

Always thinking of his soldiers and the interests of the Army and the Nation he loves, Colonel Barbero is an example for generations of officers to come.

So on behalf of all my colleagues who know this good man, I thank him for his outstanding service and wish him well in the next chapter of his life.

#### RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Republican leader is recognized.

#### TRIBUTE TO COLONEL MICHAEL P. BARBERO

Mr. McCONNELL. Mr. President, I associate myself with the remarks of my counterpart, the majority leader, and congratulate the colonel on his career and thank him so very much for all of his assistance to us over the years.

#### HOUSING LEGISLATION

Mr. McCONNELL. Mr. President, I want to say, as the majority leader has, that we appreciate the efforts of Chairman DODD and Ranking Member SHELBY. They are working hard and worked well into the night to come up with a bipartisan start for the housing bill on which we hope to begin debate and amendment later today.

I am optimistic they will be able to come together. I think it is an example of the Senate functioning the way it ought to, functioning at its best, and we look forward to making progress on that bill sometime in the afternoon.

#### RESERVATION OF LEADER TIME

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

#### NEW DIRECTION FOR ENERGY INDEPENDENCE, NATIONAL SECURITY, AND CONSUMER PROTECTION ACT AND THE RENEWABLE ENERGY AND ENERGY CONSERVATION TAX ACT OF 2007—MOTION TO PROCEED

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of the motion to proceed to H.R. 3221, which the clerk will report.

The legislative clerk read as follows:

A motion to proceed to the bill (H.R. 3221) moving the United States toward greater energy independence and security, developing innovative new technologies, reducing carbon emissions, creating green jobs, protecting consumers, increasing clean renewable energy production, and modernizing our energy infrastructure, and to amend the Internal Revenue Code of 1986 to provide tax incentives for the production of renewable energy and energy conservation.

The ACTING PRESIDENT pro tempore. The Senator from Rhode Island is recognized.

Mr. REED. Mr. President, I ask unanimous consent to speak for 2 minutes as in morning business.

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

#### TRIBUTE TO COLONEL MICHAEL P. BARBERO

Mr. REED. Mr. President, I add my commendation to the leaders' commendation of COL Michael Barbero.

Colonel Barbero is an extraordinary soldier, a family man, someone who has dedicated his whole life to the service of this Nation in the uniform of the U.S. Army. He has done it with distinction. He has done it with fidelity to the basic ideals of this country. He has demonstrated not only great competence but extraordinary character in doing that.

Mike graduated from West Point in 1982. I was teaching his class. Fortunately for Mike, he avoided my class and therefore prospered as a soldier and as a scholar. He later himself went on to the Georgia Institute of Technology to receive a master's degree. He returned to West Point and taught as a professor in the Department of Systems Engineering.

His military career began as an armor officer. He qualified as a U.S. Army Ranger. He served in a succession of demanding responsibilities as an armor officer, a troop commander, a battalion staff officer, with serious contributions as an armor officer in the U.S. Army.

His career represents a continued commitment to excellence as a professional and someone who has maintained the highest standards of a military officer.

I first got to know Mike when he assisted me on several trips overseas. Not only was he extraordinarily competent and well organized, he was a decent, cheerful, innovative, and enthusiastic colleague on these trips. He made them all work. They were in very difficult circumstances in Iraq and Afghanistan, and in every moment—sometimes in duress, sometimes in great difficulty—he was unflappably cheerful and ingenious and extraordinarily helpful to me.

We all stop and note his service. We also thank him and commend him and his family: his lovely wife Vicki, his two children Mary and Michael. They are the example of what Americans should be in their dedication to country.

The motto of West Point is: Duty, Honor, Country—and no one has lived it more significantly than Mike Barbero. I thank him for his service and wish him well as he retires.

Thank you, Mr. President.

The ACTING PRESIDENT pro tempore. The Senator from Colorado is recognized.

Mr. SALAZAR. Mr. President, I ask unanimous consent to speak for a few minutes as in morning business.

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

Mr. SALAZAR. Mr. President, I come to the floor this morning to say thank you to COL Michael Barbero. I have been in the Senate now for only a little over 3 years. During that time, I have had the great honor and privilege of traveling to Iraq and to the Middle East with Colonel Barbero on two separate occasions. He is, first of all, a great soldier. He is someone who makes us all proud for his long service to the U.S. Army.

Part of his career in the U.S. Army has been to serve at Fort Carson, the home of the Mountain Division in the State of Colorado. As we traveled to the Middle East, we often would talk about Fort Carson and his experience there and the beauty of my State and the beauty of our mountains.

Colonel Barbero has been a great example of service. He has always put the interests and concerns of others ahead of himself. I think in that fashion he exemplifies the selflessness that comes from the very best of the best we have in the U.S. Armed Forces.

He has been a great example in the Senate as he has worked with all of us, with many of our colleagues, demonstrating the excellence and the commitment of the men and women who serve in our Armed Forces today.

I also want to voice my appreciation for the great sacrifices he has made because, as he has worked not only in the Senate for the last several years, but beyond that, his family has also sacrificed a great deal to our Nation. I think about his wife Vicki and his children Mary and Michael. Mary and Michael are still young people at home. I am sure often they missed their father when he would be gone on journeys into troubled areas of the world, sometimes for more than a week at a time.

So I come to the floor this morning simply to salute Colonel Barbero and to tell him thank you on behalf of the Senate for the great contribution he has made to our country and to the relationship between our legislative branch of Government—this Chamber, the Senate—and the U.S. Army.

Mr. President, I yield the floor.

I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. TESTER. Mr. President, I ask unanimous consent that the order for the majority leader to be recognized at 12:30 today be modified for the majority leader to be recognized at 2 p.m. today.

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

Mr. TESTER. Mr. President, I rise today to call on the Senate to take action on a bipartisan housing opportunity bill. I know that as we speak,

Senator DODD and Senator SHELBY are working hard on a compromise bill. It is about time that our national leadership went to bat for struggling working families instead of just looking out for the fat cats.

I also commend the leadership of Senator REID and Senator McCONNELL for agreeing to allow Senator DODD and Senator SHELBY to roll up their sleeves and work together to address some of the problems that now exist in our Nation's housing market. Since I first joined the Senate last year, I have noticed that far too often the people's business falls victim to partisan politics. So I appreciate the spirit of cooperation that has resulted in the agreement to move to debate on an issue on the forefront of so many Americans' minds.

We need to debate these issues and shine a spotlight on the actions of the Federal Reserve and the Treasury Department in recent weeks. What we have seen recently breaks new ground and sets precedents that will be followed for years to come. We need to look closely at the details and make sure this is the right track we are taking.

Folks throughout Montana are talking about these issues because they feel the impact in their daily lives. Working families struggle to afford quality housing and pay for gas that is \$3-plus a gallon and diesel that is \$4 a gallon and struggle to pay for medical costs, whether in the form of excessive insurance premiums or the cost of sickness due to no insurance or too high deductibles. Folks paying \$4 for a box of cereal know all too well that the Government is not there to bail them out when times get tough.

Just the other day, I spoke to a packed room in Kalispell, MT, at a forum on financial investments. This was the day after the announcement of JPMorgan Chase's acquisition of Bear Stearns. The very first question asked was from a local man who wanted to know why the Government felt it necessary to risk nearly \$30 billion to aid one of Wall Street's largest banks but families or farmers or small businesses in the same situation were simply out of luck. His point hit home with me, and it pointed out the fact that we, the Government, need to address the problems that plague the housing market. I am very pleased that Chairman DODD is holding a hearing on this deal tomorrow to address the bailout of Bear Stearns, a hearing I called for when I was talking to those Montanans in Kalispell.

Concerns about this issue are growing and getting louder in my State of Montana, which many local economists have noted is resistant to the immediate effects of many national economic trends. We are all very aware of the housing crisis that is rippling across this country, affecting homeowners and the economy as a whole. To date, we have been lucky. Montana has not fared as poorly as many of the

other States which have seen whole communities torn apart by foreclosure after foreclosure, hurting families and lowering property values.

But we are still concerned. I am concerned for the families in Bozeman, MT, who work hard and play by the rules, yet can't find a decent place to live that they can afford. I am concerned for the workers in Bonner, MT, who lost their jobs at the Stimson lumber mill because the collapse of the housing market has depressed the demand for lumber. I am concerned for communities throughout rural America where opportunity is slipping away because of the failure of our national leadership to invest in basic infrastructure that connects us to one another.

The current housing market is widely considered to be the worst since the Great Depression. It has spread from home prices to student loans, to municipal bonds, to commodities, and to virtually every sector of the economy. Unfortunately, the administration has put a larger priority in taking care of Wall Street's big bankers than the millions of folks who are struggling to pay the bills, make their mortgages, save for their children's college tuition, or invest some money for a secure retirement, and that needs to change. We must take action to strengthen the economy for all Americans and prevent this crisis from spreading.

The administration needs to quickly nominate a new Secretary for the Department of Housing and Urban Development, one who is responsive to the needs of average Americans, not another who is tainted by corruption and cronyism. The American people deserve honorable public servants tending to the public business to help navigate the economy out of this murky situation.

We need to help borrowers who were steered into abusive loans but not bail out speculators who were looking for a quick buck and got burned by the changing marketplace. I do not believe in a government bailout of the undeserving, but I do believe in aiding those families who face unfair foreclosures through no fault of their own. This Congress must pass legislation that can make that distinction and help families and communities that have been adversely affected by this slowing economy.

I am very pleased that at least we are working on a bipartisan agreement for this housing bill. I look forward to working with Chairman DODD and Ranking Member SHELBY to pass a good bill that will do right by working families in Montana and throughout America.

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

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. DURBIN. Mr. President, I ask unanimous consent to speak in morning business.

The ACTING PRESIDENT pro tempore. The Senator from Illinois is recognized.

Mr. DURBIN. Mr. President, at this moment in the Senate, we are awaiting a bill that is being written by Senator CHRIS DODD of Connecticut, the chairman of the Banking Committee, and Senator RICHARD SHELBY of Alabama, who is the ranking Republican on that committee. It is an attempt to come up with a bipartisan bill to deal with the housing crisis in America. We hope this is going to be successful. We are anxious for this bill to come to the floor. It is needed—desperately needed. We felt at least this effort to work together on a bipartisan basis was a move in the right direction.

A few feet away from here in front of what we call the Ohio Clock out in the corridor, Senator HARRY REID, the Democratic majority leader, and Senator MITCH McCONNELL of Kentucky, who represents the Republican Members, had a joint press outing yesterday and announced this effort in the hopes that we can come up with a bill. This is overdue, and it reflects the fact we observed, over the 2 weeks of our Easter recess, that there has been a lot of activity in this country at the executive level when it comes to our economy and the housing crisis.

We all recall that the head of the Federal Reserve, Ben Bernanke, came forward and opened what they call the discount window for nondepository banks. To try to put that in common words, banks across the United States, which are regulated and are facing oversight by the Federal Government, have a way of borrowing money from the Federal Government so they are solvent and can continue to do their business.

A few years back, there was a change in what is known as the Glass-Steagall law, which gave nondepository banks—in other words, banks that are basically investment houses—lending opportunities, credit opportunities. There has been a dramatic increase in this activity. Much of that activity from nondepository banks has created credit across America but also has fueled the fires of this subprime mortgage crisis.

One of the major institutions, Bear Stearns, got into trouble a couple weeks ago and faced what appeared to be failure or bankruptcy. The Federal Government stepped in at that point and put a \$30 billion guarantee so Bear Stearns would not fail. It allowed JPMorgan Chase to step forward in that circumstance and to back up Bear Stearns.

At the time, Bear Stearns, an investment house, was leveraged dramatically, which means that for virtually every dollar of assets they had, they had \$30 in debt. So there was a fear

that if they failed, the stock market and the American economy would suffer.

I give this by way of background because this all occurred while we were out of session. When we returned, the Democratic leadership said: We have to get into this housing issue from a much more local and a much more personal level. If we are going to stand as a Nation to back up investment banks, if we are going to put the full faith and credit of America to the tune of \$30 billion and more behind major institutions so they do not face the pain and dislocation that might come from their bad decisions, the obvious question is: What are we going to do for 2 million Americans who are about to lose their homes?

If America is going to ride to the rescue of investment banks on Wall Street, will it at least provide some shelter, some rescue to those who are about to lose their homes on Main Street? I think it should because it is not just a matter of those poor, unfortunate people facing foreclosure. A mortgage foreclosure is not an isolated, single-family event. It is not just a matter of a family losing their home. That lost home foreclosed upon, sold in your neighborhood, brings down the value of your home.

So 2 million Americans facing foreclosures has a ripple effect. It means 44 million homeowners who are making their mortgage payments every single month will see the value of their homes decline. As I said on the floor yesterday, what is the value of my home in Springfield, IL? If I ask an appraiser, they will say: I will look around your neighborhood; let's see what similar houses are selling for. If the comparable values are going down because there is a foreclosure, a distress sale involved, the value of my home has diminished. That will happen to 44 million homeowners across America because of 2 million mortgage foreclosures. So this has a negative impact on a lot of innocent people and innocent families.

It is not a matter of crossing our arms and saying: Well, those folks made a bad decision; they are going to lose their homes, and isn't it a darn shame; maybe they will be more careful next time. It has an impact on the community, neighbors, and neighborhoods, and it has an impact on consumer confidence. Over 70 percent of Americans today say they will not buy a home, not because they cannot find financing, but because they don't think it is a good investment. They don't want to stretch themselves, as many of us have in our lives to get into a home, for fear that investment of \$500,000 today may be worth only \$450,000 a year from now.

As a result, our housing industry is flat on its back. It is not just developers. It is not just realtors. It is homebuilders, it is skilled craftsmen, it is the suppliers of carpeting, furniture, and all the items that make a

new home. They are all hurting because of the housing industry.

We returned to Washington and said: What can we do to stimulate the housing industry that will be positive? And we came up with a package to present.

First, we provide counselors who are available to those facing foreclosure to tell them what their options might be, to find a way out of this situation.

Second, we found tax provisions to help these homebuilders who are facing hard times get through it.

Third, we want to change the way people buy homes in America so there is more disclosure and transparency.

I had been a lawyer for a number of years before I came to Congress. I used to sit through these real estate closings. I would watch as the bank would bring out that stack of papers, plopping them on the table in front of the new homeowners and say: Start signing. We will turn the pages, you sign. They would stop once in a while and say to the lawyers: What is this? Just another Federal form, a disclosure form; it is Form 237. At the end of the day, few, if any, homeowners knew what they were signing.

JACK REED of Rhode Island, my colleague, has a simple provision that we would have a disclosure statement on the top of that stack written in English so people could understand what is the interest rate; how much am I borrowing; what will the monthly payment be; can this interest rate go up; can my monthly payment go up; can I prepay without a penalty? Some basics. I hope we adopt that proposal.

There is another provision that I think is critically important and has become very controversial. I don't understand why it is controversial. I cannot understand why, if someone facing bankruptcy wants to go into court under what we call Chapter 13 and take a look at all their debts and all their income and restructure their debt so they can pay back in a reasonable way, I do not understand why you cannot put your mortgage on your home in that court proceeding for modification. You cannot now. You are prohibited by law, under Chapter 13, from the court modifying the terms of the mortgage on your home. But the court can rewrite the terms of a mortgage on your vacation condo. The court can rewrite the terms of your mortgage on your farm. The court can rewrite the terms of your mortgage on a ranch. The court can rewrite the security instrument you used to buy that boat that is out in the harbor. All of those things can be modified, but not your home. I have asked why. Why in God's name would you prohibit the modification of a mortgage on a home? There is no explanation. And so the provision I put in the bill said that the court would have that authority. They wouldn't be required to, but they would have that authority.

Now, what is the protection here? The lenders want to know if they will be protected. Will they end up with a

mortgage being rewritten in terms they do not like? So here is what we put in as protection:

First, you have to qualify to go to bankruptcy court. It isn't easy. We rewrote the rules for that a few years ago, and I don't change them at all. In order to get into court, it is a question of what your income is, what your debts are, and whether you have a chance of working it out. That is step No. 1.

Step No. 2, the real estate we are talking about has to be your home and primary residence. I am not interested in helping real estate speculators. Frankly, they may have some advocates here, but I am not one of them. I want to be sure we are dealing with home ownership.

Third, it only applies to mortgages which are in existence at the time this bill is enacted into law. So it doesn't project into the future, it is a specific group right now.

Fourth, this court—this bankruptcy court—cannot lower the principal on your mortgage in modifying it lower than the current fair market value of the home. There is a protection for the lender. You know that the principal can't be pushed down below fair market value.

Let me add as a footnote that many of these lenders facing foreclosure would be darned lucky to get fair market value on the property. If you have ever seen how these homes in foreclosure are sold, if they are sold, it takes a long time and sometimes results in an auction. We are finding in my State of Illinois that people are not even bidding for fair market value. So fair market value is the low-end protection of the lender.

Next, the interest rate the bankruptcy court can put on the modification cannot be lower than the prime rate on interest plus a premium for risk.

Next, the mortgage itself can't be for a term longer than 30 years.

Next, if in the 5 years after the modification in court the value of the home appreciates or goes up, that increase in value goes to the lender—not to the home owner, to the lender.

How many more protections can we build into this? We have narrowed the people who would qualify, and we have tried to do it in a way that is sensible and protects lenders in the process. So who would oppose a bill that is that narrow in changing the Bankruptcy Code? I will tell you: The mortgage bankers oppose it. The same people who brought us the subprime mortgage crisis are now telling the Members of the Senate: We find this unacceptable; we don't want the bankruptcy court to have this new authority. And what is their argument? The sanctity of the contract. Sanctity. When I grew up, sanctity connoted holiness, a sacred quality. Have you taken a look at some of these subprime mortgages, the ones we are talking about? I have. I have sat down with some of the borrowers in Illinois to see what they went through

and what they ended up signing up for. Time and again, these were elderly people, the ones I have met, who ended up signing up for mortgages which made no sense at all—misled, deceived into signing on to a mortgage they could not sustain personally.

The elderly lady who had retired in Chicago saw a number on a television ad, called the number, and in 24 hours there is a fellow at the door saying: You bet, we are going to consolidate your debt. This poor lady goes into a closing—she had limited education, she had retired, and she was trying to save her home—she signed all the papers, and in a matter of a year the monthly payment doubled on her home. Here she is living on Social Security and about to lose her home. The sanctity of the contract. The holiness of the contract. The sacred document the mortgage bankers want us to honor, bow to. Obeisance.

