

The National Defense Authorization Act is designed to strengthen our military, provide the required resources to the Department of Defense to carry out the responsibilities our Nation asks of them, and to improve our servicemembers' and their families' quality of life. The proposed legislation and the funding priorities will ensure that our Nation maintains an adept and quality force to defend our country and allow us to continue to be an ambassador for a prosperous and peaceful world. I commend the chairman, the ranking member, and committee staff for their hard work on the bill and their diligence in bringing it to the floor.

Unfortunately, the bill does have several problematic provisions, including an unnecessary limitation on the role of private security contractors and an unnecessary prohibition on trained and qualified personnel conducting lawful interrogations. I hope we can address and resolve these issues in conference in a way that best serves our military personnel and allows them to effectively carry out their responsibilities.

I also hope the Senate can complete action on this very important piece of legislation and proceed to a House-Senate conference and passage of a conference report prior to the end of this month.

I yield the floor.

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

Mrs. FEINSTEIN. I thank the Chair. (The remarks of Senator FEINSTEIN pertaining to the introduction of S. 3493 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mrs. FEINSTEIN. Mr. President, I yield the floor.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.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

RECESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate stands in recess until the hour of 2:15 p.m.

Thereupon, the Senate, at 12:34 p.m., recessed until 2:15 p.m. and reassembled when called to order by the Presiding Officer (Mr. CARPER).

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2009—Continued

The PRESIDING OFFICER. Who seeks recognition?

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 I ask unanimous consent that the order for the quorum call be rescinded.

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

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

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

THE ECONOMY

Mr. DURBIN. Mr. President, we continue to read today, as we did yesterday, about dramatic changes in the American economy, particularly the problems facing many of our larger financial institutions.

Not that many weeks ago, the Federal Government stepped in when Bear Stearns was in a terrible economic state and took over the responsibility for that company. It was an extraordinary decision because this is a company that we had not regulated as a Federal Government, not one at least in detail. We knew their transactions and balance sheets, but we put the full faith and credit of the American people and our Treasury behind rescuing Bear Stearns.

Then a little over a week ago the decision was made by this administration to do the same for two entities, Government-sponsored entities, Fannie Mae and Freddie Mac. These were the major institutions for housing in America. Between them, some 50 percent of all mortgages were being held. It was understandable that decision was made because the alternative was unthinkable. If Fannie Mae and Freddie Mac should collapse, it would jeopardize not only mortgages and homeowners but also the American economy. It is such a large part, it is understandable that the administration stepped in to make that decision.

Now this week comes a new round. Lehman Brothers, a company in New York which has prospered for many years, now faces bankruptcy, and along with it the question of the future of Merrill Lynch, a major brokerage house which appears to be in line to be acquired by Bank of America.

These are dramatic and unsettling events and a reminder to all of us that the state of the American economy is not as sound and solid as we would like to see it. But those are the events which happened at the highest levels of finance and the highest levels of Wall Street.

All of us representing our constituents—I represent Illinois—have traveled around our States and met with small business men and women, family farmers, and families as well, talking about the situation they face today. They do not make the headlines as Merrill Lynch or Lehman Brothers, but they should because if you go across the board and talk to these working families, these middle-income families,

you will find that over the last 7 or 8 years, this country has not been kind to them. Their spending power has been reduced. They continue to work. They are productive workers. America's economy is a productive economy. And yet they have not been rewarded for their work. Their wages have not kept up with the cost of living. They have fallen behind under this Bush administration some \$2,000 worth of spending power at a minimum. These are the people who are paying \$4.50 per gallon of gasoline trying to figure out how to get back and forth to work and to meet their obligations to their families and friends.

These are folks who are struggling with the cost of groceries and clothing. They are the same ones trying to figure how in the world to put their kids through college so their kids will not end up with student loans that look like their first mortgages.

They are worried also about health care, about the health insurance plans that do not cover as much this year as they did last year. They are worried about the out-of-pocket payments they may have to make. They realize, most of them, they are one diagnosis away from bankruptcy. That is the reality of life in the economy beyond Wall Street.

So when you look across the board at this economy, you realize the fundamental weaknesses of what we face today. Of course, the housing market has been the catalyst for some of the problems we now see. It turned out that the greed of Wall Street, of the overreaching of some companies, led to loans and mortgages which were totally unwise.

Many of those now have resulted in foreclosures, where people are having to leave their homes. Their misfortune is being visited on their neighbors. I recently had an appraisal on my home in Springfield. It is the same home I lived in when I was first elected to Congress many years ago. I have been there a long time. I have to tell you the value of my home has gone down 20 percent.

Why? It is not because we did not keep it up—we do a fairly good job with that—it is because the economy is weak in my hometown of Springfield, IL, and foreclosures nearby have taken their toll on the value of my home. We made all of our mortgage payments, but the value of our home went down 20 percent. That is the reality a lot of people are facing. My story is not one that should bring tears to anybody's eyes; we will get through it. But a lot of folks cannot. They cannot get through this, and that is where we are in the economy today.

How did we reach this point? We reached this point when we adopted a mentality that was dominant in this city for so long that, first, get Government off my back. Government is my enemy. Deregulate.

That was a pretty popular mantra around here 10 or 15 years ago. In fact, a lot of people laughed about it. Even

people such as the venerable wise critic, Rush Limbaugh, said: If we close down the Federal Government no one would even notice.

Well, he was wrong when he said it. He would certainly be wrong today because what has happened to us is a reminder that there is an appropriate and important role that Government needs to play. As strong as our entrepreneurial free market economy is, if it is not subject to oversight and accountability, it can spin out of control.

That is what happened with this subprime mortgage market. Instead of having appropriate oversight and accountability, loans were made which made no sense whatsoever, and eventually that credit operation collapsed leading to the foreclosures we see today.

What we see on Wall Street now with many of these investment banks going under are credit institutions which are not subject to Government regulation. It is like playing "off the books." If a business does that, the IRS comes in and says: You have just violated the law. You are supposed to put everything on the books and report to us.

Well, there is a whole world of credit and finance that is "off the books" when it comes to regulation and oversight by the Federal Government. And that is the world that is collapsing. It is an indication to me that when we faced a similar situation 75 years ago, with the Great Depression, that Franklin Roosevelt got it right. He understood that the economic problems in America called for sensible regulation and disclosure and transparency and accountability.

He created agencies which responded to the economy of the day. Regulation, yes, but without that regulation, unfortunately, the market was spinning out of control to the detriment of everyone, not just business owners but workers, farmers, and people who are just trying to get by.

We need to return to a mindset which says there is an appropriate role for Government. There are things which our Government can do which private industry, on its own devices, will not do. That is why we need to be more sensible when it comes to regulation.

Yesterday, the Republican candidate for President, JOHN MCCAIN, said:

Our economy, I think still the fundamentals of our economy are strong.

I would say that Senator MCCAIN does not accurately portray our economy today. I wonder which economy he is talking about? Is he talking about an economy with record unemployment, the highest in 5 years? Is he talking about an economy with record home foreclosures, the most since the Great Depression? Is he talking about an economy where people's savings that they count on for the future—the value of their home or their 401(k) or their retirement account—have been diminished by the state of this economy? He cannot be talking about the economy where middle-income families

have fallen behind in their spending power, where they find it difficult to live paycheck to paycheck, let alone save some money. He cannot be talking about an economy with \$4.50 gasoline, with diesel fuel that is even more expensive, and jet fuel that is running the aviation industry out of business.

What economy is JOHN MCCAIN talking about? It is interesting how close his quote comes to one from another person who happened to be elected President. His name was Herbert Hoover; the date was October 25, 1929. This was just shortly before, days before, the great stock market crash.

Here is what President Herbert Hoover said then:

The fundamental business of the country, that is production and distribution of commodities, is on a sound and prosperous basis.

That was said days before the stock market collapsed. This quote from JOHN MCCAIN yesterday is reminiscent of President Hoover. It shows the same lack of connection to the real world in which people are living.

When it comes to Senator MCCAIN's philosophy and how we should approach these issues, he has been pretty outspoken. It has been printed this morning in an article in the New York Times written by Jackie Calmes. She wrote:

In early 1995, after Republicans had taken control of Congress, Mr. MCCAIN promoted a moratorium on Federal regulations of all kinds. He was quoted as saying that excessive regulations were "destroying the American family, the American dream," and voters "want these regulations stopped." The moratorium measure was unsuccessful.

He told the Wall Street Journal last March: "I'm always for less regulation, but I am aware of the view that there is a need for government oversight" in situations like the subprime lending crisis, the problem that has cascaded through Wall Street this year.

Senator MCCAIN concluded: "But I am fundamentally a deregulator."

Later that month Senator MCCAIN gave a speech on the housing crisis in which he called for less regulation saying:

Our financial market approach should include encouraging increased capital in financial institutions by removing regulatory, accounting and tax impediments to raising capital.

Senator MCCAIN has been consistent. He has opposed Government oversight, accountability, and regulation. Now, it can go too far. Do not get me wrong. We have seen it at its worst. But if you do not have a fundamental oversight effort being made by the Government, then consumers and the economy are at the mercy of those who go too far.

Inevitably they will go too far. I can recall the savings and loan crisis, leading to a taxpayers bailout. I now see the problems in the subprime mortgage situation leading to a taxpayers bailout of Fannie Mae and Freddie Mac, Bear Stearns, and maybe others. If we do not keep an eye on their activities and demand accountability, we will end up paying the price.

That is why this election is so fundamental. If we want to continue the economic policies of the Bush-Cheney administration that have led us to this sorry moment, then Senator MCCAIN is clearly the person who should lead this country for the next 4 years. But if we are going to change those policies, if we are going to give middle-income and working families a fighting chance in this economy, if we are going to have a Tax Code written not to reward wealth but to reward work for a change, then we need a change in Washington. We need to have a new approach, not only a new economic and tax policy but the kind of regulation that provides protection from the excesses of the market. Even Senator MCCAIN yesterday referred to the greed on Wall Street. Left unchecked, unfettered, this greed can spin out of control. That is why there is such a fundamental choice facing American families in only 7 weeks.

I ask unanimous consent to have the New York Times article to which I referred printed in the RECORD.

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

[From the New York Times, Sept. 16, 2008]

IN CANDIDATES, 2 APPROACHES TO WALL STREET

(By Jackie Calmes)

WASHINGTON.—The crisis on Wall Street will leave the next president facing tough choices about how best to regulate the financial system, and although neither Senator Barack Obama nor Senator John McCain has yet offered a detailed plan, their records, and the principles they have set out so far suggest they could come at the issue in very different ways.

On the campaign trail on Monday, Mr. McCain, the Republican presidential nominee, struck a populist tone. Speaking in Florida, he said that the economy's underlying fundamentals remained strong but were being threatened "because of the greed by some based in Wall Street and we have got to fix it."

But his record on the issue, and the views of those he has always cited as his most influential advisers, suggest that he has never departed in any major way from his party's embrace of deregulation and relying more on market forces than on the government to exert discipline.

While Mr. McCain has cited the need for additional oversight when it comes to specific situations, like the mortgage problems behind the current shocks on Wall Street, he has consistently characterized himself as fundamentally a deregulator and he has no history prior to the presidential campaign of advocating steps to tighten standards on investment firms.

He has often taken his lead on financial issues from two outspoken advocates of free market approaches, former Senator Phil Gramm and Alan Greenspan, the former Federal Reserve chairman. Individuals associated with Merrill Lynch, which sold itself to Bank of America in the market upheaval of the past weekend, have given his presidential campaign \$300,000, making them Mr. McCain's largest contributor, collectively.

Mr. Obama sought Monday to attribute the financial upheaval to lax regulation during the Bush years, and in turn to link Mr. McCain to that approach.

"I certainly don't fault Senator McCain for these problems, but I do fault the economic

philosophy he subscribes to," Mr. Obama told several hundred people who gathered for an outdoor rally in Grand Junction, CO.

Mr. Obama set out his general approach to financial regulation in March, calling for regulating investment banks, mortgage brokers and hedge funds much as commercial banks are. And he would streamline the overlapping regulatory agencies and create a commission to monitor threats to the financial system and report to the White House and Congress.

On Wall Street's Republican friendly turf, Mr. Obama has outtrailed Mr. McCain. He has received \$9.9 million from individuals associated with the securities and investment industry, \$3 million more than Mr. McCain, according to the Center for Responsive Politics, a watchdog group. His advisers include Wall Street heavyweights, including Robert E. Rubin, the former treasury secretary who is now a senior adviser at Citigroup, another firm being buffeted by the financial crisis.

If many voters are fuzzy on the events that over the weekend forced Lehman Brothers Holdings Inc. into bankruptcy and Merrill Lynch & Company. to be swallowed by the Bank of America Corporation, the continuing chaos among the most venerable names in American finance—coming on top of the recent government seizure of mortgage giants Fannie Mae and Freddie Mac and the demise of the Bear Stearns Companies—has stoked their anxiety for the economy, the foremost issue on voters' minds.

So it was that first Mr. Obama and then Mr. McCain rushed out their statements on Monday morning before most Americans had reached their workplaces.

To the extent that travails on Wall Street and Main Street have both corporations and homeowners looking to Washington for a hand, that helps Mr. Obama and his fellow Democrats who see government as a force for good and business regulation as essential. Yet Mr. McCain has sold himself to many voters as an agent for change, despite his party's unpopularity after years of dominating in Washington, and despite his own antiregulation stances of past years.

