

Mr. SPECTER. I will.

Mr. DORGAN. Mr. President, morning session is up at 3, and I am scheduled for 15 minutes. I might ask to extend the time. I don't know how much time the Senator is going to use, but I want to make certain I have the opportunity that was previously ordered, for 15 minutes on this side.

The ACTING PRESIDENT pro tempore. There is 10 minutes, 12 seconds remaining, and morning business is under the control of the majority.

Mr. DORGAN. Mr. President, how much additional time does the Senator from Pennsylvania need?

Mr. SPECTER. Less than a minute.

Mr. DORGAN. Let me ask unanimous consent that we extend by 5 minutes the time for morning business so it terminates at 3:05.

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

Mr. DORGAN. I thank my colleague for his courtesy.

Mr. SPECTER. I thank the distinguished Senator from North Dakota.

Well, I have made my argument. I think it is important to have a ruling, a vote by this body on whether we are going to apply retroactive immunity to the telephone companies. I said on the floor last week that if my amendment is not adopted, I will support retroactive immunity. I think it is a bad practice, but I think, as bad as that practice is, it would be worse to cut off the information which our intelligence community thinks we need. I think it is not advisable. And when we have a method of having both objectives, that is to have the Government have access to the information and at the same time not impose the cutting off of the judicial system for checks and balances, I think that ought to be adopted.

And further, a final comment on the hard-to-understand definition of germane. The dictionary defines it as being relevant, and the dictionary defines relevant as being germane, with the Parliamentarian giving a supplemental opinion that if the standard was relevance, it would be appropriate to have the amendment.

I thank the Chair, and I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota.

ECONOMIC STIMULUS

Mr. DORGAN. Mr. President, tonight we will hear from the President in his annual State of the Union Address. I know the President is expected to talk a great deal about the economy and the need for an economic stimulus package. I wanted to talk for a moment about this because I think it is important for us to understand what is happening to our economy.

I know there are some who think the field of economics is some field with precision and elegance and that we are dealing with the ship of state. If we can

find our way to the engine room and find all the knobs and gauges and valves and levers and turn them the right way, such as providing an investment credit and bonus depreciation, that somehow we will get this ship of state moving again. Of course, that is not what is at stake at all. There isn't an engine room with knobs and valves and gauges. This is the field of economics, which I have said previously is a lot like psychology pumped up with helium.

So we talk a lot about knowing what is going on. The fact is we are going to now do a stimulus package because there is a notion that there is a problem with the economy. Well, there is more than a problem, there is a very serious problem with this economy. Take a look at the stock market, which is a barometer of confidence—up and down similar to a yo-yo—mostly down. The housing market has cratered, with construction of new homes and apartments in 2007 down 25 percent from the prior year. That is one of the giant job engines in our economy—the housing market. The unemployment rate has jumped, with some 1.4 million workers without a job for 27 months or longer. The trade deficit recently hit a 14-month high. Oil prices are still way up. Retail sales are their worst in years. So we have a very serious problem.

Now, the Federal Reserve Board took bold action last week and that is unusual for the Federal Reserve Board. They all wear gray suits and wire-rimmed glasses and seldom do anything that is very bold, but last week they did. They cut interest rates by three-quarters of 1 percent. So the expectation is that because the Fed is taking that action and seems to be very concerned about the economy, that we should take a look at our fiscal policy, so there is talk about a stimulus.

Frankly, I think a stimulus package is fine. I don't think it does all that much. But the absence of doing something on the Senate side of Congress would send the wrong signal. Psychologically, it is important we work on a stimulus. We are talking about a stimulus that is probably 1 percent of our economy, so it is not exactly going to jump start the American economy. In addition, if all we do is a stimulus package and we continue to ignore the fundamentals, the things that are structurally wrong in this economy, the things that have not just caused the economy to be in some trouble but caused the American people and people all around the world to look at us and say: You know something, you are off track. You are not addressing the things that matter, and this is unsustainable. If we don't do something to address those things, we will not be addressing the basic problem of our economy.

