptcy is not an option. But given what we now know about their financial situation, why not? Shouldn't we be considering every option possible to allow these companies to restructure their operations so they can keep people employed? Chapter 11 bankruptcy was created precisely for the situation in which these automakers find themselves—where creditors' claims exceed a company's assets. It may be the best option. The executives leading these companies have an obligation to their shareholders and employees to weigh carefully that viable option.

After all, filing for bankruptcy forces a company to make some very difficult choices and the automakers would be no exception. The automakers would be forced to renegotiate collective bargaining agreements to make themselves more competitive, to eliminate some dealership networks and car models that are underperforming, and to make other difficult cost cutting decisions regarding real estate, management compensation, personnel, and even office supplies. It seems these companies may only make these difficult decisions if they file for bankruptcy.

Additionally, bankruptcy would allow the cost cutting process to proceed without any political interference from Congress or special interests. If Congress provides a bailout for these companies, there is no doubt that legislators will weigh in when the automakers attempt to renegotiate labor agreements, trim dealerships in a lawmaker's home State or eliminate a car model manufactured in a lawmaker's district. Bankruptcy will allow these decisions to be made purely based on financial considerations and under the supervision of a bankruptcy judge. Many corporations have filed for bankruptcy and emerged better equipped to serve consumers and face their competitors. Bankruptcy is not an option that should just be written off.

Now, I would like to mention some of my specific concerns about the pending proposal, negotiated by the Democrats and the White House.

My first concern I have already discussed, the fact that the taxpayers are asked to foot the bill upfront, almost as a first downpayment, without concessions or assurances of the industry's future viability.

Another troubling aspect of this bill rests with the so-called ''Car Czar.'' Will this individual have the authority to invalidate contracts legally entered into by these companies? What in this legislation would prevent lawsuits from being filed due to nullified contracts? What is to prevent the next President, or the one after that, from firing this car czar if he or she disagrees with what the car czar seeks to impose? And what in the bill gives the American people any assurances that the companies or the car czar won't enter into other obligations that ultimately cost taxpayers even more money?

I fully agree that if we are to going to provide a single taxpayer dollar to this industry there must be very strict oversight in order to protect the public's investment. Unfortunately, while this bill gives the President's designee some oversight authority, it has no real teeth. The person appointed by the President would have no real authority to insist on the fundamental changes necessary to promote the corporations' viability and protect the taxpayer's investment. If we are going to hand over billions and billions of taxpayer dollars, we should at least consider requiring Senate confirmation of an individual with proven business leadership skills who will serve for a defined period of time. This would remove the possibility of the designee falling victim to the political pressure often felt by those who serve at the pleasure of the President—allowing that person to make decisions based solely on the best interest of the taxpayer—not on political considerations.

Another area of concern for me surrounds what seems to me a lack of reality on the part of the domestic auto manufacturers. More and more Americans want to purchase energy-saving vehicles. Yet the domestic auto industry seems to be fighting tooth and nail against that reality. And if it does not wake up immediately, nothing Congress can do will help the industry survive. It needs to be competitive. It needs customers to buy its vehicles. And it won't have many customers if it doesn't take action to build vehicles with higher fuel efficiency standards that help our Nation end our crippling dependence on foreign oil.

Finally, the bill includes provisions wholly unrelated to the issue at hand, such as language authorizing a pay raise for U.S. judges. Why in the world is it necessary to address this issue in this bill? I am not questioning the merits of the provision—I am sure the overwhelming majority of our judges work very hard and deserve a raise—but such a provision has no business being addressed in this manner and at this time when so many are doing more with less. This authorization should be addressed in the proper way by the appropriate authorizing committee.

If we allow this $14 billion to be doled out to the automakers with so few conditions and no concessions—who comes next? And how long before they return seeking billions more? A recent editorial in the Washington Post noted that:

> the impending collapse of General Motors presents Congress and the President with a choice between two domino effects, both potentially damaging to the U.S. economy if the federal government does not lend GM money and the company goes bankrupt, the repercussions will spread throughout the country by way of the network of suppliers, dealers and local businesses that depend on GM and the other car manufacturers for their livelihoods. This could destroy hundreds of thousands of jobs when the economy can ill afford another shock. But if the federal government, frightened by these possibilities, gives GM just what it wants, it will be setting a precedent for even more multibillion-dollar bailouts—of automakers and of other troubled companies. The closure of DHL's operation in Wilmington, Ohio, is costing 9,000 people their jobs; Circuit City's bankruptcy means about 7,800 layoffs. If Detroit and its relatively well-compensated workforce qualify for Federal aid, why not these firms and workers, too?