Another case. This poor lady, her husband had a serious illness. He could no longer climb the stairs in their home to get upstairs to the bedroom. He was sleeping on the couch in the living room. His wife was beside herself. They were both retired. She sees a nice little one-story bungalow, a smaller home but one story, with the bedroom on the first floor for her husband. She goes to buy it, and a so-called business adviser says to her: Oh, this is your chance to consolidate all your debt in this new mortgage. Do you know what this charlatan did? He took a zero-percent loan this lady had from the city of Peoria to put insulation in her home and consolidated it into the new mortgage, so she is now paying interest on the zero-percent loan. The sanctity of the contract. The holiness of the contract. This sacred document.

The mortgage bankers say we can't touch these things. My goodness, they have to be protected. Where were these mortgage bankers 3 years ago when we rewrote the Bankruptcy Code, when we said all existing contracts in America that are taken into the bankruptcy court will be treated differently? I didn't hear one word about the sanctity of the contract. No. Why? Because the changes in the Bankruptcy Code were to their advantage. So now, on the chance that they may have to keep a family in a home facing foreclosure, they are opposing it, opposing this change.

What a real test of the Senate this will be if we end up letting the mortgage bankers—the people who brought us this subprime mortgage mess—dictate to the Senate about changing the Bankruptcy Code. Shame on us. Why in the world, if we can stand up for saving an investment bank on Wall Street, can we not stand up to save the homes of millions of people who are about to lose them across America? A lot of them will never qualify for this assistance in this bill. I know it. But for some, a limited group, it is the only way they can keep their homes. That is what this debate is all about.

I read in the paper this morning that many of my colleagues on the other side of the aisle said this is a poison pill; changing the Bankruptcy Code, invading the sanctity of these contracts is a poison pill; we can't consider it. I don't want to be unreasonable about this. I want an up-or-down vote. I want people on the record. I want Senators to stand up and say whether they believe families facing this kind of foreclosure, with communities facing the impact of these foreclosures, will have a fighting chance.

This isn't just my theory, incidentally, on what we need to do. Recently, Newsweek magazine, in its March 31 issue, asked a lot of prominent people in different walks of life what we should do about the economy and particularly the housing crisis. I wish to quote a few for the record.

First, Bob Rubin, chief of the executive committee of Citigroup and former Treasury Secretary, maybe one of the most successful Treasury Secretaries in the history of this Nation. This is what Bob Rubin said:

We should consider higher capital requirements for banks and investment banks, plus higher margin requirements for other investors. Putting up more of their own money would make people focus on risk.

That is a balanced and sensible statement. What he is saying is when we get into this whole question about the future of our economy, let's understand that there is risk on both sides and let's demand responsibility on both sides.

Carly Fiorina. Now, she is an adviser of Senator McCain's campaign, chairperson of the Republican Victory '08 committee, and former CEO of Hewlett-Packard. Listen to what she says:

I think the mortgage companies and the banks should step to the plate and say, "We have put products out there that have harmed our customers, either because we didn't explain them well or because we pushed them into homes or mortgages that they couldn't afford." And those lenders need to sit down with their creditworthy but cash-strapped customers and say, "How do we help you?"

She is the adviser to Senator McCain's campaign. She is a person with a background in business. Her suggestion is consistent with my change in the Bankruptcy Code. It is exactly what I am saying.

Some of the others. Gene Sperling, an adviser to Senator Clinton's campaign:

How can you have a housing-led recession and have no housing-based remedies?

He gets to the heart of it. The housing-led recession was the catalyst for our economic problems. Ignore it, and I am afraid our economy won't get well very soon.

Joseph Stiglitz, university professor from Columbia, former chief economist of the World Bank, and economic adviser to Bill Clinton. Here is what he says:

There needs to be an immediate write-down of mortgages—perhaps encouraged through a homeowners' Chapter 11, which

would allow them to discharge a part of their debt and still stay in their homes.

That is exactly what this amendment does.

He goes on:

Of course, there is something peculiar about what has been going on. While the administration has been vetoing any suggestion of a bailout for poor homeowners who have been taken advantage of by predatory lenders, there has been a bailout for investment banks. The Fed has lent money to facilitate JPMorgan's takeover of Bear Stearns, and has evidently underwritten the risk. It has accepted risky mortgages as collateral—again putting taxpayers' money at risk. These bailouts for those responsible for the mess have been done in a totally non-transparent way. We really don't know much about the values assigned to the collateral and what the risks are. It seems fairer to help poorer American households, rather than putting taxpayers' money at risk without even charging appropriate insurance premiums for bearing this risk.

Mr. Stiglitz has hit the nail on the head. We are ready, with few questions asked, to put \$30 billion in taxpayers' money behind a failing investment bank, but when I come to the floor and suggest we ought to try to stand behind a few homeowners across America who stand to lose their homes, oh no, the mortgage bankers won't hear of it; some of these people may not be worthy borrowers in the future. Was Bear Stearns a worthy borrower? I don't even know if the question was asked, and neither does Mr. Stiglitz.

Robert Shiller, Yale professor of economics and founder of Macromarkets LLC. Among the things he says, he quotes a woman I respect very much, Elizabeth Warren, a Harvard law professor, who has proposed that the Government create a Financial Product Safety Commission which would work like the Consumer Product Safety Commission but would monitor lending and financial practices.

How in the world can this Senate stop and say we give tacit approval to the decisions of the Federal Reserve Board and the Treasury Department to put the credit of the United States behind investment banks that we literally don't know their circumstances and then turn around and say we would not let a bankruptcy court even consider changing the terms of a mortgage for someone facing foreclosure? If it is a vacation condo, fine; if it is a farm, fine; if it is a ranch, fine; if it is a big boat, fine, but not your home. You have to lose your home. That is what the law says today. Is that reasonable? Is that what we are all about? Is that what the Senate is all about? Are we here to follow the agenda of the Mortgage Bankers Association that created this mess, or are we here to serve the needs of families across this country struggling to keep a roof over their heads? I hope that answer will be obvious to my colleagues, and I hope that when we get this bipartisan bill that is

being worked on very soon that it includes this provision so that we can have an up-or-down vote.

This provision is limited. It will not impact future borrowers in any way. The Georgetown Law study said it will have little or no impact on interest rates to come. I think it is fair for us to consider it. It is supported by a substantial group: the AARP, Leadership Conference on Civil Rights, the NAACP, the National Council on La Raza, Consumer Federation of America, Center for Responsible Lending, SEIU, AFL-CIO, and many others. It has the diverse support of Jack Kemp, former conservative Republican Congressman and candidate for Vice President, and Larry Summers, who was Secretary of the Treasury in the Clinton administration and who wrote op-eds in support. It has the support of the Credit Union National Association and the National Association of Federal Credit Unions.

Who opposes it? The big banks that created this mess in the first place. I am sorry, they have had their day. They have had their chance. Most of them have made plenty of money, and their CEOs are going to escape unscathed from this terrible economy. But for the rest of America that is paying the price for their bad lending practices, all I am asking is a chance, a chance that in court the bankruptcy judge will allow these people to stay in their homes.

I yield the floor.

The PRESIDING OFFICER (Mr. NELSON of Nebraska). The Senator from Maryland is recognized.

Mr. CARDIN. Mr. President, I thank my colleague from Illinois for his statements and leadership on this issue. I serve on the Judiciary Committee with him. I thank him for bringing forward this proposal. I think it is critically important to a large number of homeowners who find themselves in bankruptcy that they get the help the bankruptcy courts were designed to create. It was to take a look at the financial ability of the person going into bankruptcy, to take a look at their assets and to make a fair arrangement for the creditor and the debtor. But the bankruptcy courts today cannot do that in regard to your primary residence. As my colleague points out, if it is your boat and you have a chattel mortgage on it, they can work that out. If it is your vacation home, they can make accommodations. But for your principal residence, they cannot do that. That makes no sense at all, and I thank my colleague for bringing this forward. I think it is a critical part of the legislation before us, and I look forward to supporting the effort to make sure that stays in the legislation.

Mr. President, 2 weeks ago I visited a Baltimore neighborhood, Ednor Gardens. That is near the Memorial Stadium, the old stadium where the Baltimore Orioles and Baltimore Colts played, and it is in the neighborhood

where I went to high school, Baltimore City High School. It is a middle-class neighborhood, but today there are vacant homes and a lot of "for sale" signs. The entire neighborhood is affected by our current housing crisis. Some are in danger of losing their homes. Obviously, that is the most dramatic impact all of us hear and we want to do something about. We do not want to see people lose their homes.

It was James Truslow Adams who first coined the term "the American dream" in his book "The Epic of America" in 1931. He talked about the American dream as the opportunity to achieve in this great Nation, that every family should have that opportunity. The most visible sign of achievement is owning your own home. It is devastating if you lose your home.

Many Americans are in danger of losing their homes today because of the housing crisis. It not only affects individual homeowners who could lose a home through foreclosure or the inability to pay the mortgage and they just walk away from their home, but it affects every home in that neighborhood. There is a Chicago study that shows a single foreclosure, just one foreclosure in your neighborhood, will have the immediate impact of reducing your property value by about 1.5 percent or about \$3,000, on average. The U.S. Conference of Mayors pointed out that the current decline in home values across the Nation reflects a loss of value of over \$1.2 trillion, having a major impact on property tax revenues of local governments. The whole community is affected by the housing crisis, not just the individual homeowner who may lose his or her home.

If you happen to live in a home that you need to sell—you move, there is a change of life and you need to deal with putting your house on the market; maybe you have a contract to buy another house and you plan to sell your house—I tell you, the housing market is not good today; you are affected by the housing crisis. It is hard to find people who are willing to buy a home. They are concerned about declining values. Everyone is affected by this housing crisis.

Home ownership is critically important to the safety of our neighborhoods. Study after study shows that where you have a large percentage of home ownership, you have better schools and you have less crime. That was actually documented in that Chicago study I referred to earlier, where they showed there was a direct relationship between foreclosures in a neighborhood and the increase of violent crime in a neighborhood.

I have heard many people say: Isn't this the problem of people who entered into mortgages they should not have entered into or bought homes they should not have bought or couldn't afford? In some cases, that is true. In many cases, it is not. But the declining economy and the housing crisis affects all of us. We have a responsibility to

help and to do something that is positive for our economy and the housing crisis.

This is not an isolated situation, what was happening in this Baltimore neighborhood. In Maryland, the foreclosures have increased—since June, where Maryland ranked 40th in the Nation, doing fairly well competitively, to now 18th in the Nation in the number of foreclosures. There was a 39-percent increase in foreclosures in the last quarter in the State of Maryland.

The Mortgage Bankers Association tells us that nationally the third quarter of 2007 was not only a record for the number of foreclosures, it was the highest ever recorded in the number of foreclosures in this country. Nationally, it is estimated that 2.2 million subprime mortgages, entered into between 1998 and 2006, are in jeopardy of foreclosure during the next 2 to 3 years, representing \$160 billion of potential loss of wealth. The National Realtors Association has told us that home sales have dropped for the sixth consecutive month. Home prices are down, and they quantitated it, between February 2008 and February 2007, a decline of 8 percent. Our economy is hurting. It is not just the homeowner.

Let me just give one example. Housing starts are down. New housing starts are clearly down. It is difficult to see investors moving forward building new residential homes when we have a glut on the market of existing homes. What does that mean? I was talking to some people who work at the light truck transmission facility located in White Marsh, MD—General Motors. They are in danger of losing jobs because the people who work in the building sector, building of homes, use light trucks, and they are not buying as many light trucks because business is down. This is affecting jobs in Maryland and jobs in each one of our States.

The bottom line is that Congress needs to act. We need to act quickly. The Fed acted quickly to protect Wall Street. We have to act quickly to protect Main Street. There is a lot of question as to whether the Fed did the right thing for Bear Stearns. They acted quickly. We have middle-class communities, middle-class families who are in danger of losing their homes if Congress does not act quickly. We need to act quickly to help middle-class families who are caught in this economic downturn.

I am proud to have cosponsored provisions included in this underlying bill we are talking about. It is a very important bill. It includes provisions that I believe will really help the people in our States.

First, it provides counseling services—\$200 million. We can help another half a million families get counseling.

One of the figures I find shocking is that for about half of the vacant homes we have today, people have just walked away from their mortgages, walked away from their homes. They have not even tried to work out their financial

problems. They have not sought counseling. They have not talked to the mortgage company. They have not made any effort to try to save their home. They think there is no possibility. In reality, there may be possibilities. We should be providing the wherewithal so that people who are in a distressed situation can get the counseling help they need.

When I had my gathering in the Baltimore neighborhood, there were representatives from the different counseling services that are available to the people of Baltimore—Healthy Neighborhoods, St. Ambrose Housing Aid Center. These are people who have found the number of people seeking help doubling and tripling since the middle of last year. They are being overwhelmed today by people seeking help. They need a Federal partner. They asked me specifically whether this part of the legislation can be enacted quickly. They need the help to keep the centers open and expand the centers.

Remember, I said half the people are not seeking counseling. If the number of people who could use counseling actually stepped forward, there would not be the counselors available to handle this. That is why it is very important for the Federal Government to be a partner in providing adequate counseling, independent information to homeowners as to what their options may be.

The second provision of this bill allows for the refinancing of subprime mortgages by giving our local revenue authorities additional revenue bond help from the Federal Government—\$150 billion—so that they can be more actively involved. We know we have a credit crunch. Everybody knows that. You can't find mortgages today. You can't find ways of financing. This will help, by using revenue bonding authority with very little cost to taxpayers. I say that because in many cases the local revenue bonding authority, operating under the State, will be able to go in and purchase a distressed mortgage at market value. Market value is less than its full value. The person who made the loan is going to get a fair value for their investment. It is going to be a lower value than they want, but it is a fair value.

We are not bailing out the investor. What we are doing, then, is giving the homeowner an opportunity to have that mortgage refinanced through the State revenue bond authority at a fair amount, at a fair return, allowing that homeowner to stay in his or her home, protecting the home for the family—not protecting the investor, not protecting the person who made the loan, but protecting the homeowner. That is what we should be doing. That certainly is a tool I hope all of us will support, and we need to get that done quickly because of the credit crunch.

There is a lot of talk about whether individuals went into this with full knowledge of the problems. Let me tell

you, there have been a lot of people who have been victimized by the practices that are out there. There are many people who could have gone into traditional mortgages who went into subprime mortgages. It is particularly true in minority communities. Between 2005 and 2006, 50 percent of all the mortgages sold in the African-American community were subprime—50 percent to African Americans; 40 percent to Latinos. My point is this: There were neighborhoods that were targeted for subprime mortgages that could have qualified for traditional mortgages. These individuals have been victimized. I think allowing our revenue bonding authorities, our local housing authorities, to be able to do more to restructure those mortgages is the right thing for Congress to do.

I hope we will provide block grant authority, to give block grants to communities that have been impacted by foreclosures. As I said earlier, if you have a foreclosure in a community, the entire community is impacted by it. We need to do something to help it.

I was very impressed when I talked to people at St. Ambrose when they explained to me that when you have a foreclosed property, the house deteriorates and the neighborhood needs help. A Federal block grant to the community will allow it to get the housing in the condition it needs in order to put new home buyers into these houses. That is another very positive thing we can do to help communities.

The legislation provides the relief from bankruptcy that my friend, Senator DURBIN, talked about, a provision I strongly support. I don't need to go through all the provisions he went through, but it is targeted to residential mortgages that are in bankruptcy, it is targeted to mortgages that are currently in existence, targeted to those who can financially afford a refinancing structure. It is targeted in that if there is a resale and money that comes in that would have the lender held harmless, the money goes first to the lender.

All this is targeted relief to provide some degree of equity in a mortgage proceeding between mortgages that are taken out for our vacation homes and our large boats and those that are for residential mortgages. As Senator DURBIN pointed out, a bankruptcy judge can adjust the mortgages for your vacation home and your chattel mortgage on your boat but cannot, today, on your residential mortgage. That makes no sense at all, and we should certainly include that provision.

There are provisions in this bill that will provide disclosure so, moving forward, homeowners have much more information before they enter into a mortgage.

I wish to refer to another provision I intend to offer as an amendment to the underlying legislation when we get an opportunity, and that is to provide a tax credit for first-time home buyers. I think we need to do something to stim-

ulate the housing market from the point of view of more people willing to come out to a buy a home. Senator DURBIN pointed out that today there are people reluctant to buy a home, who want to buy a home, but they are worried that the value may decline. If we give a tax credit, put money on the table, I think it is much more likely that individuals will want to take advantage of that. You do that and you help stimulate the economy with the exact sector that triggered the economic downturn, the housing market. Let's get the housing market reenergized. Let's put a tax credit out that helps home buyers buy a home in these distressed times.

Now, the legislation that I am going to propose is going to be targeted; it is going to be for principal residences only. I think that is what we should do. It will be middle class. We will have an income cap so it goes to those who need the help.

It will be first-time home buyers. Today, it is estimated that 40 percent of our market is first-time home buyers. In Baltimore City, we know about two-thirds are first-time home buyers. So it is to go to that part of the market that needs the help, that we need to get back into the market. It is temporary. It will expire in 2008 because we want people moving now, going back into the market now.

This is not a new concept. It has been used in the Nation's capital. We provided a tax credit that has helped 3,000 to 4,000 home buyers a year. I think it was a good policy for the Nation's capital. I think it is a good policy now for our country on a temporary basis.

I do acknowledge there are several of my colleagues who are interested in this legislation who have a slightly different approach. I hope we can come together, as Senator STABENOW has been interested in a housing credit for many years. Senator ISAKSON has come forward with his proposals.

I hope we all will be able to work together to bring forward a tax credit proposal that can help stimulate our economy. We need to act now. Two months ago, in a bipartisan action in this body, we passed the economic stimulus package. We did it quickly. That is what we needed to do. Well, we need to show the same commitment on the housing crisis. We need to work in a bipartisan manner to help middle-class families save their homes and to help our economy.