So let me talk about that. No. 1, a fiscal policy. A reckless fiscal policy. I mean, in recent years, think of it. This

administration inherited a large budget surplus. Then we got hit with a recession, a war in Afghanistan, a war in Iraq, a war on terrorism—and a whole series of events—including Hurricane Katrina. Many of us said to the President: Don't propose we spend surpluses that don't yet exist. Let us be conservative. He said: Katy bar the door, let us have big tax cuts and most of it for the wealthy, and he pushed it through Congress.

Now, I didn't push for it, he did, and we ran up a huge deficit because of all these unexpected circumstances we were confronted with. So now, in recent years, we have sent soldiers off to war, and the President says to Congress: We are sending soldiers to go fight, but we don't intend to pay for it. I want the Congress to provide emergency spending in order to pay for that, and we will add it to the debt. Last year, he asked Congress for \$196 billion for the current fiscal year. That is \$16 billion a month, \$4 billion a week, none of it paid for, and all of it added to the debt. As if to say to the soldiers: You go fight, and when you come home, we will have you and your kids pay the bills. That is a fiscal policy that is completely off balance.

We are going to borrow about \$600 billion this year. That is how much will be added to the debt. I know that is not what they say the deficit is. They say the deficit is lower because, among other things, they are taking all the Social Security surplus from the trust funds and using it to show a lower deficit. We are going to borrow about \$600 billion a year to sustain the budget policies of this administration. Add to that a \$700 billion to \$800 billion a year trade deficit, \$2 billion a day every single day, and you are talking about a combined red ink in our budget and trade policies of some \$1.3 trillion. That is almost 10 percent of the American economy. Think of that. That is unsustainable.

Now, add to a reckless fiscal policy and a trade policy in which we are hemorrhaging red ink and exporting American jobs, regulators who were asleep on the job—people who came to Government but didn't want to regulate—and the subprime loan scandal occurred right under their noses. We all heard the advertisements. When you turned on the television, you heard the ads. It couldn't have escaped the notice of the regulators, surely. The ads said: Have you been bankrupt? Do you have trouble getting credit? Have you been missing your house payments? Come to us. We have a loan for you. We will give you a new home mortgage. And so they did, with a teaser rate at 2 percent and unbelievable circumstances.

Everybody was making lots of money. The brokers were making millions, the mortgage banks were making a lot of money, and then they were packing these mortgage loans, the good ones, with the bad ones, just like they used to pack sausage with meat and

sawdust. They would use the sawdust as filler back in the old days.

Well, during unregulated times, just like packing sawdust into sausages, what these folks did is, they took good loans and bad loans, packaged them up. They sliced them up, then they securitized them, and sent them out, sold them, and everybody was happy and everybody was fat and everybody was making a lot of money, until it all came home to roost. A whole lot of folks could not make housing payments.

So what we found with the subprime loan scandal is 2.2 million families with subprime loans will lose their homes to foreclosure; 7.2 million with subprime mortgages have an outstanding mortgage value of \$1.3 trillion. And when those interest rates reset, a whole lot of them will not be able to pay the bills to keep their homes.

All of this happened under the nose of regulators who came to Government not wanting to regulate. And it caused severe damage to our country. Now, add to that a reckless fiscal policy, a trade deficit in which we are hemorrhaging in red ink and shipping jobs overseas and a scandal in the home mortgage industry that caused enormous damage to our country, made a lot of folks rich in the short term, and victimized a lot of others. Add to that the unbelievable speculation that is going on in hedge funds, most all of it outside of the view of regulators.

Hedge funds are about \$1.2 to \$1.5 trillion in value; but that does not describe their importance to the economy. They are heavily leveraged. That \$1.2 to \$1.5 trillion of hedge funds is engaged in one-half of all of the trades every day on the New York Stock Exchange. They are engaged in, among other things, credit default swaps.

There is something called credit default swaps, derivatives, with notional values of \$43 trillion. There is so much unbelievable speculation with dramatic amounts of leverage in hedge funds and derivatives that it is scary. Nobody knows what is going on because it is outside the view of regulators. That is the way they want to keep it.

We will talk about stimulus; we will talk about short-term measures. But if we do not deal with this issue of a fiscal policy that is way off track, a trade policy that is an abject failure, regulators who have no interest in regulating, scandals will develop and mature right under their noses, this country is not going to recover. Our economy is not going to thrive and grow. It is fine to do a stimulus package of 1 percent of GDP, I do not object to that. We will borrow the money from China, likely, to do it; perhaps put some money in the hands of people who will go to Wal-Mart and buy goods from China, for all I know.