Mr. McCain was quick on Monday to issue a statement calling for "major reform" to "replace the outdated and ineffective patchwork quilt of regulatory oversight in Washington and bring transparency and accountability to Wall Street." Later his campaign unveiled a television advertisement called "Crisis," that began: "Our economy in crisis. Only proven reformers John McCain and Sarah Palin can fix it. Tougher rules on Wall Street to protect your life savings."

Mr. McCain's reaction suggests how the pendulum has swung to cast government regulation in a more favorable political light as the economy has suffered additional blows and how he is scrambling to adjust. While he has few footprints on economic issues in more than a quarter century in Congress, Mr. McCain has always been in his party's mainstream on the issue.

In early 1995, after Republicans had taken control of Congress, Mr. McCain promoted a moratorium on federal regulations of all kinds. He was quoted as saying that excessive regulations were "destroying the American family, the American dream" and voters "want these regulations stopped." The moratorium measure was unsuccessful.

"I'm always for less regulation," he told *The Wall Street Journal* last March, "but I am aware of the view that there is a need for government oversight" in situations like the subprime lending crisis, the problem that has cascaded through Wall Street this year. He concluded, "but I am fundamentally a deregulator."

Later that month, he gave a speech on the housing crisis in which he called for less reg-

ulation, saying, "Our financial market approach should include encouraging increased capital in financial institutions by removing regulatory, accounting and tax impediments to raising capital."

Yet Mr. McCain has at times in the presidential campaign exhibited a less ideological streak. As he did on Monday, he from time to time speaks in populist tones about big corporations and financial institutions and presents himself as a Theodore Roosevelt-style reformer. He supported the Bush administration's decision to seize Fannie Mae and Freddie Mac, the mortgage giants, and he has backed as unavoidable the promise of taxpayer money to help contain the financial crisis.

Other than Mr. Gramm, who as chairman of the Senate Banking Committee before his leaving Congress in 2002 worked to block efforts to tighten financial regulation, Mr. McCain's closest adviser on matters of Wall Street is John Thain, the chief executive of Merrill Lynch, who has raised about \$500,000 for Mr. McCain. Unlike Mr. Gramm, Mr. Thain has a reputation as a pragmatic, non-ideological, moderate Republican. That the men are Mr. McCain's touchstones is typical of his small and eclectic mix of advisers, making it hard to generalize about how Mr. McCain would act as president.

A prominent McCain supporter, Gov. Tim Pawlenty of Minnesota, signaled how Mr. McCain would try to make his antiregulation record fit the proregulation times that the next president will inherit. Mr. Pawlenty suggested in an interview on Fox News that, given the danger that "any future administration" would go too far, Mr. McCain would be the safer bet to protect against "excessive government intervention or excessive government regulation."

Mr. Obama also does not have much of a record on financial regulation. As a first-term senator, he has not been around for the major debates of recent years, and his eight years in the Illinois Senate afforded little opportunity to weigh in on the issues.

In March 2007, however, he warned of the coming housing crisis, and a year later in a speech in Manhattan he outlined six principles for overhauling financial regulation.

On Monday, he said the nation was facing "the most serious financial crisis since the Great Depression," and attributed it on the hands-off policies of the Republican White House that, he says, Mr. McCain would continue. Seeking to showcase Mr. Obama's concerns, his campaign said Mr. Obama led a conference call on the crisis early Monday that included Paul A. Volcker, the former chairman of the Federal Reserve; Mr. Rubin; and his successor as treasury secretary, Lawrence H. Summers.

Later, citing Mr. McCain's remarks about the economy's strong fundamentals, he told a Colorado crowd that Mr. McCain "doesn't get what's happening between the mountain in Sedona where he lives and the corridors of power where he works."

One reason for both men's sketchy records on financial issues is that neither has been a member of the Senate Banking Committee, which has oversight of the industry and its regulators. Under both parties' leadership, the committee often has been a graveyard for proposals opposed by lobbyists for financial institutions, including Fannie Mae and Freddie Mac, which last week were forced into government conservatorships.

Industry lobbyists' success in killing such regulations meant senators outside the banking panel did not have to take a stand on them.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. Mr. President, before the hour of 2:30, I ask unanimous consent to be recognized for 5 minutes.

The PRESIDING OFFICER. Is there objection?

Mrs. BOXER. I also ask unanimous consent that the Republican leader's time begin 5 minutes after I begin.

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

Mrs. BOXER. Mr. President, I rise to address the Senate not only as a Senator from the largest State in the Union, a State that is experiencing many problems that started with the housing crisis about which we talked a long time ago, before the Fed stepped in and did something, but I also rise as an economics major. I received my degree in economics. My minor was political science. I was a stockbroker a long time ago on Wall Street. I know a little bit about Wall Street, and I know a little bit about the times we are in right now. I worked on Wall Street when John Kennedy was assassinated. It was a horrible time. Confidence was shattered. The stock market actually closed down for a period. Now we are facing a meltdown. The fact is, we are all going to work and hope that it doesn't melt all the way down.

On the day that we learn about Merrill Lynch, which was the gold standard of brokerage houses, and AIG, what I understand is the largest insurance company in America, when we hear about that and about Lehman Brothers, which we also hope can survive in some form via purchase—and certainly we know thousands of people have lost everything—to hear a U.S. Senator—namely, Senator MCCAIN—say the fundamentals of this economy are strong sends cold shivers up and down my spine. To think that anyone would say that, one would have to go back to the days of Herbert Hoover, President of the United States, the day after the market crashed in 1929 and we entered the Great Depression. He said:

The fundamental business of the country, that is production and distribution of commodities, is on a sound and prosperous basis.

We have Senator MCCAIN memorializing this attitude and these words.

I wish to spend the rest of my time going through the fundamentals of this economy. I will come back and speak later when I have a little more time to expand.

In 1999, the average American family spent \$3,261 on cost-of-living expenses; in 2007, \$7,585. The average household earned less in 2006 than they did in 2000. Incomes are going down. Expenses are going up—groceries, heating, gas, health care. The fundamentals of our economy are strong? As Senator OBAMA said: What economy? Not this economy. The average household earned less in 2006 than they did in 2000. Job growth during this administration has been the slowest since Herbert Hoover in 1929, the Great Depression. Our economy has lost jobs for 8 straight months; 84,000 jobs were lost last month. The fundamentals of this economy are strong? What?

One in five Americans is unemployed for more than 26 weeks, an increase of

8.2 percent over 2001. Americans living in poverty increased by 5.7 million since 2000, and 37 million Americans live in poverty. The fundamentals of this economy are strong? Spare me.

Existing home sales fell by 22 percent in 2007. President Bush inherited a surplus. We now have an enormous deficit. The debt has increased over \$4 trillion since 2001. We are spending \$10 billion a month in Iraq. The money is leaving the country. We are not making the investment. The fundamentals of this economy are strong?

Every American, I don't care what party—Republican, Democratic, Independent—should be up in arms about a leader looking at these figures. I have only given a little of the story. Let's get real. The fundamentals of this economy are weak. The people are anxious, and they should be. It is time for change.

I yield the floor.

The PRESIDING OFFICER. The time of the Senator from California has expired. Who seeks recognition?

Under the previous order, the time until 3:06 is equally divided, with the Republican leader controlling the first 15 minutes and the majority leader controlling the last 15 minutes.

Mrs. BOXER. 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. KYL. 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. KYL. Mr. President, unfortunately, we are in a situation with this bill where we have not been able to reach an agreement on how to proceed. I say this notwithstanding the Herculean efforts by the chairman and the ranking member of the committee. Senator WARNER informed me a moment ago about the negotiations that have been ongoing, literally over the weekend, and yet it appears that notwithstanding their best efforts it has been impossible to find a way to move forward on this bill that encompasses amendments or embodies those amendments in a managers' amendment to the bill such that the Members, at least on our side, would feel comfortable proceeding to close off debate on the bill and bring debate to a close so we could move on with the bill. Unfortunately, I believe we have had two votes so far on this bill. I think one of those was on an amendment I offered, or it was accepted.

In any event, I think they have accepted two amendments, we have had two votes, and I am informed that over the past three Department of Defense authorization bills, we had a rollcall vote average of 21 votes per bill. That is about right for a Defense authorization bill. This is one of the most important bills we have each year. There is a lot of Member interest. The committee

has always allowed a robust debate and amendments by Members and, an average, as I said, of 21. We have had two so far. Clearly we are not ready to stop this bill. There is more work to be done. Frequently, amendments are embodied in a managers' amendment, on average, of 192 amendments that were agreed to during the consideration of the last three DOD authorization bills. As I said, this year the majority has accepted but two.

Now, on our side we had hoped we would have a unanimous consent agreement that could be entered into at this point to obviate the necessity of the vote on cloture. It appears now that that will not be the case. So unfortunately we are in a situation where we are clearly not ready to call an end to this bill. There is still a lot more work to be done. The two managers have tried very hard to reach an agreement. That has not been possible to do. Therefore, at least for me—and I don't pretend to speak for everyone on the Republican side—but at least for me, I can't in good conscience vote to close off debate, bring this bill to a close when there are so many outstanding issues that I know Republicans wish to bring to closure. There is one in particular I will mention before I close.

There is this matter of earmarks. What we had resolved to do in the Senate was to say that only legislative language would be sufficient for a so-called earmark to have the force of law. You couldn't put earmarks in report language and then expect the executive branch to adhere to those earmarks when it spent the money appropriated by Congress. Well, once again, we have the specific items of spending that some call earmarks not put in legislative language except by reference. I know both Senator WARNER and Senator DEMINT and some others had proposed amendments to deal with that. I would have liked to have voted on a Senator WARNER amendment to deal with that subject but, apparently, without a unanimous consent agreement, that is not going to be possible. So there are a variety of things that remain to be done. If we vote for cloture on the bill, they are not going to get done.

Therefore, reluctantly, as I said, it will be my position to vote against cloture on this bill.

Mr. REID. Mr. President, has all time of Senator McCONNELL expired?

The PRESIDING OFFICER. There is 1½ minutes remaining on the Republican side.

The Senator from Virginia is recognized.

Mr. WARNER. Mr. President, this will be one of the most difficult votes that I will have had to cast in my almost 30 years in the Senate. I must say to my dear friend, the chairman of the committee, we have worked together these years and we just made our last efforts in the cloakroom to try and bridge the gap—I respect both sides—bridge the gap. We failed, and now we

are confronted with cloture. I then searched my conscience: What do I do? Because I am definitely more than sympathetic, completely in support that the minority has to have certain rights and a certain ability. That is the way this institution is constructed.

I shall vote for cloture for the following reason: I ran a quick mental calculation. It was 63 years ago, in January of 1945, that I joined the U.S. Navy. If I had to point to the one single thing in my some 40 years plus of public service that has meant the most to me personally, it is working with and learning from the men and women of the Armed Forces of the United States. My military career on active duty is of no great consequence, but my learning experience was enormous, and I have tried through these 30 years in the Senate to pay back to this generation and future generations of men and women all the wonderful things, including two GI bills, that were done for me.

So I could not have this, being almost the last vote that I will cast in these 30 years, in any other way than be consistent with my conscience, as I have tried to do the best, and will continue to do the best, on behalf of the men and women of the Armed Forces and their families.

I thank my colleagues.

The PRESIDING OFFICER. The time of the Senator has expired.

The Democratic leader is recognized.

Mr. REID. Mr. President, I had the opportunity in August to travel to Afghanistan. I always try to find the Nevada troops and I was able to do that because there are a lot of them over there. But I talked to troops—not Nevada troops but American service men and women. I have had the good fortune of being able to go to Iraq and talk to our military in Iraq. To try to explain to them that we are not doing a Defense authorization bill because minority rights aren't protected, I mean what is—what are we doing? This will be the 94th time we voted on cloture this Congress—the 94th time—far breaking any records ever in the history of our great country; more than double.

My friend, the distinguished Senator from Arizona, says they are not ready to end this debate. We have a professional staff. The Republican staff of the Armed Services Committee is as professional as you can get, and that on the Democratic side is as professional as you can get, led by two of America's all-time great Senators: LEVIN and WARNER. I say that without any degree of trying to make them feel good. It is the truth. They are two of the great Senators in the history of our country. They have worked as hard as they could to put together a Defense authorization bill. Now, let's assume we don't do anything to that bill and cloture is invoked and we pass that bill. Wouldn't that be a great time to celebrate here? Because you know what would happen? We would have a conference with the House and work out whatever differences in their bill and our bill.

This is about earmarks? Oh, come on. We have had congressionally mandated spending since we have been a country. Why? Because our Founding Fathers set the country up that way. We have three separate branches of government. We don't have a king. We have a President. He doesn't make all the decisions. Benjamin Franklin and all of those men who met in Philadelphia wanted us to have three separate branches of government and they determined what our duties would be in the Constitution. One of them is to determine the spending. That is our role. That is our obligation. Now, are these two men trying to hide something from the American people, trying to sneak something in to help a military base someplace in America? No. Everything is transparent. This earmark is only one of the issues of the day to give somebody something to talk about, to talk about how bad government is.