We need to be very careful here lest we slide down the slippery slope of a taxpayer funded bailout for every ailing business in America—large or small.

Let me be clear. I am very sympathetic to the plight of the auto industry. But the proposal before us seeks to hand over $14 billion to companies who have yet to tell the Congress and the American people—in any detail—how they plan to restructure their operations and become viable in the long-term. Their gross inaction to date causes me great pause. And that is why I cannot support the measure before us.

I am pleased to see that many are working hard to find an acceptable compromise. I am hopeful that we can reach a suitable agreement.

Mr. KOHL. Mr. President, this is not a proud moment in America's economic history. Our once proud automakers have come to Washington hat in hand asking for a loan with their future, and the future of their workers, at stake. In exchange for a Government loan they are willing to submit to intrusive Government oversight, surrender their executive perks, and give the American taxpayer a stake in any future profits. As a businessman I am stunned that it has come to this.

However, I am voting for the Auto Industry Financing and Restructuring Act because I want to see the American auto industry succeed. Under this bill, $15 billion would be provided to GM, Ford and Chrysler in short-term loans that will be paid back with interest. To avoid bankruptcy and emerge as stronger businesses, this plan requires the big three to submit long-term restructuring plans no later than March 31, 2009. If they do not then they will have their loans revoked and be plunged into bankruptcy. Just like other industries that are forced to restructure, the automakers and labor unions will need to make tough choices concerning benefits, wages and pensions to ensure their long-term viability.

As a businessman, I am concerned about a Government appointed ''car czar'' who would have oversight and direct involvement over the operations of the automakers. I am worried that no matter how badly managed Detroit has been so far, a Government bureaucrat is unlikely to do a better job. I hope that whoever is found to take this difficult job has the experience, drive, and business savvy to help turn around this struggling industry.

In the end I am supporting this bill because of the 46,000 well-paying jobs in Wisconsin that are tied to the auto industry. With the jobs report last week stating that the economy lost 533,000 jobs in November alone, we can't afford to put more Americans out of work. The Government has already begun to help Wall Street, now it is time to help Main Street. I am disappointed that we were not able to agree on a deal tonight. I am hopeful that a bipartisan solution can be reached before it is too late.

Mr. HATCH. Mr. President, one of the most renowned former Members of this legislative body once said ''Ask not what your country can do for you, but what you can do for your country.'' With bailout after bailout, asking what our country can do for failing companies seems to be the norm. Today, it appears that our Government has become the backstop to financing private companies to hope for long-term viability.

The biggest three U.S. automobile manufacturers, Chrysler, General Motors, and Ford, are asking Congress to provide a loan in order for them to weather a recession and give them time to restructure. What we need to decide is not whether we will assist, but how we will assist the troubled auto industry. While I believe there are already some measures in place to assist the automakers, it would be beneficial to examine whether these measures are sufficient. If these measures are insufficient, we should look to what can be done to change our system so that it benefits both the auto industry and the taxpayer.

Most Americans are asking how the big three found themselves in this mess. The big three are victims of a financial perfect storm. Our failing economy toppled an industry that was already facing stiff foreign competition, mounting legacy costs, government mandates, and poor management decisions.

The dramatic decline in automobile sales worldwide shows that the decline of the big three is not solely the result of poor management. All auto sales, both foreign and domestic, have declined significantly for 13 straight months. The sales rate last month was the worst in nearly 30 years, since October 1982. In November, sales declined at rate of 36.7 percent from the same month a year ago. It was also the worst month on record for Asian automakers.

Legacy costs primarily refer to a company's obligations from pervious years, such as costs the big three pay for health care and pensions under defined-benefit plans for current employees and retirees. Furthermore, the auto industry has been forced to pay union workers for shifts even when those workers are not working. It is estimated that the big three pay each hourly autoworker $70 an hour in wages and current and future benefits. In October 2005, a Detroit News article illustrated this burden.