I urge my colleagues to take up quickly this legislation. Let's consider the amendments. Let's move forward. There are too many homeowners in our States who are depending upon us to act quickly for us to delay.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

#### PHARMA PAYMENTS TO DOCTORS

Mr. GRASSLEY. Mr. President, I have had the opportunity in the last several years that I have been in the Senate to look into how drug companies may be improperly influencing

medical care. It is no secret that drug and device companies have substantial financial relationships with the health industry and specifically with physicians.

In addition to multimillion dollar royalty payments and lucrative consulting contracts, I found that drug and device companies often provide perks to doctors. These would include things such as expensive trips, lavish speaking fees, and other benefits that are too numerous to mention at this point.

These relationships, as you might expect, can motivate doctors to modify their treatment practices. It can motivate doctors to do practices that may not be in the best interests of the patient.

Because these financial relationships are so common, I have had the help of Senator KOHL of Wisconsin in the introduction of a bipartisan bill called the Physicians Payment Sunshine Act. We introduced that in the latter half of last year.

Now, this bill is not aimed at stopping money flowing to the doctors, the results of which I have spoken about. But it ought to throw a little sunshine on this issue. And that sunshine on this issue will go a long way toward curbing bad behavior.

I am proud to report the bill is gaining support from industry and from many physicians. In fact, medical device maker Zimmer recently announced their support. I expect even more companies to come onboard very soon.

You might say that these companies coming on board must like this, that it is not going to do any good. Well, it will do a lot of good. I think companies coming on board at this point are recognizing that if they are in a public debate on this issue where there is evidence that their payments to doctors may influence practice, that is not going to stand up in the theater of public debate, and so they ought to help their public relations and get behind this legislation. They know it is the right thing to do. I hope my colleagues in the Senate will look at this bill and see it as the right thing to do as well.

Since last summer, I have been investigating dozens of physicians to see if they are reporting their outside income to universities they are affiliated with. These physicians are at public as well as private universities and are working at institutions of higher learning across the United States today.

I am going to report on the action of one physician. I do this to explain how industry payments to medical experts can affect medical practice. Last summer, the New York Times ran an article about several drugs called atypical antipsychotics. These drugs are very powerful. The New York Times reported they are widely prescribed for children.

In the case of Seroquel, this drug became widely prescribed to treat children for bipolar disorder in the year

2005. It is important to examine this drug because we have paid billions of taxpayers dollars for Seroquel in the last years under various programs that the Federal Government has that provide help for people who cannot otherwise afford it.

Now, this happened after a group of experts decided that drugs such as Seroquel worked in kids and then published new guidelines in the Journal of the American Academy of Child and Adolescent Psychiatry.

But this panel based its guidelines on a single inconclusive study that was done in the year 2002, paid for by AstraZeneca. The study concluded kids did well on Seroquel, even though half of them dropped out of the study because of bad side effects.

The lead author of this study was Dr. Melissa DelBello, a professor at the University of Cincinnati. After reading about this story, I sent a letter to the University of Cincinnati and asked to see Dr. DelBello's reports on outside income.

I found out Dr. DelBello received over \$100,000 from AstraZeneca in 2003, the year after she did this study. The following year, the company paid her over \$80,000. These payments were for things such as lectures, consulting fees, services on advisory boards, and reimbursement for travel-related costs.

After the university sent me these records, I then asked AstraZeneca to account for money the company had sent to Dr. DelBello. The numbers after they all came in simply did not add up.

Between 2005 and 2007, Dr. DelBello reported about \$100,000 in outside income to her university. But I found out AstraZeneca had paid her over \$238,000, and obviously \$138,000 of reported income is a big difference. Of course, I am finding out the money keeps trickling in. Last week, AstraZeneca reported to me they had discovered an additional \$1,800 in payment to Dr. DelBello, and who knows if we will ever know the full accounting of this money paid between AstraZeneca and the professor.

So her own university, her very own university which is supposed to be monitoring her conflicts of interest, did not even know about these additional payments. It seems to me they did what many universities around the country do: They trusted their faculty to provide accurate information.

Even worse, I found out Dr. DelBello received grant money from the National Institutes of Health. According to Federal regulations, universities are supposed to monitor conflicts of interest when their researchers receive National Institutes of Health grants. Obviously, the university has engaged in the practice of trust but did not verify, where the rule is: Trust but verify.

Another interesting thing happened while I was looking into Dr. DelBello. According to the letter I received from the University of Cincinnati, Dr. DelBello failed to report other money she also received from big drug companies.

So it turns out Dr. DelBello has a company which she established for "personal financial purposes." AstraZeneca was involved here. Let me remind you that AstraZeneca is the maker of Seroquel. They paid MSZ Associates, Inc., an Ohio corporation, over \$60,000.

Where do you think the address of MSZ Associates is? Well, you probably have figured it out, the Department of Psychiatry, University of Cincinnati.

This situation is unfortunate on so many levels. It is unfortunate for the University of Cincinnati relying on the representations of its faculty, it is unfortunate for patients who once believed their doctors were not for sale, and it is unfortunate we are in a day and an age where a bill promoting transparency for millions and millions of dollars going from big drug companies to American doctors is necessary.

In other words, I am saying to my colleagues in the Senate: The bill Senator KOHL and I put in last year that is picking up steam, even from companies in the medical business, should not have had to be introduced. The checks and balances that are out there between universities, between the NIH and universities that get their grants ought to be enough to make sure the ethics are properly followed.

This information is available, and, most importantly, the information is public, because this is the public's business. The public has a right to know whether people who doctor them might have a financial interest in the treatment that is prescribed for them.

Now, I have given you one example of a doctor who has been receiving large amounts of money from drug companies. In this area, as in many others, I hope a little bit of sunshine will go a long way. That is what the Kohl-Grassley legislation is all about. The fact that a physician can promote a drug to other doctors and receive NIH funding, while hiding a very clear conflict of interest, ought to be very disturbing to all of us.

That is why this bill is very needed. Because nobody is watching this money, and it is having a bad effect on medical practice as evidenced by this drug made by AstraZeneca.

Before closing, I wish to give this compliment to the University of Cincinnati. This university has and continues to be very cooperative in this investigation. I very much appreciate this. Thank you to the University of Cincinnati.

I yield the floor.

The PRESIDING OFFICER (Mrs. MCCASKILL). The Senator from Pennsylvania.

IRAQ

Mr. CASEY. Madam President, I rise to speak on behalf of S. Res. 494, which is a sense-of-the-Senate resolution I introduced yesterday calling upon the international community to fulfill previous pledges to provide reconstruction assistance to Iraq. I am joined in introducing this resolution by my colleague,

Senator CORKER, from the great State of Tennessee. I am honored to have his support.

Our message is simple. It is long past time for other nations, especially Iraq's neighbors, to carry through on past promises and deliver the type of assistance that can help stabilize Iraq and allow for an orderly redeployment of U.S. combat troops from Iraq. Over the course of the next 2 weeks, the Senate will once again return to the Iraq war and the debate over future U.S. military presence in that country. It is no secret there is a sharp divide in the Congress over the next steps in Iraq. We have some fundamental differences, and it is essential that we debate these differences in an open manner. However, there is some common ground that all of us can find when it comes to Iraq. We can agree that America has already sacrificed too many of our finest and bravest young men and women in this conflict. We recently marked the grim toll of 4,000 Americans killed in combat there, including 183 natives of my home State of Pennsylvania. But the United States is also bearing the majority of the burden when it comes to financial assistance to the Iraqi Government for reconstruction activities. We bear this burden even though other nations and multilateral organizations, including the World Bank and the International Monetary Fund, have pledged but failed to implement significant sums toward Iraq's reconstruction. The United States bears this burden even as we spend millions of dollars every day on our military presence in Iraq. That is not right, and it cannot continue.

Our resolution calls upon other nations to carry through on previous pledges of reconstruction assistance to the Iraqi people who have been largely ignored. The resolution has been inspired by two recent reports, a December 2007 report from the Government Accountability Office, the GAO, and a January 2008 report from the inspector general for Iraqi reconstruction. The two reports document the following facts—just two, but they are alarming and disturbing—the United States has already spent roughly \$29 billion on reconstruction assistance to Iraq, with another \$16.5 billion in the pipeline having been authorized by Congress. That is fact No. 1, \$29 billion spent, \$16.5 billion on the way. As of last October, international donors have pledged a combined total of approximately \$16 billion to support Iraq's reconstruction, but only \$7 billion of the \$16 billion has actually been disbursed to Iraqi governmental entities. This is a less than 50-percent return when it comes to carrying out previous pledges, many of which date back to the year 2003.

There are some plausible explanations for why reconstruction funding has not flowed as quickly as we would like. Certainly corruption in the Iraqi Government remains a serious problem. The hazardous conditions in many

parts of Iraq have impeded reconstruction projects. But these same constraints apply to the U.S. Government and our construction funding. There is no reason the United States has spent more than four times what the rest of the world combined has spent when it comes to reconstruction assistance to the Iraqi Government. I don't need to remind anyone in this Chamber or in the country of our economic challenges at home. The war in Iraq is exacting a significant toll on our Nation's Treasury. The United States cannot afford to continue to subsidize reconstruction assistance to Iraq while other nations remain on the sidelines.

The lack of participation by other international donors, especially Iraq's neighbors, incurs diplomatic and political costs as well. When the United States is seen as the principal source of reconstruction funding in Iraq, and when those reconstruction activities falter, it is America that is unfairly blamed in the eyes of the Iraqi people. Five years after we invaded Iraq, much of the nation continues to experience power shortages and rolling blackouts. The Iraqi people view this state of affairs as America's responsibility. That is why the Iraq Study Group, more than a year ago, recommended multilateral support for Iraqi reconstruction, including "greater involvement by and with international partners who should do more than just contribute money. They should actively participate in the design and construction of projects." So said the Iraq Study Group more than a year ago.

It is all too rare for a Democrat and a Republican to find some shared ground today on the issue of Iraq. The fact that two Members of the Senate, both members of the Foreign Relations Committee from different parties, have found common cause on one aspect of our presence there should tell us something. There is no reason the United States, already having borne a massive cost in terms of military resources expended and precious lives of our bravest men and women lost, should continue to be on the hook for the majority of reconstruction funding in Iraq. Reconstruction funding for Iraq is important, and it is time Iraq's neighbors, major international organizations, and other nations step to the plate.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. KENNEDY. Madam President, I understand we are in morning business; is that correct?

The PRESIDING OFFICER. No. We are under cloture on the motion to proceed.

Mr. KENNEDY. Fine. I will use such time as I might use that I am entitled under that procedure.

The PRESIDING OFFICER. The Senator is recognized.

Mr. KENNEDY. Madam President, a few minutes ago, I was over at the Joint Economic Committee, where we had Mr. Bernanke, who is the head of the Federal Reserve, talking about the economic challenges we are facing in this country and what the administration, and Federal Reserve are going to do about it. I must say, we were long in analysis in terms of how we got here but very short in terms of giving a great deal of hope to the American people as to the next steps that are going to be taken by the administration to help resolve this problem. That is, I find, enormously distressing.

I think American families ought to be certainly encouraged by the efforts that are being made in this body to try to develop a housing program, led by Senator DODD and also by Senator SHELBY and a number of others. I understand the leaders are going to have some announcements later on in the day about the progress that is being made, which is, I think, a very important and significant effort. Hopefully, it will result in providing some help and assistance to families so they can remain in their homes and, hopefully, permit some of those who have been foreclosed on to regain the opportunity to return to their homes.

We have seen in recent weeks a widespread breakdown in the financial markets. The crisis has had far-reaching effects on the rest of the economy, leaving 7.4 million Americans unemployed and 2 million families at risk of foreclosure. Approximately 7,000 families a day are facing that. It is true in my State of Massachusetts. It is true throughout New England and other parts of the country.

We need to act quickly now to keep families in their homes. We are looking forward to our committees making a recommendation on legislation that will permit us to do so.

It is time to restore confidence in our credit markets. That means cracking down on abusive practices in the mortgage industry and shining more light on the operations of investment companies such as Bear Stearns.

The Federal Government stepped in with nearly \$30 billion to bail out Bear Stearns. That is a lot of corporate welfare coming before any relief for the millions of families on the brink of losing their homes. Hundreds of billions of dollars in subsidized loans are being given out freely to banks and investment houses, but the administration is telling millions of Americans struggling to find work that it is too soon to give them additional unemployment benefits. That is unacceptable, and Congress needs to act.

I reviewed at the meeting earlier today the general economic circumstance we find ourselves in as a result of these costs over these last



years. Since the President took office, the dollar has lost a third of its value. The Federal debt has skyrocketed by nearly \$4 trillion. Our debt to foreign investors has increased by \$1 trillion. The stock market on average has grown by only 2.5 percent each year since 2001, far lower than the 7.5-percent annual returns it averaged since 1968, and it lost \$2.7 trillion in value since last May—\$2.7 trillion in value since last May. Finally, this crisis has wiped out \$2.7 trillion in home values in the past year alone. Some economists believe we could lose as much as \$8 trillion before the crisis is over.

So I reminded Mr. Bernanke of what I hear from my constituents in Massachusetts who see their hard-earned savings being wiped out. Now we are reading in the papers that older workers are being forced to put off their retirement because of losses in the values of their home and retirement savings. So we ought to know what we can do to help respond to the staggering loss of the Nation's wealth and how working families can cope with their lost savings and wealth. That is a fair question, and I must say I didn't feel we got much of an answer during the course of the hearing this morning.

Some have said we have a devalued dollar and this will increase our exports. But it is true that after the dollar has been weakening for 6 years, the value of our imports is still roughly twice that of our exports, and we are still running a huge trade deficit. Some have said the Fed is taking appropriate steps by lowering interest rates and offering discount loans, but it is true that even after an extended period of lowering interest rates, the economy is still floundering.

One of the very important and significant consequences of this whole economic dilemma is its impact upon the States. States are finding enormous challenges in dealing with their economic situation, and they have two alternatives. They have two alternatives and both of them are bad and will have very adverse impacts on middle-class and working families. First, they can raise their taxes which, at a time when families are hard-pressed to make ends meet, is the wrong policy. Secondly, they can reduce or cut back on services such as Medicaid and other programs that reach out to the neediest in the community. That, obviously, has enormously adverse impacts.

There are ways of helping the States. We have done it in the past. When I asked Mr. Bernanke whether he would favor this administration providing some help and assistance to the States so they don't have to reduce services for their neediest people, he said that is a decision for Congress to make. Well, I asked him. He is the head of the Federal Reserve. Where is the administration? What is their position? I know the power of the Congress on fiscal policy, but where is the administration? We want to work with the administration to try and restore our economy.

When Mr. Bernanke says: Well, we are trying to develop a policy of economic growth and price stability, we are all for that. We have seen that. We saw it in the early 1960s with President Kennedy and we have seen it at other times, including in the 1990s. That is a desired goal. But just stating that as being the desire for the administration at a time when we are facing these serious economic challenges remains, I think, an inadequate answer. The idea that the Chairman of the Federal Reserve would state to the Congress that he effectively has no position and the administration has no position on fiscal policy, on providing help and assistance to the States, is mind-boggling to me—mind-boggling—a complete failure to understand the economic challenges people are facing.

I asked the Chairman whether he thought we ought to have a system to effectively regulate the safety of financial products at a time when the financial community has been involved in products that are risky for consumers. We have a regulatory agency—the FDA—that tries and does a pretty good job of addressing the increasing challenge in terms of food safety. We have an FDA to try to deal with and make sure our prescription drugs are going to be safe and efficacious. It does a pretty good job. We are working to try to strengthen those agencies. We have a regulatory agency, the Consumer Product Safety Commission, to try to keep toys that are dangerous to children away from children. So we have a tradition of establishing regulations and regulatory agencies to help protect the consumer. Given the abuses we have seen with financial products in recent times, should we not have a similar agency to help protect consumers from unsafe financial products? Consumers are hard working. They spend a good deal of their time working all day and the rest of the time trying to look after their children. They spend some time with their children helping them to read and with their education, and they don't have a lot of time to go through the various complex financial statements that have become the common rather than the rare. Generally, we had what I consider to be kind of a wishy-washy answer on this one: That the Federal Reserve has some powers—it is useful to have some power—but no precision with regard to what can be done in order to protect average working families from the existing abuses that are out there.

I was discouraged by these responses at a time when we have a serious economic challenge. Families in my State are working and trying to keep their homes, trying, even at this time of the year, to get sufficient resources for home heating oil. Families who may experience the joy that many have in the last week when they receive the notices from colleges in my part of the country that have accepted their children to go on to higher education and then are sobered up by the extraor-

dinary costs and wondering whether they can afford it. Frequently, they use their house as collateral, and now they wonder whether they can afford it. They see the ever-increasing cost of gasoline, and they are struggling and wondering if they can hold onto their jobs, let alone their health insurance.

Serious economic times demand leadership at the executive level and demands leadership in the Congress and demands a bipartisan response to these challenges. We do not have that at this time.

I will review briefly for the Senate about where we are in terms of our economic challenges.

I was asked yesterday morning—or 2 mornings ago, Monday morning—in Boston whether we were in an economic recession. I answered yes. When asked how one would describe it, Americans surveyed think the economy now is in recession; 76 percent say there is good reason why they should believe so. We have seen the response to these economic challenges. We have seen some \$260 billion in subsidized loans to banks by the Federal Reserve. We don't know how the public taxpayer is being protected with these loans. We don't understand how the public interest is being protected. We have seen public loans at other times, and the most dramatic one was the automobile industry when the Congress actually was repaid for the loans. It was a successful negotiation, without which we would have seen the complete collapse of the automobile industry in this country and the loss of millions of jobs. It was carefully worked out and the public interest was protected. We don't know what those \$260 billion in subsidized loans now will mean. Yet when we asked: Could we get the administration to help and assist us with the extension of the unemployment benefits, the answer was no. No. No to \$10 billion to help individuals who work and who want to work, who have a history of working and are losing their jobs because of the economic downturn and need to have that help and assistance in the interim before they get the next job. Would the administration help them? The answer was no. Yet there is \$260 billion in loans to the banks. This isn't right. This isn't fairness. This isn't being responsive to the needs of families and working people in this country.

This chart gives an idea about what is happening. While wages have been stagnating, consumers have been facing increasing costs, including the 84-percent increase in gasoline. We have seen health insurance costs continue to rise by 44 percent, college tuition by 47 percent, and wages effectively stagnant over this period, putting enormous pressure on these families.