During the past 8 years, our Armed Forces—the best trained, the most courageous armed forces the world has ever known—have been stretched to the limit. I don't say this; our military commanders say it. Both civilian and military leaders of our country say we have to help our military. History will remember that during these years, despite tremendous strain, our military accomplished everything asked of them with heroism and success. We have all been to the funerals. I never understood until I went to Afghanistan what Shane Patton went through as a SEAL in Afghanistan. I went to that funeral and I thought why is a SEAL in Afghanistan. There is no water there. He is there doing the things they are trained to do—going after terrorists—and he was killed in the process. It won't be easy to rebuild our Armed Forces. It must be a priority of our next President to give them proper rest, proper training and equipment when they are deployed, and proper physical and mental health care when they return from combat.

Part of my security detail as the majority leader—because people don't like what I do and say, I have had people threaten me. I have had as a part of my security detail a guy by the name of James Proctor. Since I was assistant leader and leader, he has been with me all that time, but it has been interrupted by three tours of duty to Iraq. He is an Army officer. Three tours of duty. He leaves his little family and heads off to Iraq. For James Proctor—to tell him we are not doing a Defense authorization bill because of earmarks or because we didn't have enough time to debate it, it is laughable, and he would laugh. They would all laugh. It is unfair.

So next January 20, I guess, we will see what we can do to move forward, because we have to rebuild our Armed Forces. In the meantime, Congress can begin, I hope, to do something in the interim. We can begin now by passing the Defense authorization bill, a sensible, bipartisan bill that will honor

our troops and enhance our national security.

Just a few things: For men and women in uniform, this bill will give almost a 4-percent increase—exactly 3.9 percent increase—a pay raise—to our troops and other military personnel. Do they deserve it? Of course they do. If this bill doesn't pass, do they get it? Of course they don't. This will mean more money in the pockets of military families struggling to make it from one paycheck to the next. It will help returning heroes afford a place to live or go back to school. We invest in Defense health programs for men and women which, among other things, prevent the need to raise TRICARE fees. This bill will fight terrorism and protect our national security, and to tell James Proctor and people who have served gallantly in this military that we are not moving forward on this because minority rights aren't protected?

This bill funds international non-proliferation efforts to combat weapons of mass destruction as well as programs that will help us prepare the homeland for chemical or biological attacks. This bill will increase funding for special operations command to train and equip forces and support ongoing military operations. If we hear one thing when we go to Afghanistan, they will tell you how important special operations officers and troops are. This bill provides funds supporting the development and use of unmanned aerial vehicles.

Creech Air Force Base—named after General Creech who ended his career and his life in Nevada—was named after him, a great military officer. Indian Springs Air Base, it used to be called. It is midway between Las Vegas and the Nevada test site. This facility was going to be closed, until they determined these drones were some of the most important things in the military, and this legislation takes into consideration how important unmanned aerial vehicles are. This legislation helps reinforce special intelligence capabilities within the Army and the Marine Corps. This is a very good piece of legislation, an important step toward rebuilding our Armed Forces and protecting the American people.

I wish I had words adequate to express my personal appreciation—and I can speak for everyone on this side of the aisle—for the work done by Chairman LEVIN and JOHN WARNER. There are no two more honorable people in the world; whether they are rabbis, priests, ministers, there is no one who has more credibility and honesty than these two men. I have had conversations with these two fine Senators, where they said: This is what I am going to do. Do I need to check back with them and ask: Do you really mean what you said? No. Their word is their bond. Once they have said it, that is it.

I feel very bad. Senator LEVIN is going to have another opportunity to do one of these bills, but this man, Sen-

ator WARNER, won't unless we invoke cloture. We need to do that so that he can participate in coming up with the final bill that will lead to a conference with the House of Representatives. For 30 years—as I have said on the floor before, I don't know his predecessors—I served with a number of them—but the State of Virginia could not have had a better Senator than JOHN WARNER. They could have had one as good but nobody better. These two men have done their very best. I accept the product they have given us, the product we have right here, now, today. I accept it. Let's pass it. Let's invoke cloture on it, and if there are germane postcloture amendments, we will take care of those. That is what these men do.

Now, I want to say one other thing. Let's not forget that the ranking Republican on the Armed Services Committee is Senator JOHN MCCAIN. I understand the Presidential campaign takes candidates away from what goes on here. Both parties realize that. But it certainly would have helped move this legislation forward if the ranking member of this committee, the Republican nominee for President, had shown leadership and a commitment to this cause by talking to his fellow Republicans and saying: Come on, we need to get this passed. Not a word publicly or privately, that I know of.

We have a chance to do the right thing by coming together to invoke cloture and move toward passing this legislation. I hope all Senators, Democrats and Republicans, will join to move forward so we can honor and promptly care for our military families, while enhancing our country's ability to meet the security challenges we face.

Let me say that, while I talked about JOHN WARNER, I want to close by talking about CARL LEVIN. I, too, don't know all of his predecessors. I do know a little history. There could have been a Senator as good as CARL LEVIN from Michigan but no one any better.

We deserve this legislation. The country deserves this legislation. These two managers deserve this legislation. Let's invoke cloture. It will give us an opportunity to complete this legislation. I hope we can do that.

I ask unanimous consent that Senator LEVIN be given 2 minutes to close the debate.

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

The Senator from Michigan is recognized.

Mr. LEVIN. Mr. President, I thank the leader and I thank Senator WARNER for his statement in support of cloture. It is a difficult and courageous vote. I commend them on it.

The issue here is not earmarks; the issue is a perception that is being perpetrated that it is about earmarks. This green book is our committee report. It lists all of the items to be added to it and subtracted. This white book is our bill. It incorporates the charts and lines from the committee

report and is incorporated into this bill as law. The lines here—add-ons, subtractions, all of the requests of the President that weren't touched, by the thousands—are incorporated by reference in our bill.

The amendment of Senator DEMINT, who wants to eliminate the incorporation by reference, has exactly the opposite effect. All the line items that were added or subtracted would not be part of the bill if the DeMint amendment were agreed to. They would remain in the committee report without incorporation by reference in the bill. It goes exactly the opposite direction of making "earmarks" part of law.

The Warner amendment, on the other hand, would incorporate not just by reference but all of the language in the thousands of lines in the bill. The problem is that it would take so much time, according to the Government Printing Office, to do that, we probably could not get to conference and back to the Senate unless we had a lameduck session. We don't know that we will.

We cannot jeopardize this bill, which means so much to the men and women in the Armed Forces, by a requirement that achieves no purpose because the lines are already incorporated by reference, that achieves only the perception of a purpose, which apparently meets some political needs of people who are out campaigning. That is not enough to jeopardize the Defense bill.

This bill means everything to the men and women in the armed services. It should mean everything to us because they mean everything to us. We cannot jeopardize this bill by any action which may make it impossible for us to bring back a bill from conference.

I wish to end by again complimenting Senator WARNER. He has been absolutely wonderful in trying to work out a unanimous consent agreement. I treasure our 30 years together. I wish we could end this with a cloture vote that would allow us to finish positively the great effort he has put in. I hope we can get 60 votes for cloture.

CLOTURE MOTION

The PRESIDING OFFICER. Under the previous order, pursuant to rule XXII, the clerk will report the motion to invoke cloture.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on S. 3001, the National Defense Authorization Act for Fiscal Year 2009.

Carl Levin, Patrick J. Leahy, Bernard Sanders, Robert P. Casey, Jr., Claire McCaskill, Sheldon Whitehouse, Benjamin L. Cardin, Robert Menendez, Bill Nelson, Charles E. Schumer, Richard Durbin, Thomas R. Carper, Patty Murray, Amy Klobuchar, Jon Tester, Jeff Bingaman, Harry Reid.

The PRESIDING OFFICER. By unanimous consent, the mandatory quorum call is waived.

The question is, Is it the sense of the Senate that debate on S. 3001, the Na-

tional Defense Authorization Act for Fiscal Year 2009, shall be brought to a close?

The yeas and nays are mandatory under the rule.

The clerk will call the roll.

The bill clerk called the roll.

Mr. DURBIN. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Massachusetts (Mr. KERRY), and the Senator from Illinois (Mr. OBAMA) are necessarily absent.

I further announce that, if present and voting, the Senator from Massachusetts (Mr. KERRY) would vote "yea."

Mr. KYL. The following Senators are necessarily absent: the Senator from Texas (Mr. CORNYN), the Senator from Florida (Mr. MARTINEZ), and the Senator from Arizona (Mr. MCCAIN).

Further, if present and voting, the Senator from Texas (Mr. CORNYN) would have voted "nay."

The PRESIDING OFFICER (Mr. SANDERS). Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 61, nays 32, as follows:

[Rollcall Vote No. 200 Leg.]

YEAS—61

Akaka	Hagel	Reed
Baucus	Harkin	Reid
Bayh	Inouye	Roberts
Bingaman	Johnson	Rockefeller
Boxer	Klobuchar	Salazar
Brown	Kohl	Sanders
Byrd	Landrieu	Schumer
Cantwell	Lautenberg	Smith
Cardin	Leahy	Snowe
Carper	Levin	Specter
Casey	Lieberman	Stabenow
Clinton	Lincoln	Stevens
Cochran	Lugar	Sununu
Coleman	McCaskill	Tester
Collins	Menendez	Warner
Conrad	Mikulski	Webb
Dodd	Murkowski	Whitehouse
Dole	Murray	Wicker
Dorgan	Nelson (FL)	Wyden
Durbin	Nelson (NE)	
Feinstein	Pryor	

NAYS—32

Alexander	Craig	Hutchison
Allard	Crapo	Inhofe
Barrasso	DeMint	Isakson
Bennett	Domenici	Kyl
Bond	Ensign	McConnell
Brownback	Enzi	Sessions
Bunning	Feingold	Shelby
Burr	Graham	Thune
Chambliss	Grassley	Vitter
Coburn	Gregg	Voinovich
Corker	Hatch	

NOT VOTING—7

Biden	Kerry	Obama
Cornyn	Martinez	
Kennedy	McCain	

The PRESIDING OFFICER. On this vote, the yeas are 61, the nays are 32. Three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion is agreed to.

Mr. DURBIN. Mr. President, I move to reconsider the vote by which the motion was agreed to and to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. REID. Mr. President, I want to express my appreciation to everyone. I

tell all Senators that Senator WARNER and Senator LEVIN are going to do everything they can to process this bill. We are going to complete this bill by tomorrow night, and we will get the bill to conference.

We can get a bill. Everyone who has something they want to do, talk to these two managers and they will do the best they can. This is an important bill, and the Senate realized that. I think this is really a good day for the Senate.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MENENDEZ. 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. MENENDEZ. Mr. President, I ask unanimous consent to speak as in morning business with the time to run postcloture.

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

THE ECONOMY

Mr. MENENDEZ. Mr. President, there is no doubt Wall Street and Main Street are in a crisis. The floodgates from the subprime storm have ripped open and the effects are clearly devastating—unemployment is up and markets are down.

While I may not be able to predict what is coming next, I would like to talk a little bit about how we got here. Americans may not have been tracking the exact moves and, I believe, the negligence on the part of the Bush administration that has led us to this point, but we certainly understand the consequences.

For New Jersey, my home State, financial losses on Wall Street mean job losses at home. I am worried about the 1,700 employees of Lehman Brothers in Jersey City. I am worried about the 6,000 employees at Merrill Lynch in Hopewell. I am also worried about those families and others who are going to have to face foreclosure or watch their home values plummet. And I am worried about millions of retirees and people approaching retirement who are going to realize that their life savings are under attack and diminishing as quicksand below their feet.

Everyone is demanding to know what got us here. Well, what got us here to a large degree is that for the last 8 years we have had an administration that has turned a blind eye to financial markets and deregulated at every turn, playing Russian roulette with our economy. Their regulatory changes gave lenders the chance to invent new ways to make bad loans and to pass off the risks on investors.

The Federal Reserve had a power given to it long ago by a Democratic Congress to fight predatory lending. For more than 7 years of the Bush administration it failed to use it. If they

had acted, many predatory lenders wouldn't have been allowed to pedal bad loans, which investment banks bought and then went bust and spurred this crisis.

There are so many parts to this pattern of deception and neglect. In 1994, a Democratic Congress passed the Homeowner's Equity Protection Act. It was the first statute to fight predatory lending. That was in 1994. That law mandates that the Federal Reserve must issue regulations to prohibit abusive and deceptive practices. But how long did it take the Federal Reserve to do so? It took the Federal Reserve 14 years—from 1994—to implement these regulations.

Senator Sarbanes, the former chairman and sometimes ranking member of the Banking Committee, and Senators SCHUMER and DODD have repeatedly introduced legislation to protect against predatory lending. Not once has any Republican been a cosponsor in the Senate. Yet we have been hearing a lot about Senator MCCAIN suggesting that all of a sudden he has seen the light. But he wasn't here all those years.

Even after reaching a bipartisan agreement on the Foreclosure Prevention Act and its successor, the Housing and Economic Recovery Act of 2008 in June, Republican Senators delayed the final passage of the legislation for weeks—for weeks. Between the two bills, Republicans had six filibusters to prevent the passage of this legislation.

Notwithstanding what was happening throughout the country, as a member of the Senate Banking Committee in March of 2007—well over a year and a half ago—I raised the prospect of a tsunami—my word—of foreclosures. But the administration said: Oh, no, that is an overexaggeration. Unfortunately, I wish they had been right and I had been wrong. But the fact is, we haven't even seen the crest of that tsunami take place.