''Ken Pool is making good money. On weekdays, he shows up at 7 a.m. at Ford Motor Co.'s Michigan Truck Plant, signs in, and then starts working—on a crossword puzzle. Pool hates the monotony, but the pay is good: more than $31 an hour, plus benefits.'' The article further explains that ''Ken Pool is one of more than 12,000 American autoworkers who, instead of installing windshields or bending sheet metal, spend their days counting the hours in a jobs bank set up by Detroit automakers and Delphi Corp. as part of an extraordinary job security agreement with the United Auto Workers union.''

While the United Auto Workers have conceded to temporarily suspending the job bank and delaying payments to their retirement and health care funds for current and future employees, these costs have already burdened the auto industry. It might be too little too late. We need to enact measures that will ensure that the unions can no longer create unreasonable mandates on our auto industry. We need to ensure that these burdens do not persist.

To overcome these burdens, the big three say they were already in the process of restructuring. Chrysler has eliminated 1.2 million units of capacity and reduced fixed costs by $2.4 billion. It has increased its manufacturing productivity by 32 percent over the past 7 years. General Motors has made substantial progress in narrowing the gap with foreign competition in quality, productivity, and fuel efficiency. In other markets, such as China, Latin America and Russia, GM has grown rapidly and outperformed the competition. Unfortunately, our failing economy has prevented these companies from reaping the benefits of their restructuring.

The normal rules of a free market economy dictate that if a company runs out of money, then the company must close its doors. We have already changed these rules by providing bankruptcy protection. In ancient Greece, a banker conducted business transactions on a bench. When the banker could no longer lend or meet his obligations, the banker would symbolically break his bench. A broken bench in Latin is referred to as ''bankus ruptus'', which is the origin for the word ''bankruptcy.''

It used to be that a person who became bankrupt and could no longer pay his debts was considered a criminal. In the United States, however, bankruptcy laws were established during harsh economic times when a mass amount of people could no longer pay their debts. Those who were willing to work toward repayment of debts would be allowed to cancel existing debts and be protected from creditors. In the 1980s, an escalating number of bankruptcies inundated our courts. A ''prepackaged bankruptcy'' was developed to allow companies and creditors to submit prenegotiated bankruptcy petitions to ensure a timely and cost-effective bankruptcy proceeding.

It appears that the big three auto manufacturers have severely cracked their bench if not already broken it. And now they are asking us to change the rules of a free market economy and go beyond the benefits of existing bankruptcy protections. They believe that a chapter 11 bankruptcy would worsen consumer confidence, thereby dooming them from the beginning.

I am fully aware of the impact our economy could face if the big three go bust. It will likely trigger catastrophic damage to the U.S. economy, precipitating failures among component and logistic suppliers, other domestic car manufacturers, raw material suppliers, technology and service providers, retailers and their suppliers. According to a study by the Center for Automotive Research, an estimated 3 million Americans could find themselves jobless within a year of an auto manufacturer's collapse. We would also lose enormous improvements through research and development of advanced propulsion investments in support of greatly improved fuel efficiency, emissions reductions, and energy independence. It is essential that something must be done to halt this impact, but we need to do something carefully and something that will ensure the long-term viability of these companies.

I truly believe that providing unrestricted funding to the big three would only delay the inevitable. I believe that the only solution is to provide the resources to empower these companies to consolidate and restructure. The majority's proposal provides temporary funding to allow employees, retirees, trade unions, creditors, suppliers, automobile dealers, and shareholders to come up with a plan that would be reviewed by a President-appointed designee.

Upon review, the designee, or ''car czar,'' would determine whether the plan guarantees a viable long-term restructure, then the designee would recommend further funding. This process provides funding now and worries about viability later. While I am not a proponent of excessive government intervention, I believe that if we are going to provide any funding to the big three that it be conditioned upon reorganizing.

This is not an unprecedented event. The very same issue was being discussed by the Senate in 1979 about whether we should provide financial assistance to Chrysler. Nearly 30 years ago in December, I stood before this body and opposed providing loans to Chrysler. Back then, Chrysler faced tough foreign competition and harsh economic times. The Chrysler Corporation Loan Guarantee Act of 1979 provided $1.5 billion in guaranteed loans to Chrysler. However, that legislation required matching private funds.

If that amount were adjusted for inflation, it would equal more than $4 billion today, which ironically is what Chrysler and General Motors says they need to survive until next year. It is also, ironically, the same amount that GM spent in 2007 on health care benefits for retirees and active workers.