This chart shows that millions of American families face losing their homes. The number of foreclosures were in the thousands in January of 2006, 100,000 in 2007, and 150,000 in January of 2008; it is up 124 percent from 2006. These are families who are losing

their homes. This is a reflection of the loss of homes by hard-working people in this country.

We have now seen the growth of a tent city, something that I think none of us ever thought would again take place in this country. All of us are mindful of the extraordinary pressures that still exist on families as a result of Hurricane Katrina and the hardships those people are facing. But by and large, we don't generally think that because people are going to lose their houses to foreclosure, they are going to be pushed outside. The growth of this tent city has been a new phenomenon in the landscape of America.

This shows that home prices in major cities have fallen now by 11 percent in the last year alone. This chart shows what has been happening in different parts of the country, and it has generally been going down across the country. Some areas are suffering a great deal more than others. The losses in California, Las Vegas, and some of the States in the South have gone down a good deal more than others, but nonetheless it has been across the board, and it has been serious.

This chart demonstrates that the economy is shedding more and more jobs. In January of 2008, 22,000 jobs were lost. In February of 2008, 63,000 jobs, meaning 85,000 jobs were cut in just the past 2 months. We are going to get more jobs numbers on Friday of this week, and most believe we will see this continued trend of individuals losing their jobs. How many more indicators do we need? When you find out you are losing your home, you are unable to keep your job, the costs of all kinds of essentials which you need to have any quality of life are going through the roof—not to recognize we have some important responsibilities to our fellow citizens.

This chart shows 7.4 million Americans are competing for 4 million jobs. These are the numbers of Americans who are unemployed. These are the job openings that are out there at the present time. So we have many more unemployed than there are job openings. If that is the case—and these people want to work, they are glad to work, we want to give them an opportunity to work. Historically, we have said to those people: We are going to give you some unemployment compensation to carry you for a while until we get this number of job openings up, a restoration of our economy, and then you will be able to get the job. But these same people who have worked hard to try to provide for their family, they need to be eligible for some unemployment compensation. The trust fund itself is in surplus at this time. Workers have paid into the fund—and if they haven't paid in, they are unable to gain resources, generally speaking.

So this is the reason we have been struggling to get some help and assistance in unemployment. This is a rather ominous chart because this says economists predict unemployment will sky-

rocket next year. This says in 2007 the unemployment rate was 4.5 percent, 4.8 percent in 2008, and in 2009 it will be 6.5 percent. The lag time, historically, has reflected itself in the increasing numbers of unemployed. In 2009, we are going to see increasing unemployment across this country. That is the phenomenon.

If we know unemployment will continue to increase—and that was the testimony before the Joint Economic Committee—why aren't we preparing ourselves to reach out and make sure this kind of pressure that is on these families is reduced or at least accommodated to some extent? We know what is going to happen.

This administration missed the boat, so to speak, in understanding where we are going in terms of the economy. They should have known, but they didn't know. For some of us who look at the record of the administration, whether it is on Katrina or Iraq, we can understand how they have missed the boat on a number of different issues. We are finding out they certainly missed the economic boat.

Millions of Americans could lose their health insurance in a recession. We are seeing job losses and workers' declining bargaining power and benefit cuts. In a mild or moderate recession, 4.2 million Americans will lose their health insurance. We know when that happens, when they lose it, effectively the waiting room becomes the emergency room; that becomes their primary care. The average cost is \$423 for a visit to the emergency room. When families lose health insurance, they go to the emergency room. And who picks up the tab if they don't have the money? It is the taxpayers who pay for it one way or the other. This will mean additional pressure on local taxpayers who are going to be increasingly pressured themselves because they will lose benefits and they are going to have to pay more in taxes, and the spiral continues.

Yet we have very little willingness from the administration to assist States and local communities to help permit these families to retain their health insurance, which they could do, and which we have done at other times.

This chart is a sad indicator. This says food stamp use nears record levels as the crisis squeezes workers. We have 28 million Americans who are projected to receive food stamps in 2009—record numbers in the history of this country, with families needing to use food stamps because they are desperate. This program was meant to be an emergency program, and it is. But we are finding more and more Americans dependent upon it. Just visit the food banks as I have. We have such superb food banks in Boston and in Massachusetts which have been enormously effective. They are well run, and they involve the community. We are finding out about the difficulty they have in getting good food and also the kind of pressures they are seeing every single day at the food banks.

This is what is happening. This puts millions more into poverty by 2011. The number of people in poverty has grown during this administration by nearly 5 million people, and over 1 million children have gone into poverty. This is going to get even worse in a recession. These numbers are growing.

I listened this morning with a good deal of interest about the increasing number of school dropouts. Colin Powell was on most of the morning programs talking about it. It is directly attributable to the increased poverty. When you get increased poverty in communities, you are going to have increasing numbers of children who will drop out, increasing amounts of gangs, and increasing amounts of violence, make no mistake. We have seen the complete insensitivity of the administration to providing assistance to local communities, whether it was in the COPS community policing program which was such a success or the Byrne grant programs that assist local law enforcement. The administration says: no, no, we have to cut those programs back. We are seeing increasing poverty, with all of its dangerous aspects.

These are very interesting charts. This one shows 22 percent more workers are exhausting Federal unemployment benefits today than at the start of the 2001 recession. Since 1991, we have extended unemployment compensation by 13 weeks some seven times. That's seven times. In the last 20 years—listen to me now—we have not had as high of a rate of long-term unemployment at any time Congress has first extended benefits as we have at the present time. This is an extraordinary phenomenon. These are fellow citizens who have worked hard, want to work, are continuing to look for jobs. They haven't even dropped out of the job market. Yet they are being cut loose here and being denied the unemployment compensation. So what we are demonstrating is increasing insensitivity to these families.

I will just take a few more moments. There are things that can be done. If we were able to get Mr. Bernanke to indicate that he believed some economic stimulus program could be put into place, we are looking for those that have been tried, tested, and demonstrated to have been effective.

You can see on this chart that for every dollar invested in food stamps, it had \$1.73 of impact in boosting the economy. For unemployment, it was \$1.64 of growth that you were buying for every dollar invested. For infrastructure, it is \$1.59. The tax cuts the administration favors do not have as positive an impact. That is what we need. We need to have programs that will provide help and assistance for them.

This chart illustrates how the costs are rising faster than the rate of inflation. So I think we know what needs to be done. We need an economic stimulus

program that is targeted to middle-class and working families and will benefit them. We heard today in the Joint Economic Committee about what we have been doing for the large investment firms which get hundreds of billions of dollars, but still there is not the will or desire to try to help real families who are having a most difficult time of it. That is wrong. I don't think the American people will tolerate that. They should not. They should be assured that there are many of us who will not tolerate it and will work effectively until we develop the kind of economic program that is really going to reach out to these families and say to our fellow citizens that help is on the way.

Madam President, 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. NELSON of Florida. I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. NELSON of Florida. Mr. President, we are on the mortgage foreclosure bill, S. 2636. It is my hope, my understanding that the two sides are now negotiating as to whether they can come out with a bipartisan package.

I rise to speak to the bill before us that has come out of committee. I support it. I am a cosponsor. It is self-evident why I support the bill, because our people are hurting.

There is no doubt that the housing market in Florida is in shambles. Florida home sales last month were down 28 percent compared to this time last year. The median home price in Florida was down 14 percent. At the same time, foreclosures are skyrocketing. January's foreclosure rate ranked Florida third highest in the country. We had the second highest rate of total foreclosures nationwide, a 158-percent increase from last year. One area of Florida, Lee County, which includes Fort Myers, Cape Coral, an area that has been booming with growth, has the highest foreclosure rate in the Nation, sadly, with 1 of every 86 homes entering foreclosure. In one estimate, nearly 200,000 homes in Florida will be lost in this year and next year due to foreclosure. We have seen these horror stories on TV where the sheriff is knocking on the door and forces the family, with the children, out. If they are not home, he has to go in and take all of the furniture out of the home and put it on the front lawn.

This crisis is not limited to subprime mortgages or risky borrowers. It is destroying entire communities. The ripple effect translates into big losses for each State's economy—in Florida's case, a \$36 billion decrease in home value and tax base.

The bill before us provides some commonsense relief. It is designed to help

struggling families keep their homes and help communities that have been harmed by foreclosures. It is going to help people keep their homes by letting them refinance out of the subprime loans. It is going to fund housing counselors to help those at risk of foreclosure. A lot of people who face the risk of losing their home are overwhelmed because they don't know what to do. By providing some housing counselors to help them work their way out of this foreclosure problem, and, to a certain degree, prime homeowners, homeowners where the residence is their prime residence, it is going to be able to help them modify their mortgages in bankruptcy court. It is going to give a new power to the bankruptcy judge to modify that mortgage so the person doesn't lose the home from underneath them.

This bill is going to take our community development block grant funds to help a community provide for the neediest, and through the CDBG funds, it will help a city or a county to purchase foreclosed properties and then turn around and rent them or resell them so we can get them back on the market as fast as possible.

Additionally, it is going to increase funds for foreclosure prevention counseling. That is not the counselor I spoke of a while ago, after and in the midst of the foreclosure crisis. This is to help somebody work out of the problem before it ever occurs. It also makes more clear disclosures on mortgage documents when the homeowner is signing a mortgage in the first place, in order that they know what is coming, know what their obligations are under the mortgage.

I am sure most of the Senators here are going to support this legislation. It is a question of being able to see if we can get some agreement. The majority leader is working hard to do that. It is time we extended this relief to homeowners, not just those on Wall Street; in other words, those on Main Street as well. That is what this bill does.

I yield the floor.

The PRESIDING OFFICER. The majority leader.

Mr. REID. I appreciate my distinguished friend allowing me to speak for a minute.

I just completed a meeting with the Republican leader, Chairman DODD, and Ranking Member SHELBY. We have an agreement in principle as to what we are going to move forward on. The two managers of this most important legislation are now in the process of drafting the principles into legislative language. The staffs worked most of the night to get where we are today. I am not going to go into any detail as to what has been accomplished, but it is a robust package addressing the issues, some of which were just addressed by my friend from Florida. We will come back at 5 o'clock. They think they can have the language drafted by that time. It would be a substitute for the House-passed bill that we are work-

ing off of. At that time, we would hope that there would be some discussion of the substitute, that that would be agreed to, and then we would start amending that. Either people want to take things out of it or add legislative measures to it. I think we are moving forward. This is good news for the American people, and I am confident we can process it fairly rapidly.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. COLEMAN. What is the status we are in right now?

The PRESIDING OFFICER. We are presently on the motion to proceed to H.R. 3221.

Mr. COLEMAN. I ask unanimous consent to speak as in morning business.

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

Mr. COLEMAN. Mr. President, I congratulate the majority and minority leaders, the chairman of the Banking Committee, Senator DODD, and Senator SHELBY. We have done something today the American people should be very proud of. I understand there is an agreement to move forward on a bipartisan agreement that would allow us to address certainly one of the major concerns impacting the American public today; that is, the collapse of the housing industry, collapse of home values. I believe this ties directly into the difficulties we are having with our economy. The fact is, there is less value in homes and the ability to refinance. Folks are not fixing up their homes, doing renovations. In my State, folks who cut down the timber, log it, truck it, process it through sawmills, ultimately the contractors, the construction workers who build, all have been impacted.

When one person loses a house and a series of homes are lost through foreclosures due to refixing of mortgages, adjustable rate mortgages which people do not have the capacity to repay, that impacts the value of every home in a neighborhood. So we are seeing a significant decline in many of our neighborhoods, not just urban but throughout the State and the country.

I congratulate the leadership of my colleagues who have come together with an opportunity to move forward in an area of great importance and one that I, as a former mayor and with the privilege now to serve in the Senate, understand and am deeply concerned about.

I believe we have to move forward. We now have an opportunity. The fact is, in my State of Minnesota, communities are grasping for solutions to stem the tide of our housing crisis. Local leaders and concerned citizens are working to prevent erosion of the building blocks of their communities, which are neighborhoods. Despite their best efforts, neighbors can't fight the growing number of empty houses this rush of foreclosures is bringing. Local governments can't fend off plunging property tax revenues that make balancing the books nearly impossible. Individual businesses don't have a choice

when fewer people are coming through the door and they are faced with difficult decisions about which employees they can keep on board.

As homes become abandoned, it starts a vicious cycle. Abandoned and vacant homes create blight, reduce the value of houses around them, and the opportunity for criminal activity increases as those interested in law-breaking seize upon the opportunity to take advantage of other people's mistakes.

When I was mayor, I believed in the broken window theory. If a violent crime happened in a neighborhood, some would say: Why did it happen? You would go back and say: Well, you had a window that was broken, and it wasn't fixed. And then another window was broken, and it wasn't fixed. Then the graffiti got on the walls, and the gangs and the drug dealers and prostitutes hang out. All of a sudden, somebody gets killed. We are seeing folks abandoning homes, blighted neighborhoods. This is spreading with very dangerous and negative effects. Beyond the loss of a home, the lives of those around those homes are also impacted. It is creating a downward spiral that is difficult to stop.

I think we have a chance today in this body to move forward in a way to at least slow the downward spiral, not stop it. This is a problem none of us can solve on our own. There are some problems that are too big for one party to solve. This is one of them. Republicans and Democrats need to come together to lift our neighborhoods out of their crisis.

As a former mayor, I know the foundation of our communities is based on home ownership. Housing is the foundation for strong neighborhoods. Housing creates good jobs, creates stable places for workers to live. Housing has created wealth. When there is trouble in housing, the economy suffers, workers suffer, families suffer. From my travels and townhall forums during the past several months back home in Minnesota, I have seen and heard firsthand how this crisis is hurting my State. Like every American, this crisis is attacking the place I call home. It has taken away from the folks I live around, whom I worked hard to help as mayor. There are communities and neighborhoods that were struggling in the 1990s when I got elected. We built them up. Now many of them are starting to fray and come apart. It is a very personal issue for all of us. It is not just an urban problem. In my State, it is a rural problem as well.

I understand there are statistics which show that Minnesota ranks second in the Nation in subprime mortgages and foreclosure. According to the nonprofit Minnesota Housing Link, if current trends continue, the number of foreclosures will increase by nearly 48 percent this year to 37,854. By contrast, in 2005, there were 6,466 foreclosures. Meanwhile, the housing downturn has taken a toll on construction jobs in

Minnesota. In the past 2 years alone, 15,000 of these jobs have been lost. But behind these troubling statistics is the human face that reflects the terrible crisis.

This is about folks such as Joanne Ness, whom I met at a forum earlier this year in St. Cloud, MN. Joanne spoke of a struggle to keep her house as her adjustable rate mortgage payment soared from \$1,300 to almost \$1,900 per month. Hers is a typical story I hear time and again when I talk to families around the State.

Similar to when my son would throw a rock in one of Minnesota's many lakes—and you would see the ripple impact—the impact of these foreclosures is rippling throughout my State's economy.

I mentioned the folks in the timber industry. I was going to have a cup of coffee with, I thought, a small group of folks up in Aitkin, MN. It is in the northeastern part of the State. It is timber country up there. They talked about how their businesses are hurt by depressed softwood lumber prices.

Ron Enter and his wife stopped by my office the other day to share how the housing crisis has hurt their small building materials business. According to the Enters, their business sales have dropped roughly by half, and they have had to reduce their workforce from 25 employees to 15 employees. These are more than numbers. These are moms and dads who have family obligations who are out of work. If you are out of work, you lose your health care. It has all sorts of impacts. It is not just about numbers. If the housing market does not improve, they warn they may have to cut back to as little as six workers, employees, in order to keep their business going. These are moms and dads, brothers and sisters, folks who are now out of work.

We are acting not a moment too soon. The time to act is now. It was yesterday, but we are going to move forward today, and I think that is tremendous. Folks such as the Nesses and the Enters are looking for us to work together on solutions to the housing crisis.

To that end, I joined Senators BOND and ISAKSON and other colleagues of mine in introducing, last month, consensus-based housing legislation called the Security Against Foreclosure and Education Act or SAFE Act. There are a number of provisions in this act which I believe are now contained in the compromise bill we will have a chance to vote on.

Senator ISAKSON had a provision to address the oversupply of homes that is not only depressing home values but the construction industry as well. He originally had, I think, a \$15,000 tax credit proposal for the purchase of new or foreclosed homes. I think we did something similar in the 1970s, and it had an impact in getting rid of some of the excess inventory in the market. If you get rid of excess inventory in the market, it brings up the value of every-

one's home. I understand the Isakson provision in a modified form will be contained in the bill we address. The numbers may be somewhat different. It may be \$3,500 for 2 years. But it is a step forward.

Another provision that I joined with Senator SMITH in introducing last year would allow State and local governments to use mortgage revenue bonds to refinance subprime loans which have fueled the surge in foreclosures. Again, while this proposal, on its own, will not solve the crisis, it can nonetheless make a real difference for Minnesotans, such as Joanne Ness, who are looking to get safer and sounder mortgages so they can keep their homes. I understand this concept would also be included in the bipartisan bill.

The bottom line is there are folks who are hurting. We have a chance to help them.

I have also looked at a provision that would give returning veterans and servicemembers additional protections from foreclosure. These brave men and women who have made such incredible sacrifices on behalf of our country should not be penalized by the threat of losing their home because of the difficulties they face in their service abroad.

As we work on this bill, I hope we also look to provide, as I have proposed with Senator MARTINEZ, temporary tax relief for homeowners who are increasingly using their retirement savings to keep their homes. This helps folks such as Terri Ross, a nurse whom I met at a St. Cloud forum.

She had a situation in which she was looking—she had an old house. She moved into it. It needed to be updated. She spoke to a mortgage broker who said: No problem. She could not afford to do it herself. They said: Listen, we can get you to refinance. We will get you additional money. You can put it into the house to fix it up. She did that. She was, I think, at the time paying about \$700 a month. She did the fixing up of the house, but with the collapse in the value of the homes, by the time it was done, her house was worth less than what it would have been worth with the addition of the money she put in it.

She found herself also facing a rise in mortgage payments to the point where her mortgage had doubled. Now it is \$1,300 a month. She originally had two jobs, and she told the mortgage company she was going to get rid of one to go to school. "No problem." They were not being very honest with her. She had a problem. She started taking in renters, working additional shifts—a lot of problems.