A few months later, as foreclosures mounted, they assured us that the problems we were concerned about might bring broader consequences to the economy. But oh, no, all those who came before our committee, all the financial leaders of this administration—the Secretary of the Treasury, the head of the Federal Reserve, and the regulatory side of the Securities and Exchange Commission—oh, no, those problems would be contained to only the housing market, even though they couldn't even see the foreclosure crisis being the tsunami it has become.

In July I asked them about the prospect of a bailout of Fannie Mae and Freddie Mac, but they couldn't foresee that either or they were misleading the committee. I see the distinguished chairman of the Banking Committee is here, and he will recall they were asked head on. They asked for incredible authorities. Yet they could not foresee the possibility, even as the mortgage crisis continued to rear its ugly head in dimensions that some of us predicted a year and a half ago. Those who are in

charge of the regulatory process, appointed by the Bush administration, ultimately could not see.

So even in the face of all that, we had the White House issue numerous veto threats against the bill that was critical to try to get to the very root cause of what is happening in America today—the housing foreclosure crisis—which has created this ripple effect in all our financial institutions. Yet they were issuing veto threats—veto threats. How could you be so blind or how could you be so much in the interests of one sector that you are unwilling to mitigate the risks on behalf of the American people?

This is not new. Look at 2005. In 2005, the House of Representatives—I was a Member there at the time—passed a bipartisan GSE reform bill by a vote of 331 to 90. GSEs are those Government entities; that is, Fannie Mae and Freddie Mac. We wanted to have a strong reform bill. It was offered by Republicans. Mike Oxley, the chairman at that time, a Republican, working with BARNEY FRANK, offered the bill. It passed overwhelmingly. In the House of Representatives—I served there for 13 years—I can tell you, when you get a vote of 331 to 90, that is about as bipartisan as you can get.

That bill was offered here by Senate Democrats exactly as it passed the House. But it was blocked by the White House. Even Mike Oxley, the former Republican chairman of the House committee, said recently:

We missed a golden opportunity that would have avoided a lot of the problems we are facing now if we had not had such a firm ideological position at the White House and the Treasury and the Fed. What did we get from the White House? We got a one-finger salute.

His words, the chairman of the House Financial Services Committee, which passed the bill in a big bipartisan vote. We couldn't get it through here in the Senate.

I find it incredibly difficult to see that one of our colleagues who is running for President, Senator MCCAIN, now talks about all of these issues. He has a new ad out suggesting he is a reformer. But he was part of the same Bush views. He basically was in support of most lifting of regulations.

So as the tsunami approached—the one that we were told, when I raised it a year and a half ago, they couldn't see—the administration was consistently on the back side of that tsunami, watching it sweep toward us, watching while the American people got washed under.

We have had 8 years of our regulatory entities. Who are they? The Securities and Exchange Commission, the Federal Reserve, the OCC—the Office of the Comptroller of the Currency under the Treasury Department. Instead of being the cops on the beat to ensure we have a marketplace that is balanced—yes, we believe in a free marketplace and, yes, we believe in free enterprise, but an unregulated marketplace, as we found, is one that has excesses. The

reason there are regulators is to make sure there is balance at the end of day. But when those who are supposed to be the cops on the beat—the regulators—hit the snooze button instead of going into action so we can prevent or mitigate what we are now facing, we see the consequences.

Some of my colleagues on the other side of the aisle call this scheme “the ownership society,” which means today: You are on your own. A strong belief in this scheme has led Senator MCCAIN, in the face of this crisis, to repeat the same old claim yesterday that the fundamentals of the economy are strong. Housing foreclosures are defying gravity, and he continues to make statements that defy reality. Great financial institutions collapse, and Senator MCCAIN has generally supported deregulation as the answer. That is like trying to say you want to take cops off the street to deal with a riot.

I have a real concern as we now move forward. We are where we are as a result of economic and regulatory policies of the Bush administration that JOHN MCCAIN thinks are the sound underpinnings of a good economy and how we continue to move forward. It is unacceptable. That is not change. That will not change the course of where we are headed in this economy. That will not change the course of the consequences to millions of Americans.

This is not just about wealthy investors. Look at the consequences. Look at what is happening. When Lehman Brothers has to close, not only are those 1,600 jobs in New Jersey at risk, but it affects all of those who had mortgages, all of those who used a service, all of those who bought a product, all of those who went out to eat in restaurants, all of those who, in fact, employed someone else to give them a service while they were working. The ripple effect is very significant.

When people get their statements for their retirement accounts, whether it be a 401(k) or a thrift savings or whatever, we are going to see what that means to people in real life. Some are going to look and say: I am going to have to keep working because I cannot continue this way.

I want to echo what one of my distinguished colleagues, the Senator from Illinois, said a few weeks ago in Colorado:

Enough. Enough of more of the same. Enough denial about our challenges. It is time to develop solutions.

We look forward to having the Secretary of the Treasury before the Banking Committee this Thursday. There are very tough questions to be answered, not only about what has happened but what we are doing as we move forward.

It is enough of more of the same. Enough denial about our challenges. It is time to develop solutions. I believe we have to act fast to provide an economic stimulus package targeted to provide relief to those most in need, in

ways that stimulate our economy and infrastructure.

Let's be clear, we have to recognize the potential for what we call moral hazard. We can't have everyone on Wall Street think they can go to any excess whatsoever and the Government will bail them out. But at any given time in this process we have to look at what entity creates the risk. We are in one of the most precarious moments in our financial history. What entity creates perhaps a systematic risk, something that creates such a widespread risk that we have to look at that as an individual case and determine whether there is a different governmental action to be recognized.

In general, as we move forward, I certainly hope the legislation Senator DODD and Senator SHELBY worked on together, that went through six filibusters and a bunch of veto threats by the President and finally got through into law, is now actively pursued starting on October 1, which is when it goes into effect. We cannot have any of the Bush administration agencies and regulatory entities involved not be ready to go on October 1 to start providing relief on those hundreds of thousands of foreclosures—not only for those families but at the same time to try to make those performing loans so we can prop up all of these functioning institutions at the same time so all of us as Americans get some relief from an economy that is definitely headed in the wrong direction.

In general, as we move forward we have to establish which failures are isolated and which present a systemic risk to the entire financial system.

Second, it is fundamental to the health of our economy that we help homeowners stay in their homes. The housing market is not just a center of the crisis, it is also a pillar of our society. Taking steps to shore it up makes sense on so many levels. Especially as this school year gets underway, we can't sit back and watch children get thrown out not only from their homes but pulled from their schools.

Third, we absolutely must hold administration officials and regulators accountable. I myself promise to do my part when they come before the Banking Committee this week and next. They better be prepared for some tough questions and some straight answers. I am tired of hearing that you could not foretell what some of us were telling you and others about the tsunami of foreclosures. We could have stemmed the tide. We could have acted in a regulatory process to make sure that was minimized.

When you are asked what is the possibility of a bailout of Fannie Mae and Freddie Mac, I am tired of being told you can't foresee that happening, and just a month and a half later you have a very significant bailout—and you can't tell us how much the taxpayers will be on the hook for it.

I am tired of being told by some of our colleagues, such as Senator

MCCAIN, that this economy has all the right underpinnings and all the right regulatory processes. That is a fantasy world. It is a world that ultimately Americans cannot afford. They cannot afford that type of thinking in terms of where we go over the next 4 years.

I look forward to those opportunities, moving forward this week and the next, to try to turn the course of where we are for all Americans and for our Nation as a whole.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, I will be very brief.

I commend our colleague from New Jersey, a wonderful member of the Senate Banking Committee who has been invaluable over the last 18 months as we confronted a morass of problems that, as he very properly and accurately points out, began building up years ago.

This did not all of a sudden happen 18 months ago. As I said so many times, this was not a natural disaster. This was avoidable. That is the great tragedy of all of this. Had we had regulators on the beat—as he describes it, cops on the beat—had the legislation that passed overwhelmingly in this Congress actually been enforced with regulations promulgated dealing with deceptive and fraudulent practices in the residential mortgage market as many as 4 years ago—without a single regulation, under the leadership of this administration, being promulgated—we could have avoided the “no doc” loans, the liar loans, the subprime predatory lending, luring innocent people into dreadful situations that these brokers and lenders knew they could never afford to pay and then packaging them and branding them triple-A mortgages and selling them off as quickly as they wrote them to get paid off themselves and then pass on the responsibility to someone else. All of that history is replete as to how this situation unfolded. Now, of course, they want to avoid the blame for the consequences—this crowd does—for what happened.

The Senator from New Jersey laid it out very well. The public needs to know that. They also need to know what we should be doing together to get it right. We have a lot of work in front of us to get it right, but in order to get it right, we also have to acknowledge what went wrong, and there is a long history of what went wrong here.

I welcome the remarks of my colleague and thank him for his leadership and look forward to working with him.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LEVIN. 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. LEVIN. Mr. President, now that cloture has been invoked on our bill, we are going to be working very hard with Senators who have germane amendments that have not been cleared to see if we can make progress on such amendments. We not only request that Senators who have such amendments come promptly to the floor to meet with us or our staffs, but we also have to recognize that any such amendment, if it is not in a cleared package, would require consent, given the parliamentary situation. We have a cleared package already, which I think is upwards, perhaps, of 90 amendments or so, which we would hope to add to before we offer it to the Senate by unanimous consent.

After Senator WARNER has an opportunity to speak, I think we will put in a quorum call and do some other work we need to do in order to get to the next stage in this bill. Hopefully, we can now move promptly on this bill now that cloture is invoked. I thank the Senator from Virginia for all he did to make that possible.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. WARNER. Mr. President, as the distinguished chairman said, we have some 90 amendments now cleared. Now that the issue of going forward is also at this time clear, there should be an impetus to move forward such that the package of 90—some can grow, hopefully by 30 or 40, before close of business tonight and possibly we can consider moving that as quickly as we can. We are ready to assist all Senators with regard to their amendments filed and, indeed, otherwise. We are here to try to ascertain our ability to put them in a package that is cleared; if not, despite the parliamentary situation, to help them secure a vote.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. LEVIN. Mr. President, we will, of course, do our very best, working with Senators, to add to this package. There are some possibilities there. Again, I wish to alert Senators to the fact that we are in a postcloture situation, which means they must be germane unless there is unanimous consent to the contrary. Also, the parliamentary situation is such that it would require consent. But as the Senator from Virginia wisely points out, we are going to do our very best to not be limited to technicalities if we can get consent of the body to obviate those technicalities.

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

The PRESIDING OFFICER. (Mrs. MCCASKILL). Without objection, it is so ordered.

THE ECONOMY

Ms. STABENOW. Madam President, I come to the floor, as many of my colleagues have on this side of the aisle, to express my outrage and my amazement at the continued comments of one of our colleagues, who is not here but is running for President, Senator JOHN MCCAIN, when even as Wall Street now is crumbling—we have seen the actions of the last couple days—he continues to say the fundamentals of the economy are strong. No matter what caveats he puts on it, he says the fundamentals of the economy are strong. That shows how out of touch he is, as is the President whom he works with, George Bush, and those who support this view that the fundamentals of the economy are strong.

I remember a while back coming to the floor after comments were made, as well, about at that time the chief economic adviser for Senator MCCAIN. Even though this person has now stepped down—also a former colleague—from that position, we know he is still very close to Senator MCCAIN and is involved in his efforts and so on. That is Senator Phil Gramm, whom I served with on the Banking Committee. He was the chairman of the committee when I was first taking my place in the Senate. To hear Senator Phil Gramm, who worked so closely with Senator MCCAIN—we assume, based on their long relationship and the positive things Senator MCCAIN has said, that he would play a major role in a new administration under JOHN MCCAIN, and he has said as well, in addition to Senator MCCAIN repeating that the fundamentals of the economy are strong, we also remember former Senator Phil Gramm's comment that this is just a psychological recession; it is all in our minds. He said it is psychological and Americans have become a nation of whiners—a nation of whiners.

I am wondering if people made it up or if they were hallucinating when they lost their jobs this year; 605,000 Americans have lost good-paying jobs this year, since this past January. Were they hallucinating? Was this a figment of their imagination? Is it a figment of their imagination that they cannot make their mortgage payment or put food on the table or pay their electric bill or go to the gas pump and be able to refuel with outrageously high gas prices? Of course not. Of course not.

We have seen the economy unfolding in a way so that only those who are very wealthy, who have the ability to take their capital anywhere in the world, can succeed under this philosophy that has been in place, this Republican philosophy of no accountability, no transparency, no one watching in the public interest as people have made decisions that have undermined pensions of working people. Heaven forbid, can you imagine if Lehman Brothers had been managing Social Security payments for millions of senior citizens, which is, by the way,

something else Senator MCCAIN wishes to see happen, privatizing Social Security.

What we have seen is an undermining of the fundamentals of what has been the strength of our economy—good jobs, not just supply, but supply and demand, putting money in people's pockets so they can afford to take care of their families and keep the economy going.

In addition to 605,000 people who have lost their jobs since the beginning of this year, we had 3.5 million manufacturing jobs lost, and counting, since 2001, since President Bush came into office. Madam President, 3.5 million people were not hallucinating. It was not a figment of their imagination that they lost their job and that their families have been put into a tailspin as they are now trying to figure out where they go from here to try to keep some semblance of the American dream.