The bill passed in 1979 and Chrysler became profitable and paid back these loans 7 years early with $300 million in equity returns to the American taxpayers. So there is the possibility that a loan to the big three could become profitable for American taxpayers. But we should not throw caution to the wind. In the past 30 years, the Government has never provided a financial bailout to any company other than a financial institution besides the airline industry after 9/11 and Chrysler in 1979, both heavily unionized.

We need to move away from becoming a government of nationalizing failing companies toward a government that provides opportunities for success. We all agree that we want to see these companies prosper, but we disagree about how we believe this should be done. Under the majority proposal, we are essentially asking each and every American taxpayer to invest in the future of the big three without guaranteeing that they will survive past March of next year. This is a risky bet. I believe that we can reduce the risk of that bet enormously by requiring the big three to reorganize. Simply put, the majority does not provide enough assurances that the auto industry is committed to reducing costs. Furthermore, their proposal requires the auto manufactures to enter into a chapter 11 bankruptcy if their plan of long term viability is determined not to be sufficient. We all know this is a farce, because we all know that the next administration will prevent the necessity of filing for chapter 11 bankruptcy by giving them more money.

My proposal calls for allowing the auto manufacturers and the trade unions the opportunity to show the American people that they are committed to reducing costs before the Government gives them any loan. Specifically, it would require that any bridge loan amount would be conditioned upon the amount of cost reduction concessions agreed to by management and labor. In order to receive a temporary bridge loan, I believe that these groups need to hash out a sufficient plan to show that they can pay back any loan amount that we provide. The auto manufacturers have stated that time is of the essence and they need the money at the end of the year. If the auto manufacturers and unions are really committed toward reducing costs, I believe that they can agree to a temporary plan by the end of the year. Time should not be an obstacle for Congress and the American people. In addition, I propose that if the auto industry's plan is deemed insufficient that they should be forced into a binding arbitration to avoid the obstacles of chapter 11 bankruptcy.

It is hard for me to believe that the majority is really serious about providing a solid plan. Their leadership refuses to allow us to offer amendments and they have now added provisions aimed at providing relief to municipalities, something irrelevant to the issue before us.

Mr. President, we are entering the holiday season with our desire to assist the failing auto industry. While we all wanted to provide positive solutions, the most powerful deliberative body in the world is prohibited from deliberating one of the most pressing issues of our time. It is unfortunate that we cannot proceed in a collaborative manner.

Mr. WARNER. Mr. President, as I have mentioned, GM, Ford, and Chrysler have a long and heralded history in our country and its national security.

There are few in the Senate today old enough to remember Pearl Harbor and the commencement of our military operations that followed. As one of those, I was privileged to serve as a 17- to 18-year-old sailor in the last year of WWII.

America was victorious in WWII because of those in uniform and those at home supporting them—particularly the industrial manufacturing base. The factory floor went to war.

At this time, I would like to have printed in the RECORD historical information outlining the contributions the auto manufacturers made to America's World War II war effort.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

General Motors:

With America's entry into World War II, no company converted faster or more comprehensively to wartime production than General Motors. It has been called the greatest industrial transformation in history, with more than 200 plants in North America shifting to production of airplanes, tanks, machine guns, and other military vehicles and goods in a matter of months. General Motors alone supplied the US forces with more than $12 billion in military goods (several hundreds of billions when converted to today's dollars), more than any other company.

Ford:

Ford Motor Company's mass production know-how was one of the keys to the Allied victory.

By August 1941, Ford was producing huge 18-cylinder Pratt & Whitney aircraft engines. By summer 1942, Ford's Rouge Plant was building 805 aircraft engines a month, while Pratt & Whitney's plant was building only 600 aircraft engines a month. In total, Ford built 58,000 aircraft engines during the war.

Most notably, Ford produced the B–24 ''Liberator'' bomber at its Willow Run plant. With government support, Ford built the Willow Run plant on about 1,750 acres of former farmland near the village of Willow Run, between Detroit and Ann Arbor. All together, Ford produced about 8,700 B–24s, nearly half of the total built for the US military during the war.

Ford also played a role in the success of the US Army Air Force glider program. Ford was asked to build the gliders in March 1942 and production began that December. Ford eventually produced 4,400 gliders during the war.

In addition, the US Government asked Ford to adapt its aircraft engines to be used in medium tanks.

After 18 months of research and development at Ford's expense, Ford set up a production line at the Lincoln plant in Detroit and began making the tank engine. Over the course of the war, Ford produced almost 27,000 of these engines.