In the end, one of the things she had to do was to tap into—because she had a good job; she had been working—her retirement income. The problem is, when you use your retirement savings, you get hit hard with a 10-percent early withdrawal tax penalty in addition to ordinary taxes.

Last month, USA Today ran a piece entitled: "401(K)s Tapped to Save

Homes." This article talks about how Americans are "getting slammed with taxes and penalties" as they try to keep their homes.

So I hope my colleagues will work with me on this concept based on my HOME Act that would allow homeowners who have fallen behind on their mortgages penalty-free access to their retirement savings as well as tax-free savings so long as the withdrawals are paid back within 3 years.

So you can put the money back, but you avoid the very significant penalty. This is not a silver bullet that solves all the problems, but there are a lot of folks who have worked hard over the years who have found themselves, similar to Ms. Ross, in deep trouble, who are forced to tap into retirement savings and then are penalized on top of that. That does not make sense. We should not penalize people for trying to keep a roof over their heads and wanting to remain part of the community they have called home.

I am optimistic we will make the most of this opportunity before us to stabilize the housing market and prevent further damage to our economy and our communities. People such as Terri Ross and the Enters are counting on us to work together to do so.

In the end, I believe our recently passed economic stimulus package and our current efforts to pass bipartisan housing legislation will help to bring brighter and better times.

These are difficult times. Folks are hurting out there. They are worried about the price of gas at the pump. They fill their car up paying with a credit card, and they wonder which will get filled up first, their tank or their credit limit. They are worried about the rising cost of fuel. Many of them got into these adjustable rate mortgages. Some of them have what we call NINJA mortgages—no income, no jobs or assets. Now the interest rate goes up, the mortgage payment goes up, and they are left in a home with less value, and they are out of a home.

We have a lot of work to do. I am pleased to be here today, after listening to the majority leader reflect that a consensus has been arrived at, that there has been agreement between the chairman and ranking member of the Banking Committee to bring forth a proposal to this body that will allow us to move forward on addressing one of the major concerns facing the people of this country, and that is the terrible housing crisis that is undermining our economy and, more importantly, is hurting people—individual moms and dads and others. We have an obligation to step forward in the right way, in a responsible way, and I am looking forward to being a part of that discussion this afternoon.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Ms. STABENOW. Mr. President, I come to the floor today to talk about what is happening in the housing crisis, which I know we are all extremely concerned about, and to talk about what is happening to families across the country. We are in a crisis in America.

Few States are being hurt as much as my State of Michigan, which currently rates sixth in the Nation in mortgage foreclosures. Families are seeing their life's dream—their home—being lost as a result of the crisis. Last year, over 87,000 households were in foreclosure—87,000 families faced with the loss of their piece of the American dream.

Every day we delay passing legislation, thousands more families lose their homes and are stripped of their American dream, their home. I thank Senator REID, our leader, and Senator MCCONNELL, the Republican leader, for coming together for the leadership of our colleagues on both sides of the aisle to forge an agreement, because it is absolutely critical that we come together and take action as soon as possible.

I know that right now we are seeing the final stages of putting together a substitute amendment. I know it is our majority leader's position to move this legislation as quickly as possible.

This year alone, over 20,000 households, 20,000 families, are in foreclosure in Michigan. This crisis is only going to get worse, which is why we have to act now. We are hearing about the broader ramifications—first starting with subprime loans, and then to larger home loans, and now to the larger financial markets, where there is no certainty, and capital is drying up so that entrepreneurs who want to start a small business may not be able to do so.

The young person getting ready to go to college who is looking to get a student loan might not be able to do so. There are broad implications because the way the financial markets are intertwined right now has created a situation where it is imperative we act. We have to go to the heart, to the central piece that has started all of this, which is to address what is happening as it relates to home ownership and financing.

It has become clear, unfortunately, because of many hearings that have been held and criminal investigations that have been launched on the issue of subprime lending that we have seen manipulative practices and tactics as a part of this problem—not the whole problem but certainly a very important part of it.

It has become clear a considerable number of mortgage brokers targeted subprime loan products to minority borrowers, folks who are out doing a

sales job, making something sound a whole lot better than it is, such a good deal, when maybe you have a senior who needs a home repair, a roof done, a new furnace, or a young family trying to get into that first home and they were told things that were not true and, in some cases, were sold a bill of goods.

On top of that, many of these borrowers, many of these families, would have qualified for a prime mortgage with better terms.

We are only beginning to see the effects of this crisis and the results of this kind of targeting. Foreclosures have already led to the loss of property values throughout entire communities in Michigan. It may be that only one home in a neighborhood has a foreclosure sign in front of it, but what happens to the values of the houses on either side, the house across the street, the house in the next block? This is impacting whole communities. The result is a credit crisis that is making safe, affordable mortgages less available for aspiring homeowners, putting the American dream further at risk.

Families across Michigan are struggling. Families across the Nation are struggling. We know that for most people, it is getting that home. It is going from a renter to a homeowner, to tucking away that equity in the home that brings someone the opportunity to be a part of middle-class America. We know that home equity has paid for young people to be able to go to college and for future dreams of those families. That equity, that value of that home, in too many cases is slipping away.

That is why I am proud to be part of a majority in Congress that has already acted on a couple of key points. Last December, we acted to pass my legislation that would make sure at least, as people are filling out their taxes before April 15 of this year, they would not be penalized with additional taxes if they lost their home or had to lose money on a refinancing. We passed together—and I am very appreciative of the fact that we were able to do this—and President Bush signed the bill that would basically indicate, as an example, if you have a \$100,000 mortgage and you are in a situation where you have to sell for \$80,000 or there is a foreclosure and a resale of \$80,000, that you do not pay taxes on that \$20,000 difference that is forgiven by the bank, for instance. That does not count as income toward you. What we have done is eliminate the added insult to injury. You lose your home and then you get another tax bill. We acted last December to make sure that would not happen, and I am very pleased to have led that effort.

We also passed provisions in the economic stimulus package, as well as increasing FHA's ability to help families facing foreclosure. We know we are in the very final steps of having a conference committee report done, and this is a very important part of what needs to happen.

We also know that is not enough. There is much more to be done, not only to directly help families and communities, but to create certainty within the marketplace so that lenders who are operating under the rules are regulated, so our traditional lenders feel confident to once again lend to others, to each other, to be able to continue our economy moving forward. That is why I am very proud of, again, Senator REID, our leadership, Senator DODD, Senator BAUCUS, and others who put together the Foreclosure Prevention Act of 2008 to help over 1 million people stay in their homes and accomplish three important goals that I hope will be included as we come to a larger agreement with colleagues across the aisle so we have an approach that can pass with strong bipartisan support.

We have brought to the floor of the Senate and have asked for action—we asked 3 weeks ago for action and we are now back hopefully to the point where we can get action on issues such as keeping families in their homes by increasing the preforeclosure counseling funds so people can get help figuring out the maze. Because of the financial structuring, you can get a mortgage and you can go back and those folks don't own the mortgage. In fact, they are packaged together, securitized, sold in the marketplace, maybe even divided up. Maybe you don't have one entity that owns your mortgage but maybe two or three. It is an extremely complicated question. So being able to help people get through that situation with preforeclosure counseling is very important.

Allowing State housing agencies to issue \$10 billion more in refinancing bonds has been a part of our package and I hope will be in the final package; also, allowing homeowners in bankruptcy to modify their mortgages. We also include in our plan the ability to help communities harmed by foreclosures by allowing them to use community development block grant funds, very important funds to support local communities to purchase and rehabilitate foreclosed properties therefore, enabling struggling communities to focus on their properties.

We also have focused on businesses—homebuilders and others—that at this point need assistance through the Tax Code to apply excess net operating losses to prior years that were profitable to allow them to manage the excess in inventory and be able to move forward and be profitable.

Our plan also includes help for families to avoid foreclosures in the future by requiring mortgage documents be simplified.

These are important steps that will help millions of hard-working Americans and address the most important issue causing our economic problems, which is the issue related to housing and financing.

I urge colleagues to come together to act as quickly as possible as final plans for a bipartisan bill are being put forward.

I would be remiss if I did not also speak to one other piece of this, particularly for a State such as Michigan. For us, it has not been the high values on homes or even the financial mechanism of adjustable rate mortgage arms and so on. For us in Michigan, our main cause of this problem relates to the fact that people are losing their jobs. It is unemployment, people losing their jobs or finding themselves in a situation where their income is cut in half from \$28 an hour now at \$14 an hour. The mortgage has not changed. The cost of food has not changed. In fact, it has gone up. Gasoline costs have gone up. Everything is going up, but wages are going down if they exist at all.

In Michigan, these are not families who were flipping their houses or speculating on real estate. These are hard-working men and women who played by the rules all their life, patriotic Americans who have been devastated by the current economic downturn, devastated by policies that have allowed us to export jobs rather than products, which is what we need to be doing.

In Michigan, we have been in recession for quite some time now. Middle-class families are losing everything in terms of jobs, homes, so on. Although I have to say, we are tough in Michigan and resilient and working hard to bring new opportunities and new industries to Michigan, but it has been very challenging for us at a time when since 2001, since this administration came into power, we have lost over 3 million manufacturing jobs in this country. It is hard to believe. These are the jobs that created middle-class America, good wage, good health care, good pensions, good way of life, good standard of living. We have been at the forefront, unfortunately, in a global economy where we are not enforcing our trade laws adequately, where we are not addressing health care costs in a way that makes sure everyone is covered but does not cause us to have health care costs going through the roof.

By not addressing those issues—even though I have to say I am very proud to be part of a caucus that has tried at every effort, tried in every form we can to address those issues, but despite that, we have not seen what needs to be done in this country to create a level playing field, to create a race to the top so other countries are coming to us. Instead, we see pressure for a race to the bottom.

In Michigan, families are seeing, unfortunately, their American dream turn into an American nightmare because of lack of action on those issues that relate to fighting for middle-class America in this country and to keep middle-class America in this country.

I do not want to lose sight of these families. The housing bills in front of us are very important to help families, but I hope that in the not too distant future we will do something else that is

incredibly important to help these families keep making the mortgage payments, and that is to extend unemployment benefits. In every other time of economic downturn, a recession, this Congress has responded, whether it be a Democratic President or Republican President, to extend the benefits to those hard-working Americans who have lost their jobs through no fault of their own so they can continue to put food on the table, to pay the mortgage, keep a roof over their head while they work very hard to find another job.

No one gets rich on unemployment compensation. People are getting on average 40 cents on every dollar earned. Nobody is operating without an extreme struggle even on unemployment compensation. But we know it is the right thing to do, the moral thing to do for families.

We have been told that one of the two things that have the most economic stimulus is extending unemployment compensation. Why? Because if you are unemployed, you are not deciding: Gosh, do I save that money coming in or do I spend it? You have to spend it. You have to spend it to keep a flow for your family. So we know it has a tremendous economic stimulus effect.

The other point that is so critical—and I want to give tremendous credit to our Presiding Officer, the great Senator from Iowa, the chairman of the Agriculture Committee, for his incredible commitment to extending and strengthening the food programs in this country—food stamps, nutrition, school nutrition. But as he has said so eloquently on so many occasions, increasing the dollars for food stamps immediately goes into economic stimulus because when you receive that help, you are going right to the grocery store and you are buying the food your family needs. There is something wrong in this country when the best we can do at the moment is \$1 per person per meal. I thank the Presiding Officer for his efforts. This is one of the key things we can do to help families.

In Michigan right now, we not only have an unemployment rate that is the highest in the Nation, 7.2 percent, but we also have one out of eight people on food stamps. These are folks who never thought in their life they would need help, never dreamed they would need help and now find themselves in a situation.

We have heard a lot over the last months from the administration that things are not as bad as we think, that the underlying economics are fine, although that has changed in the last 3 weeks. But we keep hearing that there is not enough evidence to show that we need to increase unemployment compensation or help people put food on their tables. But we also know that every economic indicator says exactly the opposite. And we are now hearing from the Bureau of Labor Statistics and Goldman Sachs that by the beginning of next year, which is coming faster than we would like, in January of

next year, the national unemployment average will be 6½ percent.

Families expect us to act and do something when this kind of evidence is available in terms of the economy. We took action in 2002 across the aisle in extending unemployment benefits, and yet I don't understand why that is not at the top of the list right now. Over 41,000 people in Michigan lost their unemployment insurance benefits in the first 3 months of this year, and millions more across the country will lose that help for their family by the end of the year. Something has to be done.

We are talking about people who were working, the middle class of this country who have lost their jobs, probably related in some way to this economy and what is happening. The job may have gone overseas, it may not, but they are in a situation where they are losing their jobs. We can not turn our backs on them.

The housing package in front of us is a critically important step, and I want to congratulate again everyone involved in coming to this point. I hope we have something we will be able to move quickly on, with a very strong bipartisan vote. Then I hope we are going to move just as quickly to those areas we know are desperately needed for families and that will have an immediate economic stimulus effect; to be able to do those things that will support the dignity of work.

The majority of Americans are not looking for a handout from anybody. They are looking for an opportunity to care for their own family and to work hard and to be able to have the American dream. They are looking to us to understand what is going on not only in Michigan but across the country and to act to support them.

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

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

Mr. VITTER. Mr. President, I also ask unanimous consent to speak as in morning business for up to 15 minutes.

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

#### HEALTH CARE REFORM

Mr. VITTER. Mr. President, I rise today to help initiate an important discussion, an important discussion about health care, the enormous need for fundamental health care reform, and an important debate about what principles we should follow, what model we should use in furthering this vital and necessary health care reform. This is a class project, if you will, and I am joined by many Members of my Republican class here in the Senate, specifically Senators BURR, COBURN, DEMINT, MARTINEZ, THUNE, CORKER, and

ISAKSON. All of us will be coming to the Senate floor and coming to other forums over the next 8 weeks to talk about this vitally important issue.

I think on some points there is near unanimous agreement among Americans, points like our health care delivery system and finance system truly are broken. Health care is not available or affordable to far too many Americans. The uninsured problem in this country is extremely worrisome, and just as worrisome, quite frankly, are the challenges some insured folks face in terms of keeping their insurance in the face of dramatically rising costs.

On these points, as I say, I think there is near unanimous agreement, and that leads us to a conclusion that virtually every American has reached: We need to act. This is a very real concern of every American family, and those of us in Congress need to come together in a spirit of bipartisanship, with open minds, and act on this crucial issue. As we do so, though, I think it is very important to lay out our choices in models—what the alternatives are. As I said, that is what I am doing with my fellow Republican classmates, laying out a particular vision of what that reform can look like, what it should look like, and what principles it should embody.

Again, I recognize and thank Senators BURR, COBURN, DEMINT, MARTINEZ, THUNE, CORKER, and ISAKSON for joining me in this effort. They will join me tomorrow at the Heritage Foundation to do a similar kickoff, to talk about this important debate, to talk about the principles we should follow and the choices we face. As I said, we will lay out, over the next 8 weeks, what we think that vision for a sounder, healthier future should be.

We are going to start that discussion by talking about guiding principles. Before you get to the specifics, before you get to proposals, before you get to bills, you need to have a sense of what you think the guiding principles for reform and positive change should be. Let me just start the discussion off by suggesting some of those core guiding principles that I share with my Republican classmates who are coming together on this issue. We believe a number of significant things.

First, we believe individuals and families should be in control. Individuals and families should own and control their own health insurance, rather than have the Government mandate something. That is perhaps the first and most basic and fundamental guiding principle.

In concert with that, we believe individuals are capable of and better at choosing their own health insurance plan than Government bureaucrats or insurance bureaucrats. That goes hand in hand with empowering the individual and empowering families.

We believe the current cost of health care regulation makes access to health care unnecessarily expensive for everyone and lowers quality. Everyone ac-

knowledges the current high cost of health care. We believe a huge part of that is the cost of health care regulation. We believe existing Government programs can be improved and modernized and made more efficient, and that should happen. But we also believe part of that should not be dramatically expanding those programs to cover far more classes of individuals and more income levels than were originally proposed.

We believe encouraging competition in the marketplace is the key to lowering health care costs. That, again, goes hand in hand with empowering individuals and empowering families—giving them choice, not dramatically expanding the Government sector.

We believe and recognize that seniors have increasingly turned to Medicare Advantage Plans because in so many cases they offer a better value and a higher quality of care for traditional fee-for-service Medicare, so we strongly support that option—not making it mandatory but that option in terms of the future of Medicare.

Finally, we believe taxes should be as low as possible and the Tax Code should be changed to actually give more power to individuals, give more power to families in choosing and buying and owning their own health care.

That is a fundamental principle on which we outline our vision. As I said, once you acknowledge the enormity of the issue, the need for fundamental change which almost all of us do, once you lay out guiding principles, fundamental core principles which should help chart our future, then you can more fully get to the choices there are in the debate that we need to have in the Congress—in the Senate and the House—and much more broadly in the country.

Over these next 8 weeks we are going to be highlighting those choices and those differences. I think this is very important to do, particularly in a major election year, because as we lead up to the fall elections, these choices, in fact, are going to be a big part of our choices for candidates for President, for candidates for the House and for the Senate.

So over these next 8 weeks my colleagues and I will be talking about not only our guiding principles, what vision that sets out, but also the fundamental choices from which we have to choose those guiding principles, that vision, and that model, or to choose a very different Government-dominated model.

So we will be talking about some of those choices: No. 1, running health care by the Federal Government or empowering individuals through private-owned insurance, the fundamental choice that is at the center of this debate; No. 2, forcing certain types of enrollment in large national or Government programs versus expanding opportunities for individual choice; No. 3, mandating requirements which are often expensive mandates that add to

the cost of health care through health care regulation versus creating more choices and alternatives and flexibility which can both empower the individuals and lower cost; No. 4, how we deal with seniors, whether we take away their choices in Medicare Advantage and in drug plans or we keep and even expand their choices in these and other areas; finally, No. 5, raising taxes to support a Government-dominated model versus tax fairness, lowering taxes or creating tax deductions or credits which empower individuals to choose and buy and own good coverage.

Again, that is a quick preview of the next 8 weeks of our discussion and of some of the clear and quite stark, in some cases, choices we face as we have this debate.