The fundamentals of the economy are strong, says Senator JOHN MCCAIN. We are, in fact, looking at an example of what it means to live under a philosophy of President Bush, JOHN MCCAIN, and the Republicans, and what actually happens if their philosophy comes into being, in terms of actions.

For the first time, in the time I can remember, we saw from 2001 until 18 months ago a time when the House, the Senate, and the Presidency were all in the hands of the same party. We had a chance to see what they believe in, what are their values, what are their philosophies.

What we have seen is a philosophy that has raised greed to a national virtue, that has viewed public regulation and accountability in the public interest, to protect public resources or public funds, as something to be scoffed at and to be unwound, to deregulate, to make sure that the areas of Government that have responsibility, that are accountable for our financial systems, our monetary systems, our energy resources and other areas, in fact, are not held accountable.

We have seen an administration and a Republican philosophy that doesn't work for the majority of Americans. It works for a few. If you are one of the folks who is out there trying to make sure you can make as much money as possible for yourself and your friends, you may have done pretty well. But there has been no willingness to understand the consequences for the majority of Americans or to accept any responsibility to make sure that the majority of Americans can benefit from the resources and opportunities and wealth of this great country.

This culture of greed and corruption, supported by Senator MCCAIN and President Bush and others for 6 years running, has led to Enron. I remember having people sitting in my office who had everything in their company's pension. They worked for Enron. They lost it all. They lost it all because of the schemes and the lack of accountability and oversight. They lost everything in

their pension plans and they sat in my office and said: Thank goodness for Social Security because that is all I have left.

The same folks who gave us the Enron debacle want to privatize Social Security, including JOHN MCCAIN. No-bid contracts, such as Halliburton in Iraq; continual tax cuts only for the wealthiest Americans; weak oversight of public industries, regulated industries, regulated in the public interest; a disregard for the Constitution; and now the latest economic crisis we see.

Fundamentally, the question is: Who are we as a country and do we want to continue these failed philosophies? That is not by accident. I suggest this is the result of a world view, a set of values and philosophies that does not put the majority of Americans and our country first, but basically puts in place the idea that greed is good and you should make it while you can, and we are going to make sure we strip away any public protections so your ability is unfettered to do what you want to do for yourself as opposed to what needs to be done on behalf of the American people.

If we don't have a change in this country, we are going to see the same failed blueprint with more of the same failed results, disastrous results. That is why I believe so strongly we need a change in direction and a change of values to put the American people first.

Again, our colleague, Senator MCCAIN, who has said that the fundamentals of the economy are strong, has worked to deregulate markets, has called himself a deregulator. Unfortunately, it is those policies that have gotten us to where we are today.

This is the most serious financial crisis since the Great Depression. And what is the plan at this point? To study the problem. Senator MCCAIN has said today we should study the problem.

We don't need another commission. What we need are people who will make sure that the accountability, the oversight, the power that is here to stop price gouging, to bring oversight to what is going on is actually used. It hasn't been used under this administration. For 6 of the last 7½ years there was every effort, in fact, to pull back on who was put on boards and commissions, the regulators, the overseers. They essentially were made up of people who didn't believe in the mission, who didn't believe they were there for the public interest.

Right now we have a situation where there are 84,000 Americans who lost their jobs last month, 90,000 Americans who lost their homes last month. They don't want another study. They don't want another commission. They want leaders who get it. They want leaders who understand their role in this Government of ours, this public trust we have, not on behalf of just ourselves and our friends but on behalf of everybody in this country, to make sure the rules are fair, that they are followed,

and that everybody has a chance to make it. That is what it is supposed to be about.

I am also reminded that Senator MCCAIN has chaired the Commerce Committee and oversaw a massive deregulation scheme that gutted our oversight of these markets. Where is the accountability? Instead of protecting consumers and preventing abuse, the special interests ruled. And CHAIRMAN MCCAIN oversaw that effort.

The same economic philosophy of the Bush administration joined by Senator MCCAIN for the last 8 years has been to give more and more to those who have the most, ignore the ability of others to make sure they can have what they have earned—their job, their pension, that Social Security is strong, they can afford to put food on the table and pay for the gas and be able to have what we all expect as Americans that will be available to us if we work hard and follow the rules.

We have had the same philosophy in place, the same philosophy that has brought us 8 straight months of job loss, the same economic philosophy that has left incomes stagnant while families find themselves spending twice as much on the basics of their life.

Real household income is down. Imagine, we were lower in 2007 than in the year 2000. Incomes were lower in 2007 than they were in 2000. We are in a generation of having real concerns, and rightly so, that our children's lives and economic circumstances will not be as good as our own.

The same philosophy has led to gasoline inching upwards to \$5 a gallon, and the same economic philosophy that leaves 47 million people without health insurance, leaving them worried about whether their children will be cared for when they are sick. The same philosophy has been in place since 2001 with this President with 6 years of no balance and accountability, just one world view, 18 months of our coming in now and slowing the trend down, working hard to bring in some accountability, even though there are unprecedented Republican filibusters to stop us.

But we have seen a philosophy that has failed. We need to be taking actions to stop the fraudulent, risky, and abusive lending practices, and that has been proposed over and over again. I commend Chairman DODD of the Banking Committee and Chairman BAUCUS of the Finance Committee and all those who have brought forward proposals that will make a difference.

We need to modernize the rules for a 21st century marketplace that will protect American investors and consumers. We have been proposing those changes. We also know we have in place a series of mechanisms that would hold special interests accountable and be able to make sure that people's incomes and pensions and the economy in general are protected. We just haven't used it.

I stand with another colleague of ours, Senator BARACK OBAMA, who has

said if you borrow from the Government, you should be regulated. There should be public accountability, transparency, if you are borrowing from the Government. If we want to stop abuses of the public trust, we need to have openness, we need to know what is going on in the markets, we need to know what is going on. If we want to protect the American people, we need to regulate dangerous practices, such as predatory lending.

We know there is so much that we need to do right now. First is to address the hole we are in economically, and the next is to stop digging, stop making it worse. Stop tax breaks for those who have already done so well, even in these terrible circumstances. We need to make sure we are focusing on those who have worked so hard all their lives, and their families who are looking for the opportunity to be successful in America. They want to know they are going to have a fair chance to do that, that the rules are going to be fair, they are not going to be stacked against them and in the interest of a special few, which is what has been happening since 2001 over and over.

Let me go back to my original comment and look at the 3.5 million manufacturing jobs lost since 2001. Our colleague, JOHN MCCAIN, says the fundamentals of the economy are strong. I beg to differ. The fundamentals of the economy for Americans working hard every day making a paycheck, trying to make ends meet, worrying about whether they are going to have a job, health care, send the kids to college, put food on the table, pay for the gas and all the other things, for them the economy is not strong.

People are working too hard, making too little, and paying too much every day, and we do not need another study or another commission. We need leaders who get it, who have the right values, who understand, who have the intestinal fortitude to stand up and fight for the American people, the middle-class families who are sick and tired of what has been going on.

I can tell you, coming from the great State of Michigan, the people of Michigan have had enough. We have had enough. We can't take more of this. We can't take 4 more years of this. We can't take 4 more days of this. We have had enough. But to change it, I believe strongly that we need to understand this is not just an accident that we are where we are. It is a conscious philosophy. It is actions and inactions that have been taken by those in charge—by this President, supported by Senator JOHN MCCAIN, supported by Republicans in the House and the Senate—that have created the situation that has fostered the circumstances in which we find ourselves.

We can't do this anymore. We need to make sure government works for real people, real people who have had enough. I can't say it more strongly: We have to stop traveling down the road we are on, following this philos-

ophy that has run us into extremely dangerous economic territory.

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

The PRESIDING OFFICER (Mr. MENENDEZ). The clerk will call the roll. The bill clerk proceeded to call the roll.

Mr. TESTER. 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. TESTER. Mr. President, are we on the Defense bill or in morning business?

The PRESIDING OFFICER. We are on the Department of Defense bill under cloture.

Mr. TESTER. Mr. President, I want to take a moment to thank Chairman LEVIN and Senator WARNER for their willingness to work with me on the amendment that has been accepted into the managers' package. This amendment provides some additional comfort to family members whose loved one is killed while serving in the military by allowing the Defense Department to pay for travel to a memorial service honoring a servicemember killed on Active Duty.

Currently, the law allows for the services to provide transportation of family members to a burial service of a servicemember killed on Active Duty. Although the law makes this voluntary, the services, much to their credit, all make this travel available to the families. However, current law does not allow travel to memorial services. With many families split up over long distances, this can be particularly painful when a parent or sibling of one of our fallen heroes cannot afford to travel to a memorial service held by a unit or even other members of the family. Although some charity groups have been able to help these families attend memorial services for their fallen loved ones, when servicemembers die in service to their country, it is this country's moral obligation to help their families in every possible way.

This amendment would allow the Secretary of each service to allow family members of fallen heroes to attend one memorial service as a way of helping to honor those who give the ultimate sacrifice—their lives—to our Nation. It would be voluntary. The services do not have to participate, but at least they would have the option, which is something they currently do not have.

Earlier this year, a constituent of mine suffered the loss of his son. He died in a hospital in Canada after being injured in Iraq. He was on a transport flight from Germany to Walter Reed when his condition worsened and the plane diverted to Halifax. When my constituent's ex-wife sought to have a memorial service for their son in Phoenix prior to the burial at Arlington National Cemetery, the Army had to tell the man, whose son had given his life for our country, that the country could

not help him attend that memorial service.

I think we can do better. I think we should do better. This amendment will allow us to do better.

When a soldier or marine or airman goes to war, the whole family goes to war. When a servicemember gives the ultimate sacrifice and is killed in service to our Nation, we need to do the right thing for the family. That is why I have offered this amendment. Again, I thank Chairman LEVIN and Senator WARNER for working together to help get this amendment into the managers' package.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. SANDERS. Mr. President, I ask to be able to speak as in morning business.

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

THE ECONOMY

Mr. SANDERS. Mr. President, this week we have learned that Lehman Brothers, one of the oldest financial institutions in our country, an investment bank that has survived two world wars and a Great Depression, has proven that even it could not survive 8 long years of deregulation and lax oversight by the administration of George W. Bush. It is going bankrupt.

Yesterday we also learned that the beleaguered Merrill Lynch, the largest brokerage firm in this country, will be bought out by Bank of America, the largest financial depository institution in this country. Now we are also learning that AIG, the largest insurance company in the United States, and Washington Mutual, the largest savings and loan association in this country, are also in deep financial trouble. The list of troubled banks that the FDIC maintains is growing larger and larger.

In addition, last week, to avert a complete mortgage meltdown, we saw the Bush administration bail out Fannie Mae and Freddie Mac, putting tens, if not hundreds, of billions of dollars of taxpayer dollars at risk. Earlier this year, we saw the Federal Reserve orchestrate the takeover of Bear Stearns, a deal backed by \$30 billion in taxpayer dollars.

At the same time, Americans are still paying outrageously high prices at the gas pump. Prices are still over \$3.50 a gallon, even though the price of oil is now down to almost \$90 a barrel. Every little hiccup to send gas prices up or down with virtually no connection to real supply and demand indicators.

Up to this point, the Republicans in the Senate have prevented us from taking any real action to rein in those

volatile energy markets, so oil could be down this week, but any kind of rumor or instability, whether man made or natural, could send those same prices soaring again.

I think it is important the American people understand why we got to where we are today; why we are in a situation where millions of workers are fearful about being able to heat their homes in the wintertime while workers all over this country are finding it very difficult to fill their gas tanks. Is what occurred simply bad luck? Are we at the bottom of the so-called business cycle? How do these happenings occur to what was once the strongest economy in the world with the greatest middle class?

If we take a deep look at what is going on in terms of the financial crisis we are suffering through today and the volatile energy prices we are suffering through today, we can understand that both are the result of deliberate policy decisions made by the Congress and the administrative negligence on the part of the Bush administration. These deliberate policies were the result, to a significant degree, of the power and influence of corporate lobbyists—who also make huge campaign contributions—representing some of the most powerful special interests in the world, whether it is big oil, big coal or whether it is the largest financial institutions in the world.

What these lobbyists fought for and secured was selling deregulation snake oil, deregulation snake oil backed with millions in campaign contributions. That is what I think is the overlying issue as we look at the financial crisis facing Wall Street and the soaring and volatile prices in terms of oil.

All too often when bad things happen because of failures here in Washington, both parties generically blame it on the other and no one stands up and tries to point out what, where, why and, most importantly, who is behind these bad policies. As an Independent, I think that breeds a cynicism and an anger and a frustration on the part of the American people about the political system of our country.

Well, in this case, I think the American people deserve a little more of an explanation. It has been their hard-earned dollars that have been needlessly spent on \$4 a gallon gasoline. It is their retirement savings and, my God, I wonder all over this country the kind of frustration that exists today with the volatility in the stock market going down 500 points yesterday and what people are worried about, whether their 401(k)s are going to be worth very much in the future. These are very frustrating times for the American people.