The Army asked Ford to produce other tanks as well, specifically the M–4 Sherman tank. Ford built almost 1,700 Sherman tanks, including more than 1,000 M–10 tanks and almost 13,000 armored cars.

The Army decided it needed a small, all-terrain vehicle, and in 1940, Ford and Willys developed plans. Ford invested $4 million in the program and began producing the ''General Purpose,'' or ''G.P.,'' soon to be called ''jeep,'' in 1941. There were 1,500 built by the spring of that year, and more than 300,000 jeeps were built for the military over the next four years.

After all of the tallies were added, the most important thing that Ford contributed was the know-how and experience to quickly mass-produce the vehicles, aircraft, and equipment which were needed to win the most important war in the history of the world.

Ford's precision in the machining of tools, and Ford's ingenuity in designing an assembly line and making it work—these were the biggest guns in Ford's arsenal of democracy.

Chrysler:

Chrysler's biggest contribution to the war effort was its production of the M–3 tank, the Martin B–26 bomber, and the 40-millimeter anti-aircraft gun. By the end of the war, Chrysler had developed and produced some 18,000 tanks and supplied the Allies with approximately 500,000 Dodge trucks and more than $3.4 billion worth of military equipment.

Mr. WARNER. Mr. President, hopefully, America and its Allies will never face conflicts that would necessitate the defense production of the foregoing magnitude. Further, the auto industrial base today, as it relates to defense work, is vastly reduced.

But this base is the foundation of today's auto industry, which could, once again, play a significant role in the defense of America.

I would like to conclude with remarks from my longtime friend and colleague, Gen. James L. Jones, who is destined to be the National Security Adviser to President-elect Barack Obama:

The financial health of the domestic auto industry suppliers is critical to national security. These suppliers possess unique capabilities to design and manufacture essential defense components should the United States need them. We can't allow this critical piece of America's manufacturing base to disappear.

Mr. ROBERTS. Mr. President, today, I wish to offer my 2 cents on the latest version of the Auto Industry Financing and Restructuring Act, or as most Kansans call it, the auto bailout.

As is often the case, the national debate over this issue has become more about perception than reality. And, unfortunately, this bill seems to take aim at the perception of the problem rather than the actual problem.

If this body truly wanted to help auto manufacturers and their dealers and their suppliers, we would force not only the management of these companies to make tough choices but all involved, including their creditors and labor.

And, Mr. President, we in Congress would need to make tougher decisions as well.

Unfortunately, this bill offers the perception that concrete restructuring plans will be made for the companies to receive assistance, but reality is that this bill lacks the real teeth to enforce the type of restructuring that so many believe is necessary to put this industry back on its feet.

If Congress were serious about turning the auto industry onto a path of profitability and stability, we would also need to look at our own actions that contributed to their current predicament.

This was articulated quite well in a Wall Street Journal piece yesterday. In recent years, Ford, GM, and Chrysler made money supplying vehicles that consumers wanted, and in doing so made a profit for the companies.

These vehicles were pickups and SUVs that met consumer needs. However, we in Congress decided that manufacturers shouldn't build many of these vehicles. We told the manufacturers that they should build the smaller, less profitable, more fuel efficient cars that many Americans don't want.

If you come out to my home town of Dodge City, you won't see many hybrids or little two-door cars that get 30 miles per gallon. No, you will see Ford F–150s, Dodge Rams, and Chevy Silverados because my constituents need pickups for their daily lives.

It is pretty hard to check your field and feed your cattle in a Prius.

But that is the direction the Federal Government has pushed these automakers and continues to do so in this bill. We have pushed them away from the vehicles that turned a profit and created a perception of an alternate consumer demand.

Another section of this bill that takes aim at perception rather than reality targets business aviation. The perception this bill creates is that business aircraft are some sort of excess expenditure. Because of the inconsiderate actions of three auto executives, this bill wants to condemn the entire business aviation industry.

Well, as a Senator from the State with more general aviation production than anywhere else in the world, I cannot let that claim stand unchallenged.

General aviation contributes more than $150 billion to the U.S. economy each year and employs over 1.2 million people right here in the U.S.

Thirty-eight percent of the aircraft built here are exported, meaning the GA industry is one of the few remaining industries in the U.S. with a positive trade balance. Yet this bill takes the policy position that business aviation is unnecessary.