In closing, let me say I think this is exactly the sort of discussion and debate we should have in the Senate. We should be responding to the American people's appropriate concern with the crisis we face in American health care. We do have a broken system in terms of getting health care to all Americans. Far too many Americans are uninsured. Far too many other Americans face real worries about being able to afford health care in the future.

We do not have the accessibility and the affordability we need. So we need to respond. Again, I think it is appropriate we start with guiding principles, what should be the fundamental guiding principles we use as we come up with specific proposals, specific plans, specific legislation. Then that, in turn, leads to a necessary and healthy discussion of what the real alternatives are, whether we want a system where we empower the individual and the family to choose and buy and own good coverage or whether we want a system where the role of the Government increases even further, and by definition it narrows individual and family choice.

I look forward to this debate as we lay out our ideas. This group of Senators, we are going to expand on these ideas somewhat tomorrow at the Heritage Foundation. We will be back on the Senate floor over the next 8 weeks talking about these guiding principles and these choices. We will be in many other venues in our States, in the Nation's Capital, all around the country, to promote this extremely important debate as we acknowledge we must fundamentally, dramatically reform our health care system to give all Americans accessible, affordable, high-quality health care.

The PRESIDING OFFICER (Mr. TESTER). The Senator from North Dakota.

Mr. DORGAN. Mr. President, I have often over the years reminded my colleagues of a verse of a song of Bob Wills and the Texas Playboys from the 1930s. The verse in the song from the 1930s by Bob Wills and the Texas Playboys was:

The little guy picks the cotton, but the big guy gets the money. The little bee sucks the blossom, and the big bee gets the honey.

Never is that more evident in almost every decade than it is evident today, at this point, in this decade, with what is happening in Washington, DC.

Some big economic interests get a headache, the Federal Reserve and the Government rush with a pillow and aspirin to see if they can put them to bed, help them out, give them some comfort. Sure enough, we are now told for the stability of the financial system, a big investment bank has to be bailed out. We will assume \$29 billion worth of risk for the American taxpayer, and another investment bank will be able to buy the investment bank that is failing for about \$1.2 billion. So J.P. Morgan will buy Bear Stearns, it will cost them \$1.2 billion, and the American taxpayers will offer \$29 billion as a backstop to at least what is in some cases bad commercial paper by the investment bank that was failing.

I do not come to the floor suggesting we should do nothing, and I do not even know whether what the Fed has done is the right thing. All I know is if "too big to fail" really means too big to fail, not just for banks but for investment banks that are unregulated, or for hedge funds that are unregulated, if they are then "too big to fail" how about having some regulators look over their shoulder to see what they are doing.

If the American taxpayer is going to have to bail out their mistakes, how about let's have some regulators take a look at what is going on in some of these organizations.

Now, I want to give a little history before I talk about the bill on the Senate floor, which I support. I want to talk about a little history of where we are. I am not going to talk about the excessive speculation of the price of oil that now has the price of oil \$20 or \$30 a barrel over where it ought to be—that is, hedge funds and investment banks, an orgy of speculation in the oil futures market. I am not going to talk about that. I am not going to talk about our trade deficit that is \$2 billion a day, every single day, \$800 billion a year at this point. I am not going to talk about how much we have to borrow in budget policy. That is \$800 billion in the coming year—combined, by the way, that \$800 billion. That is \$1.6 trillion on a \$14 trillion economy in a single year. It does not take a genius to take a look at this country and see that this administration's fiscal policy and trade policy is way off track and dangerous to this country.

But I am going to talk about the subprime loan scandal and about the decision that we are not going to regulate anything. Now I know regulation is a four-letter word to some. But let me describe what the new head of the Securities and Exchange Commission said in 2001 when he came in. He announced that it was going to be a new day at this Federal agency, at the SEC. It was going to be "a business-friendly place."

So we have regulatory agencies that are supposed to be wearing striped shirts. They are the referees. They announce: Look, it is a different day. It is going to be business friendly around here.

Well, it sure was business friendly. And look at what is going to happen to the American taxpayer as a result of what was going on. I want to recite a few things of what has happened. We are talking about legislation that results from the subprime loan scandal.

Most people would not know a subprime loan from any other term. I mean, that sounds like foreign language, subprime loan. All of a sudden now it is in our lexicon. We understand it is a scandal.

Let me describe part of what it is. Home ownership is part of the American dream. I mean it is what people aspire to become, homeowners. And we understand, and we have also understood, people cannot lay out the cash for the home they want to buy. As a result, we have had a home mortgage system in this country. It has worked pretty well.

It used to be kind of a sleepy industry, kind of quiet. It was an industry where when you needed to buy a home, you needed to borrow money because you did not have the cash for it, so you went to a savings and loan, a lending institution. You sat across from someone who was wearing a gray suit and a nice white shirt and maybe a red tie. They were very understated. They knew their stuff.

They said: Look, let's figure out whether you can afford this home. Tell us what your income is. We will go through all of the numbers and see if you can afford this home. They were very careful on both sides to determine is this a home you should buy. Then they got the mortgage and put them in the home. They made monthly payments and realized the American dream.

The reason the housing industry and home ownership is so important, is that it is a barometer of this country's economic health. It is about employment, it is about putting people to work, not just building the homes but building the refrigerators and the heaters and the carpet and all the things that go into those homes as well.

Now, for many decades the home mortgage industry had a lot of good people working in it. Still does. There are a lot of good people out there today who are going to sit across the desk from somebody who wants to own a home and are going to give them a home mortgage, and they are going to abide by all of the rules. They are going to make sure the person can afford that home. There are some good people working in this industry. No question about it.

Then there are some real shysters, some real carnival barkers. I want to talk a little bit about them. Now, this industry has spawned a new breed of people in addition to the good ones I



have talked about. This was a sleepy, time-honored activity to write mortgages. All of a sudden it is like a Roman candle. Someone put some powder in it, and, boy, it has been a go-go industry.

The problem is, as I described the regulator in 2001 who took office and said: It is going to be more business friendly around here, the problem is it was too business friendly. No one was watching.

Oh, we all watched in the morning when we brushed our teeth. If you had a little television set in the bathroom as you were brushing your teeth you would see the commercial come on the television.

It would say this—this is a real one, by the way. Zoom Credit—I do not know this company, but here is what they said: Credit approval is just seconds away. Get on the fast track at Zoom Credit. At the speed of light, Zoom Credit will preapprove you for a car loan, a home loan, a credit card. Even if your credit is in the tank, Zoom Credit is like money in the bank. Zoom Credit specializes in credit repair and debt consolidation too. Bankruptcy, slow credit, no credit—who cares. Come to Zoom Credit.

What an unbelievable business plan. Well, this would have to work in a business-friendly administration because if anybody was watching, they would say: What are you thinking about? What are you doing? That is not a business plan. That sounds like the front end of a sideshow in a carnival.

Well, Millennia Mortgage, here is what they said as you are brushing your teeth watching a little television in the morning. Here is the advertisement: 12 months, no mortgage payment. That's right. We will give you the money to make your first 12 months' payments if you call in the next 7 days. We pay it for you. Our loan program may reduce your current monthly payments by 50 percent and allow you no payments for the first 12 months.

Now, what they did not tell those folks is what you do not pay goes on the back end of the loan. It is going to cost you much more later. By the way, this reduction of 50 percent, that is a front-end teaser rate. When it resets in 3 years, you are not going to be able to pay your mortgage. I am sorry, you are not going to be able to pay it. They did not say that.

Then the largest mortgage broker in the country, Countrywide, Countrywide Financial—by the way, they went broke. Bank of America is buying Countrywide. And now some Countrywide executives are starting a new business, a new corporation, just announced in the Wall Street Journal last week, to buy distressed mortgages and resell them for a profit.

From the executives of this company, Countrywide, the largest mortgage broker said: Do you have less than perfect credit? Do you have late mortgage payments? Have you been denied by other lenders? Call us.

That is unbelievable. Now, let me tell you a little bit about Countrywide Mortgage. I do not really know them either except I have read the newspapers and read the reports.

Mr. Mozilo was the CEO of Countrywide. And in 2005, a couple of years ago, Countrywide Financial was named to Fortune magazine's prestigious Company of the Year Honor Roll. Company of the Year Honor Roll.

Mr. Mozilo, the CEO, received the Horatio Alger Award, and Barron's magazine named him as one of the world's 30 most respected chief executives. In 2006, Mr. Mozilo earned \$142 million and was celebrated as the growth executive taking this high-flying mortgage lender into new heights.

Even as he was touting his company's success, he was selling \$138 billion worth of his company's stock from August 2006 to 2007. He sold \$248 million in stock, according to the Associated Press.

Most people don't know what this kind of carnival atmosphere was about. It gets to something I wished to talk about with respect to the legislation. Some people say: If you had a mortgage and couldn't pay for it, that is your fault. That is the victim's fault.

I understand. I believe those who have been victimized have some responsibility. But I wish to tell you about what happened. We had a new breed of mortgage brokers cold calling people who lived in their homes and had a mortgage, predatory lending with high-pressure tactics, calling them on the phone and saying: I have a better mortgage for you. You can cut your monthly house payment in half.

What they didn't tell them was this new teaser rate was going to reset at an unbelievably higher rate later, and they would have prepayment penalties in this mortgage so they couldn't get out of them. They didn't disclose that. They didn't disclose there were also going to be escrow payments on top of that. So a lot of people got duped by these carnival barkers portraying themselves as brokers to put them in a new mortgage they couldn't possibly afford. It is called subprime.

We now understand, from statistics I have seen, that 60 percent of the people who got subprime mortgages actually would have qualified for regular mortgages at much better and more desirable rates. But they were stuck in subprime. Do you think they are not victims? Let me say again, 60 percent of the people put in subprime loans shouldn't have been there. They should have gotten regular mortgages. But if you put somebody in a million dollar mortgage in subprime with a prepayment penalty and a teaser rate, a broker could get up to \$25 or \$30,000 in a front-end bonus for writing that mortgage. That is what was happening.

The techniques were almost unbelievable. The mortgages were not like the old days where you just go get a mortgage. Here is what Countrywide and others did. Through financial engineer-

ing, they sliced and diced a lot of new things. They said: We are going to offer something new. These are called affordability loans, adjustable rate mortgages, interest rate only loans, reduced documentation or no-doc loans. Interest-only loans, with those loans the borrower was told: You don't have to pay any principal at all. You just pay the interest. The principal, of course, goes back on the back side at a much higher rate. Then they were told there is a pay option, the adjustable rate mortgage, which allowed the borrower to pay only a portion of the interest and none of the principal. So you could pay only a portion of the interest, not even the full interest, none of the principal. Then, if you decided you would select the no doc, you had an option of not documenting all your income. You didn't have to have full documentation of the ability to pay. For that you paid a little higher rate, but you actually get a mortgage that said: You don't have to pay all your interest; you don't have to pay any principal; and you can decide that you want to get a no-documentation loan.

Does this sound like good business? It doesn't to me. Why were they offered that? High rates, high yields? Because if you package this up, if you can convince somebody through a cold call to dump their current mortgage, take a new mortgage with a teaser rate, and then you put these all together in a big old basket, mix them up like you mix sausage with hamburger, this is akin to putting sawdust in sausage, as they used to do in the old days as a filler, you put sawdust in sausage, what these financial engineers did and the mortgage banks and the hedge funds, they securitized it all. As they put these subprimes in with the other mortgages, then they would slice them up and dice them and resell them. They had a pretty decent rate on them. So this is all about profit and greed. If you have one of these securities that is backed by these new mortgages, it paid a higher rate.

That is a good thing; right? Hedge funds are buying it. Investment banks are buying it. They are all up to their necks wallowing in the corncrib similar to a bunch of hogs making a lot of money. I described yesterday how much money the executives at Bear Stearns made in bonuses in 5 years leading up to last year; hundreds and hundreds of millions of dollars for the top three guys. They have the money, JPMorgan and their investment bank, and the American taxpayer is on the hook for \$29 billion worth of risk.

I don't wish to come and talk about the bill on the floor without understanding how we got here. It goes back to Harvey Pitt and what he said when this administration made him the head of the SEC. He said: This is going to be a more business-friendly place. I guess it was. I sure guess it was. Now, 7 years later, we have a Secretary of the Treasury prancing around town saying this is not a regulatory problem. This is not about a lack of regulation.

That is exactly what it is about. If you don't understand that, I am sorry, you need glasses. That is exactly what this is about.

Who sat around on their hands and allowed predatory lending to take place? Who sat around and watched these brokers make massive amounts of money? Watched Countrywide run up these mortgages where you don't have to pay all the interest, don't have to pay any of the principal? Who sat by and watched that happen? Does anybody think there are not victims out there? Of course, there are. But does anybody think there aren't a lot of winners? You bet your life there are a lot of winners. They made a massive amount of money, and now the American taxpayer is being told: You are going to have to provide the backstop because these companies are too big to fail.

If investment banks and hedge funds and others that were wallowing in this cornerrib grunting and shoving, if they were too big to fail, then, in my judgment, they have a responsibility to accept regulatory standards by those in the Federal Government who are responsible to make sure the American taxpayer is protected.

I have been on this floor now for 4 years or so talking about the need to regulate hedge funds. Hedge funds are only about a \$1.2 to \$1.5 trillion value. But they are responsible for one-half of all the trades on the New York Stock Exchange every day. Think about that. Think of the impact they have. We are now securitizing everything. All these financial engineers are creating all this dark money that is not transparent to anybody, moving back and forth. They are all making money. Mr. Mozilo, head of Countrywide, made a massive amount of money, hundreds of millions of dollars, was feted as a genius. I noticed the other day he and the No. 2 person at Countrywide, as a result of this acquisition, the two of them get \$19 million as a part of the acquisition by Bank of America.

So is it a case where the good bee sucks the blossom and the big bee gets the honey? It looks that way to me. The good little guy picks the cotton; the big guy gets the money. The question is, What do we do?

This administration, for 7 years now, has said: We don't need to regulate. We don't need to look over anybody's shoulder.

You would have thought we would have learned that with Enron. I chaired the hearings where Ken Lay came to the Senate and took the fifth amendment in front of the Commerce Committee. I chaired those hearings. I would have thought perhaps we would have learned something, that the administration would have learned something about the need for effective regulation. With Enron, the top folks got rich as well. They made a lot of money. Guess what. All the rest of the families who invested in that stock at the advice of the chairman who was dumping

his at the same time, all those families ended up with nothing. You would have thought we would have learned something.

Let's learn something from this. The legislation on the floor today is a piece of legislation I strongly support. It is not all that we have to do, but at least it is a step we have to take now. I commend Senator REID and others, Senator DODD, many others who have worked on this legislation. It will not wave a wand and fix everything, but at least it begins to answer the question: If we are willing, if the Congress and the Federal Reserve Board and the administration are so anxious to promote financial stability by saying those that have been unregulated are still going to be too big to fail and the American taxpayer must ante up the money for the risk, if we are going to do that, why would we turn a blind eye to so many victims who now are losing their homes? It is estimated, in the next couple years, we will have 5 million people who will be moved out of their homes. I am talking about 5 million. All those families are going to come home someday and find out: We can't live here anymore because we are being evicted. The question is, Can we help some of them?

One of my concerns has been, I don't want the American taxpayer to be required to help somebody who saw this big old housing bubble begin to develop and decided, I am going to ride the top of that bubble. I want to invest in some things and flip it every 6 months, make a bunch of money. It is not in my interest to say the American taxpayer should finance that speculation. If they made those judgments and were wrong, I am sorry, that is a penalty they have to pay. But those folks who live in their residence and were victims of predatory lending, those folks who got bad mortgages, whose terms were not disclosed—and we have had testimony before the Commerce Committee about this, that the materials given to some of the homeowners never even disclosed what the reset interest would be, at least in language that could be understood by the average homeowner, did not even disclose there was going to be an escrow payment on top so, when the reset occurs in 3 years, you go from a mortgage payment you can easily handle to a mortgage payment there isn't anyway you could make, that family then is out of luck. I think for purposes of stability and for purposes of fairness we ought to reach out and provide some assistance. That is what this piece of legislation does. As I indicated, the legislation applies only to owner-occupied primary residents. They are the only ones who would be eligible. It has five principles and those five principles are sound. Long-term affordability, we are trying to create some new equity for troubled homeowners. The new loans will be based on the family's ability to repay. That will provide some stability for sustainable home ownership. This is not an invest-

tor or lender bailout. We are not bailing out investors or lenders. What we are doing is helping those who are in the home, only owner-occupied homes. There is no windfall for borrowers. The borrowers will share their new equity and future growth appreciation equally with the FHA. It will, I think, do something to provide some stability and some confidence and some liquidity and some transparency in the credit markets, which is very important.

I have spoken longer than I intended, but I did wish to give some background to why we find ourselves in this position. We should not be here. I don't know anybody here who thinks it is smart for a company that decides it is going to advertise, if you have bad credit, if you have been bankrupt, you can't make your payment, come to us, we want to loan you money. That is a business plan? Not where I come from. Yet that is what has been going on. It has been akin to a carnival.

Now all this inept business practice comes crashing down, and guess who gets hurt. The American taxpayer and the homeowners. The question is, What can Congress do? We know what the Federal Reserve Board has done. The Federal Reserve Board has responded with cuts in their interest rates. They have a couple different interest rates that they apply, and they have been cutting those interest rates.

One of my major concerns is the Federal Reserve Board and the Secretary of the Treasury misunderstand a portion of what has caused this critical area that we are in. Yes, the subprime loan scandal was the fuse. When that fuse was lit, the explosion occurred. Yes, that is the case. But it is also the case that the electronic herd in this world, the currency traders, those who take a look at what are the fundamentals, what is the foundation of the economy of a country, they look at this country, and they see an economy that is desperately off track. They see an administration that decided long ago we are going to fight a war, and we will not pay for it. We intend to fight a war, and we will send the soldiers overseas. They can strap on ceramic body armor in the morning and be shot at in the afternoon. But we will not ask the American people to pay a penny for it. Two-thirds of a trillion have been added on top of the debt by this President, all of it requested as emergency funding. Two-thirds of a trillion, and we are told as of yesterday he is going to ask for another \$100 billion. We are going to have to borrow in budget policy \$800 billion in this coming year.