In the case of both of these current crises, the financial services and energy crisis, one of the major actors and perhaps the main actor in creating what we have seen today is a former Senator from Texas named Phil Gramm. In terms of our financial cri-

sis, one of the reasons we are in the mess we are in today is because of the enactment of the Gramm-Leach-Bliley Act in 1999. As you may recall, this legislation was responsible for deregulating the financial services industry by completely repealing the Glass-Steagall Act.

Now, I was a Member in the House of Representatives at the time. I was a member of the House Banking Committee when this legislation was being debated. I remember that debate very well because I was in the middle of it. Let me tell you, I do not mean to be patting myself on the back, but I think it is important to take a little bit of a look at recent history.

This is 1999 during the debate. This is what I said as a member of the House Banking Committee:

I believe this legislation will do more harm than good. It will lead to fewer banks and financial service providers, increased charges and fees for individuals, consumers and small businesses, diminished credit for rural America, and taxpayer exposure to potential losses should a financial conglomerate fail. It will lead to more mega mergers and a small number of corporations dominating the financial service industry and a further concentration of economic power in our country.

Unfortunately, that is exactly what is happening today, and I would much prefer to have been wrong than right. But on the other hand, former Senator Phil Gramm—who I should mention to you has been Senator MCCAIN's top economic adviser—at that time had a very different opinion of the legislation which bears his name. Senator Gramm at that time said something very interesting about that piece of legislation. This is what he said:

Ultimately the final judge of the bill is history. Ultimately, as you look at the bill, you have to ask yourself, will people in the future be trying to repeal it? I think the answer will be no.

Well, put me down as a Senator who believes we need to repeal Gramm-Leach-Bliley. Put me down as a Senator who believes we need to restore strong Government oversight of the banking industry. Put me down as someone who believes we need to have firewalls in the financial services sector so that we do not have the domino effect we are seeing right now.

There was a reason Congress enacted reforms of the banking industry in the 1930s, and that was because we did not want to repeat the mistakes that caused the Great Depression. Failing to have learned from our mistakes, it looks as if we are doomed to repeat them.

The lesson here is that left to their own devices, company executives will make poor decisions and put their investors' capital at risk. The important lesson here is that poorly regulated financial markets invariably endanger the health of the entire economy and, of course, as this world becomes more and more interlocked, in fact, the economy of the entire world.

In that context, the extreme economic ideology of people such as

former Senator Gramm, and for that matter Senator McCain, says that the people of this country should simply stand back and allow executives in Wall Street boardrooms to make decisions with no public oversight that have the potential of wrecking our economy. In other words, deregulate them, let them do whatever they want in order to improve their bottom line, and the Government does not have to watch to see what the implications of their decisions are for our country or for our taxpayers.

I disagree with Senator Gramm's perspective. People who want to gamble their own money are certainly welcome to do that. But when your actions have the ability to dry up credit for businesses all over our country, when your actions can dry up mortgages for people who desperately want to buy a home or stay in their home, when your actions depress the value of Americans' savings, we need public oversight, and it should be strong oversight with the primary mission being to protect the American public from the reckless greed that has brought us to where we are today.

In former Senator Gramm's world view, when it comes to protecting the American consumer and the safety and soundness of our financial institutions, Government is not the answer, Government is the enemy, Government is terrible. But when banks fail, all of a sudden, guess what happens. The Government has no choice but to intervene to prevent the entire economy from collapsing. The Gramm-McCain version is one where profits are private, going to the very wealthiest people in this country, but risk is public, being assumed, by and large, by the middle-class and working people of this country. It is socialism for the very rich, and free enterprise for everyone else.

Unfortunately, former Senator Gramm was not satisfied by having set up the dominos in 1999 that made our current financial crisis possible. In 2000, he decided his loot-and-burn economics had to be applied to the energy markets as well now. This is an achievement. First you go after deregulating the financial markets, and then you move to energy. And out of his efforts in energy, of course, the so-called Enron loophole was born. Senator Gramm, who was then Chairman of the Banking Committee, was one, if not the main proponent of the provision deregulating the electronic energy market that we now know as the Enron loophole.

Was this done through a deliberative process with debate and hearings? Actually, no, it was not. This very important provision was slipped into a massive unrelated bill with no discussion and no hearings, and the American people today are paying the price for that.

The Federal agency that oversees those energy markets was the Commodity Futures Trading Commission, the CFTC. Conveniently, the head of that agency at the time was a Wendy

Gramm. Yes, you guessed it, it was his wife. And Wendy Gramm had become head of the CFTC after being on the board of directors of, well, you guessed it, the Enron Corporation. Even Hollywood could not come up with a plot quite so transparent.

The result of this deregulation of the energy markets has, according to many experts who have testified before Congress, allowed speculators on unregulated markets to artificially drive the cost of a barrel of oil up to over \$147 a barrel.

My colleagues, including Senator DORGAN and Senator CANTWELL and many others, have laid out the way that speculators have driven up oil prices in many well-researched presentations here on the floor and a number of Senate committees. I applaud them for their leadership. But all of this speculation and all of the millions and billions of dollars that Americans have spent on exorbitantly priced gasoline would not have happened if it had not been for the efforts of Senator Gramm pushing through the so-called Enron loophole.

As central as Senator Gramm was in creating the financing and energy disasters we are currently facing, he was aided and abetted by the Bush administration's willingness to simply look the other way. Even with all of the harm that has been done to the economy, President Bush still refuses to acknowledge it. One wonders what world he is living in.

And, shockingly, Senator McCain is singing from the same song sheet. On September 15, Senator McCain said:

The fundamentals of our economy are strong.

Does that sound familiar? Well, it should. Since 2001, President Bush and members of his administration have repeatedly described the economy as strong and getting stronger: Thriving, robust, solid, booming, healthy, powerful, fantastic, exciting, amazing, the envy of the world.

Those are the adjectives used by the President and members of his administration over the last 8 years. What economy are they looking at? The fact is, when it comes to the economy, Senator McCain and President Bush do not get it. Is it a surprise to anyone that Senator Gramm, who, until fairly recently, was Senator McCain's major economic adviser on his campaign, described Americans as "a nation of whiners" who are suffering through a "mental recession"?

Was it a surprise? What is surprising is that Senator McCain is trying to pass himself off as a maverick when he looks to the same people, people such as Senator Gramm, who laid the groundwork for our current economic problems.

While Senator McCain and President Bush think the fundamentals of our economy are strong, while they talk about how robust things are, the reality is the middle class in this country is collapsing. And if we do not make

the kind of bold changes we need to make, for the first time in the modern history of America our children will have a lower standard of living than we do.

We are looking at the American dream as an American nightmare. We are moving in the wrong direction economically as well as in so many other areas.

Since President Bush has been in office, nearly 6 million Americans have slipped out of the middle class and into poverty. How do you think the fundamentals are strong when 6 million more Americans enter the ranks of the poor? Since Bush has been in office, over 7 million Americans have lost their health insurance. Now well over 46 million Americans are without any health insurance at all, and even more are underinsured. Does that sound like the fundamentals of the economy are strong?

Since President Bush has been in office, over 3 million manufacturing jobs have been lost, total consumer debt has more than doubled, median income for working-age Americans has gone down over \$2,000 after adjusting for inflation. They do not get or do not care that prices on almost everything we consume are going up and up and up.

Today the typical American family is paying over \$1,700 more on their mortgages, \$2,100 more for gasoline, \$1,500 more for childcare, \$1,000 more for a college education, \$350 more on their health insurance, and \$200 a year more for food than before President Bush was in office.

In addition, home foreclosures are the highest on record, turning the American dream of home ownership into the American nightmare. The unemployment rate has skyrocketed. Since January of this year, we have lost over 600,000 jobs. Adding insult to injury, the national debt has increased by over \$3 trillion, and we are spending \$10 billion a month on the war in Iraq, making it harder and harder to do anything to help the struggling middle class.

Is it any wonder that Rick Davis, Senator McCain's campaign manager, recently said: "This election is not about issues"? If my economic policies were to follow President Bush's and the economy was in a state of near recession and unemployment was up and median family income went down and more people were losing health insurance and more and more people were in debt, the foreclosure rate at the highest rate in American history, if all those things were happening, I would certainly also run on a campaign not having anything to do with issues whatsoever. That is what I would do. I would run away from all of those issues. That is certainly JOHN MCCAIN's strategy. Who can blame him?

JOHN MCCAIN claims to be offering change. But on issue after issue, he is offering more of the same—more tax breaks for the very rich, more unfettered free-trade agreements that will

cost our country millions of good-paying manufacturing jobs, more tax breaks to big oil companies ripping off the American consumer at the gas pump; in other words, more of George Bush's failed policies that have led to a collapse of the middle class, an increase in poverty, and a wider gap between the very rich and everyone else.

JOHN MCCAIN and George Bush may be right in one respect: If they are talking about the wealthiest people and the most profitable corporations, the economy is fundamentally strong. Things could not be better for those people, that small segment of our society. In fact, one can make the case—and economists have—that the wealthiest people have not had it so good since the robber baron days of the 1920s.

Right now—this is really quite an astounding fact—the top one-tenth of 1 percent of income earners earn more income than the bottom 50 percent. That gap between the people on top, who are busy trying to build record-breaking yachts and all kinds of homes, busy buying jewelry that is unbelievably expensive—one-tenth of 1 percent earn more income than the bottom 50 percent—that gap is growing wider. Also the top 1 percent own more wealth than the bottom 90 percent. We as a nation have the dubious distinction of having the most unfair distribution of wealth and income of any major country on Earth.

The wealthiest 400 people have not only seen their incomes double, their net worth has increased by \$640 billion since President Bush has been in office. Can we believe that? The wealthiest 400 Americans have seen their net worth increase by \$640 billion since George Bush has been in office. Today, the richest 400 Americans are now worth over \$1.5 trillion. At the same time, we have the highest rate of childhood poverty; 20 percent of our children live in poverty. We have working families lining up at food banks because they don't earn enough to pay for food.

Apparently, all of that is not good enough for Senator MCCAIN and for President Bush. They insist that those tax breaks be made permanent. In George Bush's and JOHN MCCAIN's world, those are the Americans who are struggling. The wealthiest 400 Americans just can't make it on \$214 million a year. It must be pretty hard to scrape through and get the food and shelter a family needs, so obviously those are the guys who need a tax break.

We have had almost 8 years of President Bush's economic policies. They follow, of course, 8 years of the policies of President Clinton. I think it is important to say a word to compare what happened during those two administrations.

I happened, as a Member of the House, to have disagreed with President Clinton on a number of issues. But I think when we look at his overall economic record and contrast it to the overall economic record of President Bush and the policies Senator MCCAIN

would like to follow, the record speaks for itself.

Take a look at job creation, how many new jobs have been created. Under President Clinton, almost 23 million new jobs were created. That is a pretty good record. Did every one of those jobs pay the kind of wages we would like? No. But nonetheless, almost 23 million new jobs were created in Clinton's 8-year term. Under President Bush, less than 6 million jobs have been created.

Under President Clinton, more than 6 million Americans were lifted out of poverty and into the middle class. Under President Bush, the exact opposite has occurred. Nearly 6 million people who were in the middle class have been forced into poverty. Under President Clinton, median family income went up by nearly \$6,000. That is a lot of money. Under President Bush, median family income is going down.

The Republican Party for years has told us they are the party of fiscal responsibility above all. Yet, under President Bush, the national debt has increased by more than \$3 trillion. Under President Clinton, we had Federal surpluses as far as the eye could see. Under President Bush, we have had Federal deficits as far as the eye can see.

There is a clear choice to be made this year. That choice is, does Government work for all of the people, for the middle class, for working families, for people who are struggling, or do we continue to develop policies which represent the people on the top who, in fact, have never had it so good since the 1920s?

The future of our country is at stake. I personally believe we cannot afford 4 more years of President Bush's policies.

I yield the floor.

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

Mr. DORGAN. Mr. President, the wreckage all of us observed yesterday and the consequences of a 504 point drop in the stock market and the concern in this country about its economic future can be traced to a lot of things. I wish to talk about some of them for a few minutes. I want to show a couple charts that describe some of the origin of what has weakened this economy, and then I will talk about how this all happened.

Almost everyone in this country in recent years has seen ads like this from Countrywide, the biggest mortgage banker in the country. Countrywide had an advertisement that said: Do you have less than perfect credit? Do you have late mortgage payments? Have you been denied by other lenders? Call us.

Countrywide Bank, the biggest bank of its type in America, saying, essentially: You have bad credit? You need money? Call us. Most people would probably hear that, as I did over the years, and think: How can they do

that? How does that work. You advertise that if people have bad credit, they ought to come to you.

Here is Millenia Mortgage. They said: Twelve months, no mortgage payment. That's right. We will give you the money to make your first 12 payments if you call in the next 7 days. We pay it for you. Our loan program may reduce your current monthly payment by as much as 50 percent and allow you no payments for the first 12 months. Call us today.

Here is a mortgage company saying: Come on over here, get a mortgage from us. We will give you a home mortgage. You don't even have to make the first 12 months' payment. We will make it for you. They don't, of course, say here that what they will do is stick that on the back of the mortgage and add interest to it. But that is what they are advertising.

Here is Zoom Credit. All of these are television, radio ads. 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 or a credit card. Even if your credit's in the tank, Zoom Credit's like money in the bank. Zoom Credit specializes in credit repair and debt consolidation too. Bankruptcy, slow credit, no credit—who cares?