If the intent of this bill is to punish the big three auto companies, then let's really go after them. Let's prohibit them from flying first class. You tell me what is wrong with flying coach. That is how I fly.

Or maybe we should just prohibit them from flying at all.

But that is not what this bill wants to do. As I have said, this bill only takes aim at the perception of the problem. It completely neglects the fact that companies, large and small, use business aircraft as a way to save time and money.

Furthermore, small towns across the country depend upon the revenue generated by local airports serving business aircraft.

The difficulties of the economy are not felt solely by the auto companies. Over the last 6 weeks or so, nearly 1,800 aviation workers have been laid off in Wichita, KS, alone. These layoffs and a downturn in new orders affects their suppliers and parts manufacturers as well.

If these 14 lines of text condemning business aviation become the new benchmark for future legislation, then the U.S. Congress will have put an American industry that leads the global marketplace at unprecedented risk.

I understand the situation our automotive industry is facing. I don't want to see layoffs or dealerships close or suppliers to have to cut production. But the reality is, whether Congress passes this $14 billion bailout or not, these things will likely happen.

The question we elected officials must answer is whether or not taxpayers will see a return on their investment.

Unfortunately, the bill before us today does not provide such assurances.

I am hopeful that we can continue working towards a bill that provides the necessary reform to ensure stability for the automakers and at the same time protects hard-working taxpayers.

Mr. FEINGOLD. Mr. President, I will support this legislation to provide financing to the U.S. auto industry because without this assistance millions of American jobs, and a fundamental part of our manufacturing base, will be jeopardized. In these difficult economic times, with unemployment increasing, we cannot afford to see these jobs disappear.

I understand that many people are upset about this rescue package. I, for one, am not happy to be running up still more charges on the taxpayers' tab. And I appreciate the arguments that have been made that the automakers' troubles are of their own making. Certainly some of their troubles are indeed of their own making, but not all of them. Some of the problems facing domestic automakers are the direct result of policies enacted or ratified in Washington.

The collapse of the housing and credit markets clearly hit the credit-sensitive auto industry hard, and we know that those problems in particular were not of the auto industry's making. Far from it. They were the result of two decades of the reckless disassembly of a sound regulatory system, combined with some unscrupulous actions by many in the financial industry—a deadly combination that has now brought the entire economy to the brink of disaster including domestic auto producers.

And at the same time Washington was repealing strong financial regulations, bipartisan majorities in Congress, led by Democratic and Republican Presidents, were also advancing deeply flawed trade policies which have further disadvantaged the domestic auto industry. Currency manipulation by foreign competitors, too, has put our domestic firms, including the automakers, at an enormous competitive disadvantage. Combine that with the failure of our major trade agreements to establish reasonable standards for workers, public safety, and the environment, and the self-made problems of domestic auto producers are greatly magnified.

I will not defend the mistakes made by auto executives, but a significant amount of blame lies with Federal policymakers who blindly embraced philosophies of deregulation and trade that undermined protections for working families, public safety, and the environment. In fact, some of the same people opposed to any temporary help for the automakers now were the ones who helped dig the hole in which that industry now finds itself.

More importantly, being angry at these companies' past mistakes is no reason to permit the auto companies to go under at this time. To allow these companies to go into bankruptcy could prove to be a tremendous shock to our already weak economy and could end up costing the U.S. taxpayers even more in pension guarantees, unemployment benefits, and other costs.

And we are not just talking about the jobs of the autoworkers at the U.S. auto plants, although those jobs are important. We are also talking about the millions of jobs in related industries including steelmakers, rubber companies, hundreds of other suppliers, parts manufacturers, car dealers, and other industries that would be negatively impacted if the U.S. auto companies went bankrupt.

Workers around Wisconsin are already struggling with the downturn in the auto industry and would be even harder hit if Congress fails to provide assistance to the auto industry. My hometown of Janesville, WI, is proud home to the oldest GM plant and for over 80 years, generations of Janesville men and women have built cars and trucks for GM. The Janesville GM assembly plant has been the core of the community and surrounding area for decades by providing its workers with family-supporting jobs and contributing to the lifeblood of the community. Earlier this year, GM announced that it would cease production at the Janesville plant by the end of the year. Despite this unwelcome news, the State of Wisconsin and the local community, including workers, business owners, union leadership, have all come together to propose a plan to encourage GM to retool the plant to build a future product line. I am so proud that stakeholders in Janesville and in Wisconsin have come together to try to keep these jobs in Wisconsin and I will continue to do all I can, along with others in the Wisconsin congressional delegation, to support their efforts to keep an auto presence in Janesville.