But, psychologically, I think it is fine to create a fiscal policy initiative that compliments what they are doing at the Fed with monetary policy. But

that will not solve the underlying problems in our economy. We have deep abiding problems in fiscal policy, trade policy, and regulatory failures.

This Congress and this President have a responsibility to address them. Talking about stimulus, and just talking about stimulus, means we have not addressed that which moves this ship of state forward in the future, creating expansion opportunities and jobs and economic health. The only way we do that is to stare truth in the eye and understand what is causing the problems in the country and how to fix it.

There is an old saying on Wall Street I was told by a friend: You cannot tell who is swimming naked until the tide goes out. Well, the tide has gone out, and now we are going to see some sights that are not very pretty. It has to do with speculation and a whole series of things that we have to correct. And my hope is, starting this evening at the State of the Union Address and following that, at last long last, we might see a President and a Congress work together to face the truth about fiscal policy, trade policy, and inept regulation that has put this country in significant difficulty and trouble.

We need not have a future that manifests that trouble forever. If we take bold action and courageous action to understand what is wrong and what the menu of items are that we need to go to fix it, I think we can have a much better and brighter economic future in this country. I want to be a part of that work, and I know many of my colleagues do as well. So let's hope the first step to do that begins this evening at the joint session of the Congress at the State of the Union Address.

EXECUTIVE SESSION

NOMINATION DISCHARGED

Mr. DORGAN. Mr. President, I ask unanimous consent that the Senate proceed to executive session, that the Agriculture Committee be discharged of PN 1112, the nomination of Ed Schafer, to be Secretary of Agriculture; that the Senate proceed to the nomination, that the nomination be confirmed, and the motion to reconsider be laid upon the table; that any statements relating to the nomination be printed in the RECORD, the President be immediately notified of the Senate's action, and the Senate return to legislative session.

My understanding is this was cleared on both sides. I am particularly proud to make this request. Former Governor Schafer is a distinguished former Governor from our State. It is a great honor for our State to have him nominated.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. BOND. Reserving the right to object, and I will not object, I wish to join with the Senator from North Dakota, who is doing a fine thing. We ap-

preciate the support on both sides of the aisle. We obviously need a good and strong Secretary of Agriculture, and we are pleased to see this body move forward. I do not object. I thank the sponsors.

Mr. DORGAN. Mr. President, might I also say as we ask for the consent that my colleague, Senator CONRAD, worked very hard to accomplish this in the Agriculture Committee. He joins me as well.

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

The nomination considered and confirmed is as follows:

DEPARTMENT OF AGRICULTURE

Ed Schafer, of North Dakota, to be Secretary of Agriculture.

LEGISLATIVE SESSION

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now return to legislative session.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Morning business is closed.

FISA AMENDMENTS ACT OF 2007

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of S. 2248, which the clerk will report by title.

The bill clerk read as follows:

A bill (S. 2248) to amend the Foreign Intelligence Surveillance Act of 1978, to modernize and streamline the provisions of that Act, and for other purposes.

Pending:

Rockefeller/Bond amendment No. 3911, in the nature of a substitute.

Feingold/Dodd amendment No. 3909 (to amendment No. 3911), to require that certain records be submitted to Congress.

Bond amendment No. 3916 (to amendment No. 3909), of a perfecting nature.

Reid amendment No. 3918 (to the language proposed to be stricken by Rockefeller/Bond amendment No. 3911), relative to the extension of the Protect America Act of 2007.

The ACTING PRESIDENT pro tempore. Under the previous order, the time until 4:40 shall be equally divided and controlled between the two leaders or their designees with the final 20 minutes equally divided between the two leaders, with the majority leader controlling the final 10 minutes.

Mr. HATCH. Mr. President, I ask unanimous consent that I have at least 10 minutes to give my remarks on FISA.

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

Mr. HATCH. Mr. President, I have been to this floor on numerous occasions to aggressively support the immunity provisions of the FISA modernization bill. I cannot understate my