On top of that, we have the highest trade deficit in the history of the country. I have written a book about that issue. It is the highest trade deficit; \$2 billion a day we import more than we export. Currency traders look at that. They look at the budget problem. They look at the trade problem, and they say: That doesn't add up. That can't be sustained.

Warren Buffett has always said: Every bubble is always destined to burst; the question is when. The housing bubble burst. Probably not surprising. But he has also said this fiscal policy and this trade policy is not sustainable. I use him as a quote because I have a lot of respect for Warren Buffett. He analyzes pretty well what is going on. We have a responsibility to do what is right. On fiscal policy, if we are going to spend money, we have to pay for it. If that is difficult, if it is tough to ask the American people to do that, maybe then we shouldn't spend it. If it is important to spend it, then maybe we have a responsibility to say to the American people: Here is why. Here is why it is important for the future of this country.

My hope is we will pass the HOPE for Homeowners Act of 2008 as a first step—just as a first step. I think there is a lot to commend it. But there is so much more to do.

The book that McCullough wrote about John Adams was a fascinating book, going all the way back to the start of this country.

John Adams, as they were trying to put this new country together, traveled a lot. He traveled to Europe and elsewhere, representing this new set of colonies trying to put a nation together. He would write home to his wife Abigail. As McCullough has chronicled, in the letters to Abigail Adams, John Adams would lament. He would say: Where will the leadership come from to start this new country? Where will we find the leadership? Who will be the leaders? And then he would lament: There is only us—Washington, Jefferson, Franklin, Madison, me. Well, in the rearview mirror of history, the “only us” represented some of the greatest human talent gathered on this planet.

But I think every generation of Americans has a right to ask and an incentive to ask the same question: Where is the leadership? Who will be the leaders to steer this country and put this country on track for the future? That is an important question now.

We answer a question with a piece of legislation today. I hope we will move to this and move rather quickly to pass this legislation. But it is just a portion of the question the American people have a right to ask: Where will the leadership come from? Who will be the leaders to put this country back on track?

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

The PRESIDING OFFICER (Mrs. MCCASKILL). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Ms. KLOBUCHAR. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Ms. KLOBUCHAR. Madam President, I come to the floor this afternoon to

talk about the housing market crisis. I am grateful for the bipartisan work of Majority Leader REID, Republican Leader MCCONNELL, and Senators DODD and SHELBY. I am hopeful that we can finally pass legislation that gives our neighborhoods and middle-class families solutions to address the subprime and foreclosure crisis that has already been affecting the economy not only in my State but across the country.

For the past year and a half, we have been hearing all about this subprime mortgage crisis. I think many people not facing foreclosure—and that is most of us—have had this view: It doesn't affect me. I pay my mortgage. I don't have a subprime or adjustable rate mortgage, and I am dealing with a responsible mortgage lender.

The truth is that none of us can escape the impact any longer. The housing crisis is now affecting every homeowner in the country and every would-be homeowner. It is dragging down our entire overall economy. It is not just in the urban areas. In our State, the foreclosure rate has doubled in the rural areas and, in fact, the two counties with the highest foreclosure rates are suburban counties bordering a rural area.

I am a member of the Joint Economic Committee, and just this morning Federal Reserve Chairman Ben Bernanke testified before our committee about the state of the economy, the state of housing, about our financial markets, and about what happened with Bear Stearns. He testified this morning that the housing market is at the root of our housing crisis, and until Congress addresses this crisis, our economy will not be on sure footing.

In January, with record speed, Congress enacted an immediate and temporary fiscal stimulus package. Americans will start getting their checks in just a few weeks. We have to have solutions in this country to our economic troubles that go far beyond the day that these rebate checks are sent. I believe we have to have a long-term energy plan, and we need to put into place a health care plan that makes health care more affordable and more fiscally responsible.

Since then, it has become very clear that this stimulus package will not be enough to address the deep-seated problems that have been developing over several years in our housing and financial markets.

Home ownership has always been considered a basic part of the American dream. But in the last few years, the “dream” has changed in ways that our parents would not even recognize.

A decade ago, just 5 percent of mortgage loan originations were subprime—meaning that they were made to borrowers who would not qualify for regular mortgages. By 2005, it was 20 percent of the mortgages that were subprime. This opened the dream of home ownership to millions of people but also greatly increased the risk to our system. In Minnesota, in 2000, there

were 8,347 subprime mortgages issued. By 2005, it had increased more than fivefold to more than 47,000 subprime mortgages.

In addition, adjustable rate mortgages now make up a much larger share of the market than they did 10 years ago. Many people took out these loans during a period of low interest rates. But when interest rates went up, their mortgage payments adjusted upward and they found they were unable to make their monthly payments. We met some of these people in Minnesota, people who had looked for a mortgage and, because home values were so high, got a subprime mortgage, understood that the rate would go up but were under the misimpression that, in fact, there was a cap or that it would go up a few hundred dollars, and they saw, in fact, in some cases a doubling of their mortgage payments. As a result, we have had a wave of home foreclosures that started in 2006 and continues today. During 2007, nearly 1.3 million homes became subject to foreclosure—a huge increase from 2005.

What started as a foreclosure crisis is now having ripple effects—or more like a tsunami wave—across the entire economy. It is no longer just a foreclosure crisis. It is a housing market crisis, it is a credit crisis, and it is an economic crisis. It affects everyone who wants to borrow money, whether it is for a house, a car, a college education, or a small business. It affects you even if you make your mortgage payment on time every month and even if you have already paid off your mortgage.

The rise in delinquencies and foreclosures—coupled with the credit squeeze that has made it harder for many buyers to obtain a mortgage—has resulted in an excess of houses on the market, and that has, in turn, depressed home prices. Just last week, a report showed that home prices in the Twin Cities of Minnesota have fallen by nearly 11 percent in the last year—one of the sharpest drops in the country.

Last fall, the Joint Economic Committee issued a report on the housing crisis and its impact on the broader economy. The findings are troubling. The report estimates that, by 2009, 2 million foreclosures will occur; \$71 billion in housing wealth will be directly destroyed because a foreclosure reduces the value of the house and the value of the homes around it; another \$32 billion in housing wealth for other homeowners will be destroyed because each foreclosure brings down the price of houses generally. The most poignant example of this would be a year or so ago in some of our urban neighborhoods where you started seeing foreclosures, and you would see a sign and people may not want to move into those neighborhoods. Now we are seeing it statewide, and we are seeing the effect it has on reducing home values in general. State and local governments will lose more than \$917 billion

in property tax revenue because of lower home values.

By one estimate, 10 percent of all homeowners—or 8.8 million people—have a mortgage that is at least as much or more than their home is currently worth; that is, 10 percent of all homeowners have a mortgage that is worth at least as much or more than their home is currently worth. If home values were to fall 20 percent from their peak, even more—13.3 million—would be living in homes worth less than their mortgages. For the first time since the Federal Reserve started tracking the data in 1945, the amount of debt tied up in American homes now exceeds the equity that homeowners have built up—with home equity slipping below 48 percent in the fourth quarter of 2007.

But you don't have to read a congressional report or go to our hearing and sit through the testimony to see how this ripple effect is touching everyday consumers. Last Tuesday, the Conference Board, a business research group, reported that consumer confidence fell to the lowest level in 5 years—just before the Iraq invasion. In the past couple of weeks, many Minnesotans just got their annual county property tax statements, and they were shocked to see that even the county values their homes at thousands of dollars less than last year.

You might think all of this would be good for first-time home buyers, that they would be a beneficiary because the amount of money and the values are going down. But many of these first-time home buyers, who may not have much credit themselves or much money in the bank, find that just as some bargains are coming on the market, the banks are raising rates and tightening their lending standards, making it harder and harder for ordinary families to qualify for a loan.

We don't have to sit on the sidelines and watch as this housing crisis eats away at our finances and paralyzes our economy. We need to take steps to help homeowners and home buyers, and we can. I hope this is done on a bipartisan basis.

I had a reporter run after me, saying: Majority Leader REID just said we are going to work together on this—Democrats and Republicans.

I said: It is true. We want to get it done.

He said: OK. Thank you.

I think people are surprised that when we have an enormous crisis like this, Congress must work together to get things done.

What do we need to do? First, we need to give first-time home buyers a fighting chance to get into the housing market—and create some demand.

I have cosponsored the First-Time Homebuyers' Tax Credit Act. Other cosponsors are DEBBIE STABENOW, JOE LIEBERMAN, and GORDON SMITH. I thank Senator STABENOW for her great leadership on this bill and this issue. In fact, before I was even in the Senate, I

called her to get some good ideas for first-time home buyers because I was hearing all over our State that because of the value of homes, it was getting harder for first-time home buyers to get a tax credit.

We have a State fair, as the Presiding Officer has in Missouri, and our booth was a home. We designed it like a house and talked about how important it was for Senator STABENOW's idea—for a first-time home buyers' tax credit.

This bipartisan legislation would create a tax credit of \$3,000 for individuals and \$6,000 for married couples, if they have qualifying incomes, to help make a downpayment on a first house. We estimate that this credit would help more than 15 million people close the deal on their first home over the next 7 years.

Second, we need to expand financing opportunities for homeowners caught in the credit squeeze.

I am hoping the Senate is able to finally pass legislation that gives State and local housing finance agencies the ability to issue bonds to raise money to refinance subprime mortgages that are in trouble and to expand the ability of the Federal Housing Administration to help homeowners rework their mortgages—rework that many lenders are unwilling or unable to do because of the broader economic crisis.

Third, we need to make sure the foreclosure wave doesn't catch even more consumers who got into mortgages they didn't understand and should not have signed.

I was thinking today at our hearing, when Senator KENNEDY was speaking, that we have seen broken Government across this economy because of, in fact, the decision by this administration and others not to watch what was going on, not to put the resources into things—whether it is toxic toys or tainted dog food. Well, these faulty and false and fraudulent financial offerings are a piece of this as well. By really being off the job and not watching over things and not seeing this crisis, we got to the point where we are.

Now we know where we are. We know we have to work with the financial industry, but we also have to look, as we talked about today, at changes in our regulatory agencies for more oversight, particularly changes for these financial offerings. We need to provide the resources for preforeclosure counseling so that homeowners do not get into a financial crisis in the first place.

We need to improve and simplify disclosure in mortgage documents. Anyone who signs a mortgage remembers how thick they are. Luckily, when I signed my first mortgage at home before I got married—I still remember sitting at that table trying to figure it out—I went through a good mortgage loan person and someone I trusted, and I got a regular mortgage. So many people do not understand what they are signing. They know they have a teaser rate, but they think it will only go up

a little. So why can we not have a 1- or 2-page summary that at least explains how high it can go, what the cap is, what they will be facing in their monthly payments if certain changes are made.

We also have to have some skin in the game for these lenders. They should be held to the same fiduciary duty as banks. The banks have long been advocating for this so we can make sure the homeowners are able to pay the mortgage, not just the first year but in the years down the road.

The truth is these lending documents have gotten so complicated with new gimmicks and provisions that no one can understand them and certainly not a young family just coming on the market.

We must work together if we are going to turn around the housing market and our economy. Together, we can bring some stability to our market. We can make the market work more effectively for homeowners and home buyers and put a more solid foundation under our shaky economy. This is going to take more than just looking at this housing crisis. It obviously is going to take more fiscal responsibility with Government, something I know the Presiding Officer has focused on very much, and I have. It is going to take talking about how we pay for things. It is going to take better regulation of these financial markets.

As Chairman Bernanke said today, in fact, this subprime crisis is at the root of the problem, and that is what we need to focus on this week. Home ownership is at the center of the American dream.

In the last couple of years, it has become a nightmare, or at least a troubled dream for way too many middle-class families. We cannot sit idly by or, worse, become paralyzed by the size of the problem. It is now time to act.

I yield the floor, and 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. ALEXANDER. Madam President, I ask unanimous consent the order for the quorum call be rescinded.

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

Mr. ALEXANDER. I ask unanimous consent to speak as in morning business.

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

#### GRADUATION RATES

Mr. ALEXANDER. Madam President, there is much talk about change. I know one opportunity for real change that would affect nearly 7,000 young Americans every schoolday—5 students every minute. Gang violence? Drugs? No, neither of those. This is less flashy, but as serious. It is the persistently high number of high school dropouts.

Twenty-five years ago, the landmark Federal report "A Nation at Risk" said:

If an unfriendly foreign power had attempted to impose on America the mediocre educational performance that exists today, we might well have viewed it as an act of war.

In response the Nation's Governors and President George H.W. Bush set national goals, one of which was that the graduation rate would rise to at least 90 percent by the year 2000. According to the National Center for Education Statistics, the national graduation rate was only 68 percent in 2006.

There has been plenty of effort and some gains. Fourth graders nationwide recently scored higher than ever in reading, while both fourth and eighth grade students achieved record high math scores. Yet in 2006, among minority students, only 58 percent of Hispanic and 53 percent of African-American students graduate with a regular diploma, compared to 76 percent of White students and 80 percent of Asian Americans.

When students drop out they lose, employers lose, society loses, and democracy suffers. These students are more likely to go to prison, to rely on public programs and to go without health insurance. The Alliance for Excellent Education estimates that dropouts from the class of 2006-2007 alone will cost our Nation more than \$329 billion in lost wages, taxes, and productivity over their lifetimes.

A recent landmark report by the National Academies of Science and Engineering called "Rising Above the Gathering Storm," warns that Americans may be losing the brainpower advantage that has permitted us year in and year out to produce about 30 percent of the world's wealth for just 5 percent of the world's people, those of us who live in the United States of America. China, India, and other countries know that better schools, better colleges, and research mean better jobs and are determined to catch up.

In response, Congress enacted the America COMPETES Act of 2007 to increase funding for science agencies, training for more math and science teachers and supporting more research. States are remodeling high schools, such as North Carolina's work with the Gates Foundation to create an academically rigorous curriculum. Mayors, like Nashville's Karl Dean, are holding dropout prevention summits.

Also pitching in is America's Promise—the movement founded by Alma and Colin Powell and supported by four U.S. Presidents. Instead of relying on Washington wisdom, America's Promise will organize 100 community summits to find ways to change low graduation rates.

After 30 years of fighting for and watching education reform, I wave one yellow flag of caution: Let's hope the talk at these summits will not be stuck in the same old educational ruts, but instead will be open to real change—such as offering high school juniors and seniors more options to enroll in college courses, giving low income stu-

dents more of the same choices of so-called good schools that wealthy kids already have; giving all students more choices so they fit their school; measuring good teaching and finding fair ways to pay the best teachers a lot more; turning high schools as we now know them inside out so that they actually attract students; finding more ways to connect work and school so young people know the real world; and pushing standards higher so American graduates can compete in the world marketplace—and, yes, putting money behind real changes when they earn it.

These are the real, hard changes that will help more of our youngsters realize America's promise.

I yield the floor and I suggest the absence of a quorum.

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

The assistant legislative clerk proceeded to call the roll.

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

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

The Senator from Ohio is recognized.

Mr. BROWN. Thank you, Mr. President.

#### CHINA HUMAN RIGHTS VIOLATIONS

Mr. President, in a little more than 4 months, the world will witness one of its great quadrennial events: the Summer Olympic Games.

The games have been billed as a way for China to reintroduce itself to the international community. China has done everything, virtually, to prepare. It has pulled out all the stops: \$38 billion in infrastructure improvements, including a brand new 91,000-seat stadium, 300 miles of new roads, and an entirely new terminal at Beijing's international airport—all done for the Olympic Games.

What China will not be highlighting is its human rights record. That is because its human rights record is abysmal. Last year, Amnesty International, the nonpartisan, nonaligned, highly respected international group that monitors human rights, said of China that:

An increased number of journalists . . . were harassed, detained, and jailed. Thousands of people who pursued their faith outside officially sanctioned churches were subjected to harassment and many to detention and imprisonment. Thousands of people were sentenced to death or executed. Migrants from rural areas were deprived of basic rights.

The report went on to say:

Severe repression of the Uyghur people in the Xinjiang Uyghur Autonomous Region continued, and freedom of expression and religion continued to be severely restricted in Tibet and among Tibetans everywhere.

Acts of repression include indiscriminate use of the death penalty, torture, kangaroo courts, arbitrary detention, and the policy of cultural, religious, and linguistic eradication.

Beijing will continue to attempt to paint its repressive regime in the best light possible, as we have seen them

try to do in the last month with the unnerving tragic events in Tibet.

Our Nation must not implicitly condone human rights abuses by ignoring them. Our Nation must not implicitly condone religious persecution by minimizing it. Our Nation must not implicitly condone economic exploitation by perpetuating it.

The repression in Tibet is, unfortunately, nothing new. For close to 60 years, Tibetans have survived under Beijing repression. The Uyghur people in the Xinjiang Uyghur Autonomous Region have been subjected to the same grueling conditions.

We must not allow the pomp and circumstance—as it comes over the broadcast networks in our country—we must not allow the pomp and circumstance of these Olympics to obscure the real China, the China that too often represses its people, the China that too often manipulates its currency—as the senior Senator from New York, the Presiding Officer, has worked on—the China that makes a mockery of its trading partners.

Communities across America feel the reverberations of this policy. We have lost more than 3 million manufacturing jobs in the United States. My State of Ohio has lost 200,000 in the last half dozen years.

Our trade deficit with China was only about \$12 billion when I first ran for the House of Representatives in 1992. Now it exceeds \$250 billion, and it hits new records almost every month.

Massive Government subsidies, slave wages, and lax worker safety and environmental laws—if they ever actually enforce them—enable Chinese manufacturers to undercut U.S. companies.

We are certainly not innocent, as U.S. companies outsource jobs, devastating American communities, with the damage they have done to places such as Tiffin and Bryan and Toledo and Lima and Marion and Mansfield. The American companies go to China and subcontract with Chinese subcontractors who do not observe any kind of wage, environmental, or worker safety laws.

By minimizing the importance of these anticompetitive tactics, our Nation is walking down a dangerous road, and by dismissing the importance of human rights violations, we are treating our own values as negotiable and arbitrary. Americans are far more resolute in our beliefs than that, and as their elected officials we should be too.

The Olympic Charter states that the goal of the Olympic Movement is to contribute to building a peaceful and better world by educating youth through sport practiced without discrimination of any kind. The Olympic Charter makes clear the goal of an Olympic spirit which requires mutual understanding with a spirit of friendship, solidarity, and fair play.