That is what Zoom Credit was saying to customers. You got bad credit, you have been bankrupt, who cares? Come and get a loan from us. They say: We don't care if you have bad credit.

In fact, here is what they also say: Get a loan from us. We will give you what is called a "low doc" loan or a "no doc" loan. If you have bad credit, we will give you a "low doc," which means we will give you a home mortgage and you don't even have to document your income for us. You don't have to prove your income to us. That is called no documentation. Bad credit, come and get a loan from us. No documentation, that is OK. It is unbelievable and unbelievably ignorant.

I pulled this off the Internet. Perfect credit not required. No-income-verification loans. Pretty interesting, isn't it? Come and get a mortgage from this company. You don't have to verify your income, and you don't need perfect credit. Here is a company on the Internet that wants to give you a home loan. It says: You can get 5 years' fixed payments with a 1.25-percent interest rate. That is interesting, isn't it? Of course, it is a sham, the 1.25-percent interest rate you get to pay. Again, bad credit? Come to us, we will give you a mortgage. You don't want to document your income, that is OK. Bad credit and no documentation. And by the way, we will give you a 1.25-percent interest rate.

All of us, when we were kids, went to western movies from time to time. In virtually every movie, they had the guy who came into town with a couple old mules driving a slow wagon. He wore a silk shirt and striped pants, and he was selling snake oil. It cured everything from hiccups to the gout. He was selling snake oil from the back of his

wagon. This is not in an old western. These are companies on the Internet, on television, on radio.

I go back to Countrywide, the largest mortgage broker. Do you have less than perfect credit? Come to us. We want to invite you, get a mortgage from us. That is what happened.

Now the stock market collapses on Monday. What is the relationship? The relationship is that our economy is reeling from the wreckage of the subprime loan scandal. What does that mean, subprime loans? All of this starts with some brokers out there who are selling mortgages. Then they sell to it a mortgage bank, and then the mortgage bank securitizes it and sells it up to a hedge fund, and the hedge fund probably sells to it an investment bank. What they do is, they loan money to people with bad credit and provide no documentation or they loan money to people with good credit and give them teaser rates with resets and prepayment penalties that the people can't possibly pay 3 years later and set them up for failure and then sell these loans in a security. As they used to pack sawdust in sausage, they pack bad loans with good loans. They slice them and dice them and sell them up the stream.

So now you have loans, a cold call to a person who had a home by a broker saying: You are paying 6 percent interest rate on your home mortgage? We will give you one for 1.25 percent. We will dramatically reduce your home mortgage monthly payment. And by the way, we are not going to emphasize this—in fact, we may just mention it in a whisper—ultimately, it is going to reset, and it will be 10 percent in 3 years. And by the way, you don't have to document your income. At any rate, you can't pay with your income at a 10-percent rate in 3 years, but it doesn't matter, you can sell that home and flip it between now and then. Don't worry about it. That is the kind of thing that was going on with an unbelievable amount of greed—with the brokers, with the mortgage companies, with the hedge funds, the investment banks, all grunting and snorting and shoving in the hog trough here. They were making massive amounts of money, and the whole thing collapsed, just collapsed.

Now, how does it happen that it helps cause a bankruptcy in France or a bankruptcy in Italy or a 504-point drop of the stock market here in the United States on Monday and so many other failures? Bear Stearns doesn't exist anymore, Lehman Brothers is going bankrupt. I could go through them all. How is it that all of this is happening, all of this carnage and wreckage as a result of this greed?

Let me go back just a bit. Two things, it seems to me. No. 1, there are a bunch of folks who were fast talkers who decided they were going to sell Congress on financial modernization. We have learned this lesson. This lesson existed in the 1930s. In the Roaring Twenties, it was "Katy, bar the door,"

anything goes, and the economy collapsed into a Great Depression. Franklin Delano Roosevelt, with the New Deal, said: This isn't going to happen again. Banks were failing. Banks were closing. Depositors couldn't get their money. Franklin Delano Roosevelt and the New Deal repaired that economy by saying: We are going to separate commercial banking institutions from other risky enterprises. We are not going to let banks get engaged in real estate and securities and insurance. We are not going to do that because this is the very perception of safety and soundness. Safety and soundness determines whether a bank is safe and sound. If you injure that perception by fusing risky enterprises—real estate, for example, and securities underwriting—with traditional banking issues, you do a great disservice to this country's economy. So they were separated with the Glass-Steagall Act, for example.

In 1999, the Financial Modernization Act was passed. I was one of eight Members of the U.S. Senate to vote against it because it repealed the Glass-Steagall Act. Oh, they all promised firewalls. It didn't mean a thing. I warned then, and I warn again now: These are the significant consequences of forgetting the lessons of the 1930s which are going to haunt us, and they are haunting us.

So what happens is they not only passed a Financial Modernization Act which repeals Glass-Steagall and the very things we put in place to protect against this sort of thing—the mingling of risky enterprises with banking—they not only do that, but George W. Bush wins the Presidency and he comes to town and he appoints regulators—i.e., Harvey Pitt to run the Securities and Exchange Commission, just as an example. What is the first thing he says when he gets to town? He says: You know something, you should understand that the Securities and Exchange Commission is a business-friendly place now. Right. Well, that is what happened in virtually every area of regulation. People were appointed who didn't have the foggiest interest in regulating. The whole mantra was to deregulate everything: Don't look, don't watch, don't care. As a result, in virtually every single area, we saw this kind of greed and unbelievable activity develop across this country.

So now we went through this period with a housing bubble built up with these subprime mortgages, and then we saw the whole thing go sour and people wonder why. It is not surprising at all that it went sour. What is surprising to me is how so many interests got sucked in by this and how unbelievably damaging it has been to the American economy.

How could they have missed what was going to happen here? We had some of the biggest investment banks in the world that were buying securities that had bad value mixed in with securities, and they didn't know it, they say.

Where is the due diligence? How on Earth could that have happened?

Now, there is a kind of a no-fault capitalism and no-fault politics going on around here. No-fault capitalism—all of those folks who said: Get Government off my back. We want to run these big enterprises the way we want to run them. Then they run them into the ground, and they need to have the Federal Reserve Board open—for the first time in their history—a window for direct lending to investment banks just as they do to regulated banks. Why? Because they were worried they were too big to fail. If an enterprise such as that is too big to fail, why is it too small to regulate? Why is it that all of the regulators sat on the sidelines while something that most people don't even know about—\$40 trillion in value of credit default swaps were out there, and much of it is as a result of dramatic borrowing and leverage. It is a house of cards with a big wind coming, and that wind can play havoc with this financial house of cards.

So the no-fault capitalism portion of it is that they do what they want to do—make a lot of money. We all know what the compensation has been: unbelievable money for those at the top who are running these organizations. Then it takes a nosedive, and a bunch of our bankers and others convene in New York and they just say: All right, who are we going to save, who are we going to prop up, or who are we going to give a direct loan to? That is no-fault capitalism. No-fault politics: It is all of those who were running around here thumbing their suspenders saying: Well, we have to deregulate, we have to do this and that. Let's ignore the lessons of the 1930s. Let's get rid of Glass-Steagall. Let's let commercial banks get engaged in securities underwriting and other risky activities. All of those folks are now saying: Well, that is not what caused this problem. In fact, they are still strutting their stuff saying the economy is strong.

The economy is not strong. The economy is dramatically weakened as a result of what these folks did to the economy and as a result of this administration's decision that regulation is a four-letter word. I have news for them: Regulation has more letters than four, and regulation is essential to the functioning of this kind of Government.

I think free markets are very important. I believe in capitalism and the free market system. I don't know of a better allocator of goods and services than the marketplace, but I also understand the marketplace needs a regulator. There need to be regulators who make certain that when the marketplace gets out of whack, somebody calls it back in. Regulators are like referees, except these regulators in this administration had no striped shirts and no whistles to call fouls because they didn't think anything represented a foul. It was "let the buyer beware."

Now, what happens next? Well, regrettably, none of us know. We don't

know what will happen after yesterday. We don't know what will happen the rest of the week. We don't know what else is there. Some say the biggest reset of mortgages will occur in the fourth quarter of this year, which is very soon now. We don't know the consequences of all of this because this was a spectacular, unbelievable trail of greed that, in my judgment, has dramatically injured this country.

What is important now is for us to try to create some sort of a net to catch this economy and then put it back on track with really effective regulation—and decide that we are going to have sound business principles and we are going to relearn the lessons of the past. We shouldn't have to relearn them, but we will. We understood the lesson from the 1930s. We taught it in our colleges, about the fundamentally unsafe condition of merging risk with banks. Yet, I can recall when it was sold to the Congress as financial modernization. It was the big shots getting their way, and we all pay a dramatic penalty for it.

"The economy is strong," my colleagues have said. Senator MCCAIN—and I wouldn't normally mention him on the floor of the Senate. He is out there running for the Presidency. But since Senator MCCAIN grabbed pictures of me and several others and put them in television commercials to suggest, here is what is wrong, perhaps maybe it is OK for us to say what is wrong are those who were such cheerleaders for taking apart that which was to protect this country in the first place—Glass-Steagall and others. They knew better—should have known better—and what is wrong is those who aided and abetted and carried the wood in the last 7 years to say to regulators: Don't bother regulating. Get your paycheck. We will give you a paycheck. Just be friendly. Don't regulate. Don't look. Those who did that did a great disservice to this country, in my judgment.

Now, I recognize this is not a political system in which one side is always all right and one side is always all wrong. That is not the case. It just is not. Both political parties for a long time have contributed much to this country. But I would say this: We have been through a period that I think is devastating to this country's economic future. A lot hangs in the balance.

I think if the American people want more of the same, then they can sign up for that. They can say: Well, we kind of like what is going on here. We like the notion that regulators were told not to regulate and complied aggressively. We like the notion that we have nearly 700,000 people who have lost their jobs just since the first of this year. We think that has gone really well. We like the fact that the price of oil doubled from July of last year to July of this year. We think that is just fine. If people really believe that—we like all of these things—there is certainly a way to continue that, and that

is just to say to all those who are running in support of President Bush's policies: Boy, let's just keep doing it. But it seems to me—the old law says when you are in a hole, stop digging. It seems to me the American people understand that very well.

It is time now—long past the time—for this country to get back to fundamentals and for the American people to insist from their Government the kind of responsibility that Government should manifest in terms of its responsibility to protect the marketplace, to protect the American taxpayer, to try to do things that help all Americans, help lift up all Americans.

My colleague described a bit ago the circumstance in this economy where the wealthy have gotten very wealthy—much wealthier—and then the folks in the rest of the population are struggling to figure out: How on Earth can I keep my job. We have all of these folks sending these jobs to Asia. How do I keep my job? Or if I keep my job, why is it that they withdraw my health insurance and no longer provide health insurance? Why do I not have a retirement program anymore? That is what working people face every single day. They get out of bed, many of them work two jobs, they work hard, trying to do the right thing, and they discover the folks at the very top are getting by with really huge incomes.

By the way, last year the top income from a hedge fund manager was \$3.6 billion—\$3.6 billion—and they pay a 15-percent top income tax rate. Isn't that unbelievable? By the way, they don't even pay that, in most cases, because they try to run their carried interests, as they call it, through tax-haven countries in a circumstance where they can defer compensation and avoid paying even the small 15 percent income tax rate. So when somebody comes home making \$3.6 billion and the spouse says: How did you do today, honey? Well, pretty well. This month, I made \$250 million. That is a far cry from what most American working people would understand or accept, in my judgment. When you see what is happening at the top compared to what is happening to the rest, there is something wrong with this economy.

Now, I have just described in some detail what happened to cause this subprime collapse. To most people—it is a term that is almost foreign—subprime lending. Yet much of it is at the root of the dramatic problems we now have: the failure of investments, the difficulty of all kinds of institutions that loaded up with this. Why did they load up? Because the people who sold these subprime mortgages put prepayment penalties in them. They loaded them with very low interest rates at the front end and then a reset to very high interest rates on the back end—in most cases, 3 years—and then put prepayment penalties in so you couldn't get out of it. So when they securitized it and sold the security upstream to the hedge funds and the investment

banks, they looked at that and said: This is really good. We have a huge, built-in, high income from these mortgages, and the borrower can't get out of it because there is a prepayment penalty. That is why they paid premiums for it. That is why they all thought they were getting rich. It was unfettered greed. They all made money in the short term, and the American economy takes a giant hit in the longer term.

Finally, let me just say I don't think this is a case that is like all other cases. We are challenged in lots of ways on many different days here in the Congress. This is a different challenge. This country's economic future hangs in the balance, and the question is, Will we have the leadership? Will we exhibit the leadership to do this?

Mr. President, the answer has to be yes. We cannot decide no, maybe, maybe not. The answer has to be that this requires new, aggressive leadership. We have a Presidential campaign going on now, and I happen to support Senator OBAMA. I think it is critically important to look at the history and the record of the candidates to find out who is going to support the kinds of things that are necessary to get this country back on track.

I have talked previously a couple times about John Adams' description of trying to put a new country together when he would write to Abigail. He traveled a lot and was in Europe as they were trying to put this new country together. He would write to his wife Abigail and say plaintively in letters: Who will provide the leadership for this new country of ours? Where will the leadership come from? Who will be the leaders? Then in another one he would lament that there is only us—me, George Washington, Ben Franklin, Mason, Madison, and Jefferson.