Janesville is not the only community in Wisconsin that is closely watching what we do in Congress this week. A Chrysler engine plant employs hundreds of people in Kenosha and various suppliers and related manufacturers do business in communities throughout southeastern and southwestern Wisconsin. I have also heard from auto dealers representing communities all across Wisconsin about the need to provide assistance to the U.S. auto industry to help ensure that their businesses continue to provide jobs in these troubling times. I understand Americans want businesses to be held accountable for bad decisions they have made in the past, and I do not think the Federal Government should get in the business of bailing out every industry in need of help. But in this case, failure to provide assistance to the auto industry could cause such a horrible shock to the American economy and communities all across our country that we must take action.

While I think the Federal Government needs to act, any rescue package should not be a blank check and this particular rescue package contains various provisions to help ensure that the auto companies are held accountable for the Federal financial assistance they receive. Unlike the Wall Street bailout that I voted against, this bill provides strict rules that the auto companies must follow in order for the companies to be eligible for Federal assistance. The companies must negotiate with their employees, shareholders, creditors, and other parties to develop restructuring plans to show how these companies are going to reform themselves for the future, including improving their capacity to build the fuel-efficient vehicles that Americans are demanding. These restructuring plans are due within the first few months of 2009 and if they are not approved by the Federal Government, the auto companies will not be able to receive additional Federal funding and will have to repay the Federal assistance they have already received.

I would have preferred this money to come from the $700 billion Wall Street bailout that Congress passed earlier this year. I am disappointed that the Bush administration refused to use its authority under the Troubled Assets Relief Program, TARP, to provide financial assistance to the auto companies. Congress's investigative arm, the Government Accountability Office, testified before the Senate Banking Committee last week that the Bush administration currently has the authority under TARP to provide this assistance. Secretary Paulson could have acted weeks ago to provide such assistance to the auto industry, yet he continues to refuse to take those steps, and allocate what amounts to a small percentage of the Wall Street bailout to help millions of working families in this country.

Because of the administration's refusal to use its existing authority to help the auto industry, Congress has been forced to act. Unfortunately, we have also been forced by the administration to take money from the Section 136 Advanced Technology Vehicles Manufacturing Program that was created last year to provide Federal funding to auto companies and manufacturers to help them as they develop more fuel-efficient vehicles and related technology. This bill is far from perfect and one of my biggest concerns is that Congress has been compelled to raid the pot of money designed to help auto companies and parts manufacturers build more fuel-efficient cars in the future. Diverting the Section 136 money is going to further set back the work that the auto industry is doing to make their products greener and more marketable.

Everyone, including the U.S. auto industry, has acknowledged that U.S. auto companies need to start building more fuel-efficient vehicles. Furthermore, all of the U.S. auto companies have applied for loans under Section 136 and access to the Section 136 retooling funding is critical to their future success. Yet today we are taking this retooling money to pay for the short-term survival of these companies. This was a false choice and if the administration had been more willing to work with us on this issue, we could have done both. Instead, by taking from the Section 136 program today we are engaging in extremely shortsighted policymaking. I will work with my colleagues to help ensure that funding for Section 136 is reinstated next year.

I regret that we find ourselves in this position today. I thank Senators LEVIN, STABENOW, and DODD and their colleagues in the House of Representatives for putting together this legislation in very difficult circumstances. This bill is not perfect, but given the need for prompt action, I will support it and I urge my colleagues to do the same. We must act in order to help protect millions of American jobs from disappearing and to help prevent countless communities in Wisconsin and around the country from experiencing even more economic hardships in the short term. As the new Congress gets under way shortly, I look forward to helping develop longer-term policies to assist American industry as it responds to 21st century challenges so that it can continue to lead the world in innovation.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. TESTER). Without objection, it is so ordered.

AUTOMOBILE INDUSTRY CRISIS

Mr. REID. Mr. President, to all those within the sound of my voice, we have tried very hard to arrive at a point where we can legislate for the automobile industry. People have worked very hard. I believe everyone is working in good faith. I am terribly disappointed that we are not able to arrive at a conclusion, but I want to say in the most emphatic manner how much I appreciate Senator CHRIS DODD. He has worked going into months now.