The charter is a good blueprint for the way leaders should treat their people and countries should treat one another. That is the underlying and fundamental purpose of the Olympics. Instead of giving China a pass during the Olympic games, we should use the games as an impetus to hold that country accountable on fair trade, on religious freedoms, on human rights.

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

The PRESIDING OFFICER [Mr. PRYOR]. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. SALAZAR. I ask unanimous consent that I be recognized for such time as I may consume as in morning business.

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

#### FARM BILL

Mr. SALAZAR. Mr. President, I come to the floor of the Senate today to talk about the farm bill for the United States of America. As the Presiding Officer knows full well, this has been a major undertaking of this Congress for the last year. Under the leadership of Senator HARKIN, this has been a major effort which actually preceded even this Congress, through the work of the last Congress, and for many of us over the last 3 years.

Our efforts to put together the best farm bill in the history of the United States came to a conclusion here on December 14, 2007, where, at about 3 o'clock that afternoon, in a vote in this Chamber, there were 79 Senators, 79 Senators who cast a "yes" vote on this farm bill. Now, not all Senators voted that day because there were seven Senators who were absent, some of them who were on the Presidential trail. When we talked to those Senators who were on the Presidential trail and those who were not here to vote on that day, we know there were 84 Senators who would have voted yes for that farm bill. That was on December 14, 2007.

December has passed, January has passed, February has passed, March has passed, April. Where are we? We are not, in my view, making the kind of progress to get us across the finish line that we have to make. So I come here today to remind us all that it is important that we finish the work on the farm bill. And, yes, I have made telephone calls to colleagues on the House side, asking them and urging them to move forward with the kind of urgency that many of us in this Chamber feel about this legislation.

I want to go back and reflect a little bit with my colleagues here on the importance of this bill. When I came to the Senate in January 2005, I gave my maiden speech on the floor of the Sen-

ate, and in that speech I spoke about the forgotten America. It was about those wide dispatches of land which have had troubling economic times, that even in those days of the 1990s when the economy was doing so well all across this country, there were those places in our Nation that somehow continued to wither on the vine.

In my own State of Colorado, a huge State with 64 counties, there are about 12 counties that I would say have done very well through the 1980s and the 1990s. Indeed, our population from 1980 to today has grown by some 2 million people so that we now have about 5 million people. But there are wide spaces in the State of Colorado, in approximately 50 of those 64 counties, where the population has been in decline, where Main Streets have been boarded up, where the economic struggle of people is particularly painful, whether it is the area of health care or in the area of education or in any of those facets of life that affect us all.

So our opportunity to shine the spotlight on rural America really comes about once every 5 years when we get to renew the farm bill and reset the policy of the Nation with respect to agriculture and rural America. This has been our time. This has been our time to do something to address this issue of what I have called the forgotten America.

When you look at this nonmetro population change by county from 2000 to 2005, you will see the great swaths of America that are outlined here in red where you see county after county, mostly in rural America, that continues to lose population. So I show this map here because I think it is important for us, to remind us that as we work here today on the housing bill, which is an important and urgent piece of legislation for the United States and for the people of America who are feeling the pain today because of the housing crisis, it is also important to remind people that there is another pain being felt across America, and that is a pain in rural America.

This next poster is a typical poster of a Main Street in the State of Colorado. This is a poster from Mariano, CO, a picture of Mariano, CO, which shows what is happening in many of our communities. I am sure that in the Presiding Officer's State of Pennsylvania, in the rural parts of Pennsylvania, we can probably find communities that look very much like this on Main Street. Perhaps even in the great State of Rhode Island there may be some towns that actually look like this. We have half of Main Street essentially boarded up. You have a few pickup trucks. That is kind of how it looks.

This is another example of much of what is happening. This is from Brush, CO, again out on the eastern plains, "for sale" signs, Main Street for sale. Rural America—rural America has a whole bunch of problems.

So when we look at the 2007—now 2008—farm bill, which will set the pol-

icy of the United States of America with respect to our farming policy for the next 5 years, I think it is important to see it as a great opportunity for us to come together, to create new opportunities for the United States of America, to move us forward with energy independence and fuel security for our country and also to make sure we have food security for America.

There are many opportunities that are set forth in this farm bill which we ought not to forget. One of those opportunities is set forth in title IX of the farm bill where, for the first time, for the first time we have included in there a robust package that will help us grow our way to energy independence. We are going to do that through harnessing the power of the wind, the power of the Sun. We are going to do it through harnessing the power of biomass, where we can create a new biofuels industry that will enhance our national security, get rid of our dependence on foreign oil, and make sure we start addressing the environmental security concerns of the people of America. That is an important provision of this legislation.

This is a picture of one of the wind farms in my State of Colorado, where wind has become a significant part of our renewable energy portfolio for our State. I am sometimes in awe of what my State of Colorado has done in a very few short years.

In 2004, there was virtually no wind generation within the State of Colorado. We were not producing any electricity or very little electricity for the consumption of the people of my State and surrounding States.

In 2004, we started this renewable energy initiative. In a very short 3 years, we now have accomplished 1,000 megawatts of power being generated by the wind farms throughout the State of Colorado—1,000 megawatts of power. That is an incredible amount of power when you consider it. That is about the equivalent of what we would be generating from three coal-fired powerplants. We have begun to do that in my State. We are starting it, actually, in other States all across this great Nation where the wind blows, whether it is in North Dakota or New Mexico or Texas.

We have a huge initiative going forward now with respect to grasping the reality of renewable energy to harness the power of the wind. It is not only major wind farms owned by companies or by utilities. In the farm bill, we said: We take the power of the wind and we ought to be able to make it available to homeowners, to farmers, and small businesses by including in title IX a small tax credit of \$4,000 for small wind turbines that produce less than 50 kW. That is a very important part of the farm bill.

In addition to harnessing the power of the wind, what we do in the farm bill is also to harness the power of our biomasses. Yes, we have done that in the past. In the 2005 Energy Policy Act, we

moved forward with quintupling the renewable fuels standard. In the 2007 Energy bill, which we passed out of the Senate, we pushed that agenda significantly higher in the 2007 farm bill.

This is an ethanol plant in my State of Colorado. Three years ago, there were no ethanol plants in my State. Biofuels had bypassed the State of Colorado. Because of the work of this Chamber, today there are four ethanol plants which are up and functioning, producing hundreds of millions of gallons of ethanol within my State. Ground has been broken on two additional ones. But even more importantly, what we have done in the Congress is we recognized that we will move beyond these ethanol plants into a whole new future of cellulosic ethanol that is required under the renewable fuels standard of the Energy Policy Act. In the farm bill, in title IX, which we have included in the farm bill itself, we have said that this next step on cellulosic ethanol has to be taken. We include major incentives for a cellulosic ethanol future for the country.

Let me say it is more than about rural America and rural development and energy, it also is about conservation of our lands across this great country. It has been said many times that farmers and ranchers are the best stewards of our land. Perhaps they are the best environmentalists we know. That comes from the reason that at the end of the day, if you do not take care of your land and you do not take care of your water, you are not going to have the wherewithal to be able to provide for yourself and your family a living in the following years. So farmers and ranchers are conservationists, and that is why in the farm bill its conservation title has a very robust movement forward in a number of our conservation programs which are so important for our country.

Here is a picture, again taken at the foothills of the great Rocky Mountains in the State of Colorado, of a project which has been founded through the Wetlands Reserve Program. Those kinds of programs are a very fundamental component of this farm bill.

But it goes beyond conservation. We also, in this farm bill, need to constantly keep reminding people that 67.7, almost 68 percent of all of the money this Senate directed to be spent on the farm bill—almost 68 percent, more than two-thirds—is supposed to be going and will go to the nutrition programs. It will provide money for food stamps, it will provide money for the kinds of fruits and vegetables programs we want in our schools. It is a very important part of the farm bill. Sometimes people say: Well, the farm bill is all about rural America, the forgotten America that I was talking about. That is not true because most of the nutritional dollars that are spent under the farm bill actually go to benefit the urban cousins we have throughout this country. So let's not forget the importance of food stamps,

the importance of the nutritional programs that are included in the schools.

Finally, from time to time there is a disaster that strikes rural America. This is the disaster which struck the eastern part of my State and the western part of Kansas just last year, with a snow blizzard that ended up killing tens of thousands of cattle out on the eastern plains.

We have not had a disaster program that has been an effective disaster program for rural America. We were able to come up with a good disaster program that was included in the farm bill here in the Senate. I am hopeful that disaster program is something we can come around on in a bipartisan fashion to support and get across the finish line.

Let me conclude by saying to my colleagues we cannot afford to wait. Not passing a 2007 farm bill as a Congress is not an option. We cannot fail at this. For my time as attorney general of my State and a Member of the Senate, I have always had in my office a sign that says: No farms, no food. It is important for the people of this country to understand we have the least expensive, most secure food supply of anyone in the world today. If my friend, KENT CONRAD, were here and had one of his great charts, one of the things he would point to is we pay a lot less for food today than we did during the days of the Great Depression in the 1940s and 1950s. Only about 10 percent of our disposable income actually is spent on the food we consume as opposed to 20 and 30 and 50 percent in other countries. So it is important for us to maintain that food security for the American people.

I hope the House of Representatives and those in the House of Representatives who care about the food and energy security of our country will help us to get to conclusion on this very important legislation.

I yield the floor and suggest the absence of a quorum.

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

The bill clerk proceeded to call the roll.

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

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

Mr. REID. Mr. President, the matter that we have to lay down as a substitute is done. The staff is reading it over. They found a couple mistakes. It happens on a bill this big, an amendment this big. So rather than have more time spent tonight treading water, we are going to lay this amendment down in the morning. We are going to come in at 9:30. Senators DODD and SHELBY have a very important banking hearing. It has been scheduled for quite some time. But Senator DURBIN has agreed to manage the bill for Senator DODD, and the Republicans will have someone here also. It is my understanding, after initial statements are made on the bill, we are going to go

back and forth on amendments. Senator DURBIN will lay down an amendment. That will be our first one—not a lot of time on that. Our second amendment would be with Senators SCHUMER and MURRAY. The third amendment will be Senator FEINSTEIN. It is a bipartisan amendment. I believe it is Senator MARTINEZ.

As I indicated to staff, of course, following the first Democratic amendment, there will be a Republican amendment, if there is one. Following the second Democratic amendment, there will be a Republican amendment. We will try to move through this as expeditiously and as well intentioned as we can. The progress that has been made in the last 24 hours is very significant. We have a piece of legislation that now has very important FHA modernization in it. It is not what everyone wants, but it is a good piece of legislation.

Senators DODD and SHELBY have agreed the limit would be \$550,000. There would be a 3.5 percent downpayment. There are other things in it that banking minds can describe better than I.

There is the CDBG funds to assist communities devastated by foreclosures. That would be \$4 billion. We would provide preforeclosure counseling for families in need. In the underlying bill, the so-called Reid amendment, we had \$200 million. That has been reduced to \$100 million. There will be efforts made to increase that. As I understand, that is what Senators SCHUMER and MURRAY intend to do. We have a combination of pieces of legislation that have been put together in one amendment. It is bipartisan. It started with the Jack Reed disclosure transparency legislation, and others had ideas on how to improve that. That is what Senators DODD and SHELBY have done.

It lengthens the time a lender must wait before starting foreclosure on a servicemember by some 3 months, which is important during this time of Iraq and Afghanistan. It raises the loan guarantee amount for VA-backed loans in high-cost areas. There is a standard property tax deduction; of course, what the President called for in his State of the Union Address, the mortgage revenue bonds to purchase used or foreclosed-upon homes; the extension of net operating loss carryback, extremely important to homebuilders. There is a tax credit for the purchase of homes in foreclosure. This is the Isakson amendment that has been talked about for several weeks now. The two managers of the legislation have modified the original Isakson proposal to have \$3,500 for 2 years in succession, a total of \$7,000. It will be for buyers of foreclosed homes.

This is the package. It would be great if the Presiding Officer and I and Senator SALAZAR could just say: OK, this is done. This is great, because it is bipartisan. Let's go home tonight, having done this. We can't do that. That is

the way the legislation is. But I think it is a tremendously important bipartisan package that we have. I commend and applaud the work to this point of Senator DODD and Senator SHELBY. They have done very good work. Their staffs worked most all night. And, of course, they have worked all day. Senators SHELBY and DODD were on the telephone last night at midnight trying to work things out. So I appreciate their good, hard work. They have been long-time legislators. As I mentioned, when Senator MCCONNELL and I suggested they come up with a bipartisan package, they are experienced legislators. They both had extensive service in the House of Representatives before coming here. I feel we are in a good spot to be able to deliver a package that will go toward helping Main Street. We helped Wall Street.

We are all glad Bear Stearns was taken care of. But now it is our opportunity to take care of people on Main Street. They deserve that. I am convinced it would be the right thing to do.

As I indicated, we are going to come in at 9:30 tomorrow. I hope this gives everyone an outline of the legislation. I apologize, as I have to do often, that we were not doing more proactive stuff on the floor, but every minute that we were on the floor in the quorum calls or people giving speeches on what they thought should be done with housing or other issues, the staffs and Senators DODD and SHELBY were working very hard to get us to the point where we are tonight.

#### MORNING BUSINESS

Mr. REID. I ask unanimous consent that we now proceed to a period of morning business, with Senators allowed to speak for a period of up to 10 minutes each.

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

#### REPRESSION IN TIBET

Mr. LEAHY. Mr. President, I want to take a few minutes to speak about the situation in Tibet, which has captured the world's attention in recent days and weeks.

For those of us who have visited Tibet, as I did in 1988, and for millions of people here and abroad, the press reports of Chinese police officers arresting and beating Tibetan protesters, and of Tibetans destroying the property of Han Chinese, are deplorable.

Estimates of the number of protesters killed have ranged from 13 to 140, and more than 1,000 arrested. Knowing the way Tibetans have been tortured and mistreated in Chinese prisons, we should be very concerned with the welfare of those in custody.

More than a dozen Han Chinese were reportedly killed and their businesses ransacked and burned. Violent attacks against civilians and their property cannot be justified, even when they

may be prompted by longstanding, legitimate grievances.

For many years, the Chinese Government has been systematically implementing a strategy to destroy Tibetan culture and solidify its control of Tibet.

A flood of Han Chinese into Tibet has fueled an economic boom, but this has also exacerbated tensions between Chinese business owners and the Tibetans who have become increasingly marginalized and discriminated against in their own homeland.

When first asked about the recent violence, Chinese authorities in Beijing and Lhasa insisted that only a handful of agitators were involved and there was no cause for concern.

Then, as photographs were posted on the internet of Tibetans being chased and beaten bloody by baton-wielding, helmeted riot police, the Chinese Government blocked access for journalists and blamed the Dalai Lama for instigating the violence to sabotage the Beijing Olympics.

Many of us have had the privilege of meeting the Dalai Lama. I consider him a friend, and last week I spoke by telephone with one of his advisors, Lodi Ghari, who was in India at the time. It is outrageous to suggest that the Dalai Lama has encouraged violence in Tibet.

For decades, the Dalai Lama has shown remarkable tolerance and patience as he has sought a peaceful resolution of the conflict over Tibet's political status. He has repeatedly extended a hand of friendship to the Chinese Government, which has consistently responded by denigrating and misrepresenting the Dalai Lama's views.

I would like to hope that this latest outbreak of violence will cause the Chinese Government to recognize that a strategy of repression in Tibet will only provoke further tensions and violence. Brute force is not a solution. Ethnic cleansing is not a solution.

Several things should be done immediately.

The Chinese Government should distinguish between peaceful protestors and rioters, and reaffirm that it will uphold the Chinese Constitution's protections of free speech and association.

It should end its lockdown on Tibetan areas, including allowing full access by the media, and account for those who are missing and dead from the protests.

There should be a full accounting of each Tibetan who has been arrested or charged with a crime, including names, charges if any, and the location where they are being detained. The International Red Cross should have access to monitor their treatment.

The only way to resolve this conflict is through dialogue conducted in good faith. It is long past time for Chinese authorities to recognize that it has nothing to fear from the Tibetan people if they respect the Tibetans' cultural identity.

There has been much talk and speculation about what these events could mean for the Beijing Olympics.

I am not among those who believe the Olympic Games should be a political issue. The Olympics should be about the athletes, not about governments.

If some countries boycott these Olympics for one reason, other countries will feel justified in boycotting other Olympics for different reasons. The future of the Olympic Games would be in jeopardy.

That said, the Chinese Government obviously sees the Olympics as an opportunity to showcase China as a modern, harmonious country. The Chinese Government's actions in Tibet, and its continuing crackdown on dissidents who call for more political freedom, starkly contradict this image.

Apparently, neither the Olympic Committee nor the White House impressed upon the Chinese authorities that if the Olympics were to be a success, there needs to be a marked improvement in China's respect for human rights. That message should be conveyed clearly, vigorously, and immediately. It is not acceptable for President Bush to simply say he plans to attend the Olympics as a "sports fan."

I have long criticized the Chinese Government's violations of human rights.

Its detention and trial on trumped up charges of dissidents who dare to criticize official corruption and repression.

Its use of excessive force in Tibet.

Its support for the Government of Sudan, even while that government was committing genocide in Darfur.

Its torture of prisoners and summary executions after unfair trials.

I, with former Senator Jeffords, and then Representative SANDERS, worked for 6 years to secure the release from a Chinese prison of Ngawang Choepel, a young Tibetan whose only crime was to use a video camera to record Tibetan music and dance. He posed no threat to China's security. His arrest, his trial, and his imprisonment were a travesty.

Just last week, China convicted a human rights activist named Hu Jia of "inciting subversion" through his writings on the internet. His crime was to advocate for better protection for people with AIDS, for more religious freedom, and for increased autonomy for Tibet.

His case is another reminder that when it comes to human rights, little has changed in China. The Chinese Government insists that China is a country of laws and that his case was dealt with according to the law. That is reminiscent of those who once defended slavery because it was lawful at the time. As long as the Chinese Government criminalizes speech, it will face the criticism of the international community.

Criticizing the Chinese Government is not the same as isolating China, which I have never believed is an option. I have visited China several times and have always favored more engagement with China. We should be encouraging closer relations.