In the rearview mirror of history, that was some of the greatest human talent ever assembled, and this country was given leadership. Every generation asks, where will the leadership come from? If ever there was needed new leadership to step forward and say we need a new way, not the old way, we need to put America back on track, to get our grip and our traction, it is now.

I think our economy is in significant peril. I know what happened to it. The question is, how do we fix this mess? How do we deal with the wreckage? I hope the debate we have—let me just say in this discussion about running for President, I have seen so much dishonesty with respect to the television commercials that have been run and the making of issues and about the phrases that are used. It is unbelievable to me. The one thing I will say I admire is that BARACK OBAMA—whom I have campaigned with in this country—is talking about the future, about issues, and he is talking about raising up this country, which I think is so important at this point. We need that leadership now.

Mr. President, with that, I am going to speak later this week on some other issues. I wanted to talk today about the issue of the two points that I think have dramatically weakened this country: One, the salesmanship of the Financial Modernization Act. Eight of us—myself included—voted against that in the Senate, believing that it would damage this country, and indeed it has. Second, the arrival of George W. Bush, who decided he didn't believe in Government regulation. We now see the carnage and wreckage that has resulted from that. This country deserves better and will get better, in my judgment.

Mr. WHITEHOUSE. Mr. President, as we debate legislation to authorize more than \$600 billion for our Armed Forces, we have a responsibility to the taxpayers who foot the bill to make sure that money is being used as carefully and as wisely as possible. Today I rise in support of an amendment offered by Senator SANDERS and cosponsored by myself and Senator FEINGOLD that exposes unnecessary and wasteful spending within the Department of Defense and offers a solution.

From storage warehouses to assembly lines, the Department of Defense is sitting on billions of dollars in parts and supplies that are in excess of the military's requirements—everything from jet engines to springs to fuel tanks.

The Army, Navy, Air Force, and other Department of Defense agencies currently possess \$30.63 billion of unneeded spare parts, in addition to \$346 million of excess spare parts that are on-order—parts that are still being produced or delivered, but that the military already knows it doesn't need. The Air Force has \$18.7 billion of excess spare parts on hand; the Navy has \$7.7 billion, and the Army has \$4.21 billion. On-order excess spare parts are at lower but still unacceptable levels. The Air Force has \$1.3 billion in excess parts on-order; the Navy has \$130 million, and the Army has \$110 million.

It gets worse. Branches of the Armed Forces have millions of dollars of spare parts on-order that they have already decided they will dispose of when they arrive. If a retailer like Target or Best Buy or Kmart controlled its inventory so poorly that it had \$307.48 million worth of items on-order that it knew it would have to dispose of immediately upon arrival, that company would quickly go bankrupt. The Air Force has \$235 million of spare parts marked for disposal; the Navy has \$18.18 million, and the Army has \$54.3 million. That's a nonsensical and unacceptable waste of taxpayers' money.

The Defense Department's inventory management systems are a big part of the problem: they are incompatible, duplicative, and ill-equipped to the task of managing such a massive volume of parts and supplies. Don't just take my word for it. Over the last decade, the General Accountability Office has repeatedly flagged these inventory management systems as "high-risk," vulnerable to fraud, waste, abuse, and mismanagement. If American companies can get this right, there is no reason that America's military can't.

Waste in excess inventory is part of a bigger problem of waste in the Department of Defense. The distinguished chairman of the Armed Services Committee, Senator LEVIN, recently cited a GAO report detailing \$295 billion in cost overruns and an average 21-month delay on Pentagon weapons systems. The GAO report recommends strong congressional oversight of defense programs. To that end, the reporting mechanisms of the Sanders-Feingold-Whitehouse amendment increase oversight and prevent waste in the Department of Defense.

Our amendment calls on the Department of Defense to cut waste and fix the problem. This measure would require the Secretary of Defense to certify to Congress that the Army, Navy, Air Force, and Defense Logistics Agency have reduced by half their spare parts that are on-order and already labeled as excess. Until this certification is completed, the amendment would withhold \$100 million from the defense budget for military spare parts.

Our amendment would also require the Department of Defense to come up with a plan to reduce the acquisition of unnecessary spare parts and improve its inventory systems. It would then require quarterly progress reports to Congress, including reports on the levels of excess inventory that are on hand and on-order.

Our troops deserve the best equipment and the best supplies we can give them to help them do their jobs and keep us safe. Leaving billions of dollars of spare parts to rust away in warehouses just doesn't serve that purpose. I urge my colleagues to support this commonsense, important amendment.

Ms. MIKULSKI. Mr. President, I rise today to express my thanks and appreciation to Chairman LEVIN and Senator WARNER for their outstanding efforts on the bipartisan National Defense Authorization Act for Fiscal Year 2009.

I would especially like to recognize Senator WARNER for his stewardship of this bill this year, and his determined role managing the bill on the floor over the last few weeks. Senator WARNER has played a role in most of the Defense authorization bills over the last 40 years. His sage counsel and steady hand on the rudder are an invaluable asset to the Senate in meeting our commitment to our men and women in uniform.

I would like to thank the committee for supporting \$1.3 billion in military construction and base realignment and closure funding for Maryland's military installations. This funding is especially critical to ensuring that the BRAC transition of Walter Reed Army Hospital to the National Military Medical Center in Bethesda, MD, stays on track. We owe it to our wounded warriors and their families to give them world class medical facilities that they deserve.

This bill also makes great strides in continuing to focus on the Dole-Shalala recommendations that outline the best courses of action for improving the quality of care for our wounded warriors. This bill requires the Department of Defense to establish Post

Traumatic Stress Disorder and Traumatic Brain Injury Centers of Excellence and conduct pilot programs to better treat these disorders. The bill will also require that the Department of Defense to develop uniform standards and procedures for disability evaluations of recovering servicemembers across military departments. I commend the committee for continuing to make quality military health care a priority.

This legislation provides vitally important increases in authorized funding for our National Guard. This bill shows a clear and substantial commitment to restore and improve the homeland defense capabilities and readiness of our National Guard. I am very pleased that the committee increased the authorization of the Army's procurement budget by \$391.2 million for dual-purpose equipment in support of National Guard readiness. In addition to giving our National Guard the tools and equipment they need, this bill also enhances Guard and Reserve family support programs.

In closing, I commend Chairman LEVIN, Senator WARNER, and their staffs for putting together a bill of which we can all be proud. This bill sends the message that we in the Senate remain committed to supporting our troops, both in combat and at home.

Mr. REED. Mr. President, I commend the work of my colleagues on the Armed Services Committee on this important legislation which I hope President Bush will sign into law prior to the start of the fiscal year. In this tremendous time of transition for our military, we owe them a law that will enable the DOD to execute this year's budget efficiently and effectively.

This bill provides a budget that allows the DOD to plan for future threats, combat current threats, and provide for the welfare of our brave veterans both past and future.

It should also be noted that this year's bill and the authorization bills from the preceding 28 years could not have been completed without the statesmanship and the strong bipartisan leadership provided by Senator JOHN WARNER. This will be Senator WARNER's final authorization bill during his nearly 30 years on the Senate Armed Services Committee, on which he also served as chairman and ranking member. In his nearly 60 years of serving our country both in and out of uniform, he has always upheld his commitment to our brave service men and women with the highest standards of honor and integrity.

I would first like to point out a few of the highlights of the National Defense Authorization Act currently being considered:

Authorizes a much needed 3.9 percent across-the-board pay raise for the brave men and women of our armed forces. This pay raise is a half percent higher than that requested by President Bush;

Fully funds Army readiness and depot maintenance programs to ensure that forces preparing to deploy are properly trained and equipped;

Authorizes \$26.1 billion for the Defense Health Program, which includes

the \$1.2 billion necessary to cover the rejection of the administration proposal to raise TRICARE fees;

Requires the Secretaries of Defense and VA to continue the operations of the Senior Oversight Committee to oversee implementation of Wounded Warrior initiatives; and

Fully funds the eight ships requested in the President's budget, including full funding for the third ZUMWALT class destroyer. This ship is critical to maintaining the technical superiority that our Navy has enjoyed on the oceans throughout the world. The future maritime fleet must be adaptable, affordable, survivable, flexible and responsive. The ZUMWALT class provides all of these characteristics as a multimission surface combatant, tailored for land attack and littoral dominance. It will provide independent forward presence, allow for precision naval gun fire support of Joint forces ashore, and through its advanced sensors ensure absolute control of the combat air space. All of this capability is based on today's proven and demonstrated technologies. We cannot build the same ships that we did 20 years ago and hope to defeat tomorrow's emerging threats.

This year I once again had the honor of serving as the chairman of the Emerging Threats Subcommittee. Senator DOLE served as the ranking member of the subcommittee and working together, our subcommittee produced good results in the bill now before the Senate. The Emerging Threats and Capabilities Subcommittee is responsible for looking at new and emerging threats to our security, and considering appropriate steps we should take to develop new capabilities to face these threats.

In preparation for our markup, Senator LEVIN, the distinguished chairman of the committee, provided guidelines for the work of the committee, including the following two items:

Improve the ability of the armed forces to counter nontraditional threats, including terrorism and the proliferation of weapons of mass destruction, and

Promote the transformation of the armed forces to deal with the threats of the 21st century.

In response, our subcommittee recommended initiatives in a number of areas within our jurisdiction. These areas include:

Supporting crucial nonproliferation programs and other efforts to combat Weapons of Mass Destruction (WMD);

Supporting advances in medical research and technology to treat such conditions as traumatic brain injury and post-traumatic stress disorder;

Increasing investments in new energy technologies such as fuel cells, hybrid engines, and alternate fuels to increase military performance and reduce costs;

Increasing investments in advanced manufacturing technologies to strengthen our defense industrial base

so that it can rapidly and efficiently produce the materiel needed by our Nation's warfighters; and

Increasing investments in research at our Nation's small businesses, Government labs, and universities so that we have the most innovative minds in our country working to enhance our national security.

Specifically, some notable initiatives in this bill that originated in the Emerging Threats and Capabilities Subcommittee include:

Authorizing more than \$120 million in the area of nonproliferation and combating weapons of mass destruction, including \$50 million for denuclearization activities in North Korea; \$20 million for the Cooperative Threat Reduction program; and more than \$50 million for chemical and biological defense programs.

Consolidating funding for the Mixed Oxide, MOX, program in the National Nuclear Security Administration, NNSA, as a nonproliferation activity, rather than as part of the nuclear energy budget as the budget requested.

Clarifying that excess fissile material disposition is an NNSA nonproliferation responsibility.

Establishing a nonproliferation scholarship fund to deal with shortages in technical and other fields such as radiochemistry and nuclear forensics.

Adding \$25 million to nonproliferation research & development, R&D, for nuclear forensics and other R&D activities.

Authorizing the Cooperative Threat Reduction Program and providing an additional \$10 million for new initiatives outside of the former Soviet Union, \$1 million for Russian chemical weapons demilitarization, and \$9 million for nuclear weapons storage security in Russia to complete the work under the Bratislava agreement.

The bill also includes a number of legislative provisions that will enhance the Department's ability to procure and use critical defense technologies, such as:

Legislation that would implement recommendations of the National Academy of Sciences to help ensure that the DOD develops and procures printed circuit boards that are trustworthy and reliable for use in defense systems;

Legislation that would implement the recommendations of the Defense Science Board seeking to enhance the Department's ability to ensure that microelectronics procured from commercial sources, including foreign sources, and embedded throughout defense systems are reliable and trustworthy; and

Legislation requiring the development of a joint government-industry battery technology roadmap to ensure that a healthy and innovative defense industrial base for batteries exists in the United States, to support a variety of requirements in military vehicles, computers, and other equipment.

Relative to science and technology funding levels, the bill would increase

the Department's investments in innovative science and technology programs by nearly \$400 million to over \$11.8 billion; and fully support the Secretary of Defense's initiative to increase university defense basic research funding and increase the level by nearly \$50 million over the President's request.

In the area of force protection, the bill includes a provision that would increase the amount and quality of testing performed on force protection equipment, such as body armor, helmets, and vehicle armor, before it is deployed to the field, to ensure that our soldiers and marines have the best available equipment and protection.

In order to enhance our ability to combat international terrorist groups, the bill would fully fund the \$5.7 billion budget request, and add over \$20 million for items to help find and track terrorists, including intelligence, surveillance and reconnaissance packages; extend authorization to the Special Operations Command to train and equip forces supporting or facilitating special operations forces in ongoing military operations, and increase the funding available for this activity; and increase funding for DOD's Regional Defense Combating Terrorism Fellowship.

Concerning counterdrug programs, the bill includes a provision that would extend the authority to use counterdrug funds to support the Government of Colombia's unified campaign against narcotics cultivation and trafficking, and against terrorist organizations involved in such activities. It also includes a provision that would extend the Department's authority to use counterdrug funds to support law enforcement agencies conducting counterterrorist activities.

This is a good bill. The members of the committee and the committee staff have worked many hours to get this bill to the floor. We are a nation at war and the military needs this bill. I urge my colleagues to work together to pass it so that we can conference with the House and send it on to the President for his signature.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

MORNING BUSINESS

Mr. LEVIN. Mr. President, I ask unanimous consent that the Senate proceed to a period for the transaction of morning business, with Senators permitted to speak for up to 10 minutes each.

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