

the proposed unanimous consent agreement. We can do that quickly, and we can then move to have the votes on the energy package. Senator BINGAMAN has an amendment. We have a House bill. We could move to substitute the Bingaman amendment for that. The Republicans have something they want to do on drilling. And then we will see if there is going to be the alternative offered by the Gang of 10. We could do that all today. We may go into the evening a little bit. But I hope Senators realize that every little bit of time that we don't have an agreement to move forward with legislation, it makes it more apparent that we are going to have to be here tomorrow, maybe Saturday, and certainly after the adjournment date.

RECOGNITION OF THE REPUBLICAN LEADER

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

MAXIMUM COOPERATION

Mr. MCCONNELL. Mr. President, let me say to my good friend the majority leader that he can expect a high level of cooperation from this side on moving forward on the extenders package, as we have essentially reached an agreement, which has basically been drafted. We will be working on a way to go forward, procedurally, on that measure at the earliest possible time. He will also get maximum cooperation from us on a variety of different matters he would like to consider prior to next week. So we will stay in constant communication and try to see what we can accomplish on a bipartisan basis in the rather small amount of time we have remaining.

THE ECONOMY

Mr. MCCONNELL. Mr. President, on the front page of every newspaper in towns and cities throughout the country, Americans are reading stories about our economy and they are looking for answers. They are looking for leadership. They are looking for a sign that everything is going to be OK—or, at the very least, a sign that their elected officials are committed to fixing the problem.

I know that, in Kentucky, it is not the hard work that bothers them. They have always held up their end of the bargain. It is what they can't control that makes them nervous. They want to know that their pensions, their savings, and their families are going to be OK. They want to be reassured that the investments taxpayers made this week were the right thing to do.

Considering what the American people have seen from some of our colleagues on the Senate floor this week, I understand their nervousness. Instead of working to ease the anxiety Ameri-

cans are feeling about the economy, some are using the anxiety to continue their everlasting campaign. Instead of coming together to face this problem head-on as a country, some colleagues have taken to the Senate floor to blame Republicans for the bad news.

It is little wonder why Americans hold this Congress in such low regard. We can all come up with a million reasons to blame someone for bad news, but it doesn't change the fact that we all face these challenges together. It is time to confront the problem rather than point fingers. That is the challenge for this Congress in the days ahead.

Mr. President, I yield the floor.

RESERVATION OF LEADER TIME

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

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business, with Senators permitted to speak therein for up to 10 minutes each.

The Senator from Montana is recognized.

IN THE LAST MINUTES

Mr. BAUCUS. Mr. President, as the old saying goes:

If it were not for the last minute, a lot of things would not get done.

Well, God willing, we are nearing the last minutes of this Congress and, God willing, we are close to getting a lot of things done.

For the better part of this Congress, we have been working on passing three major tax bills. One has been to put America on sounder energy policy. The second has been to prevent the AMT from raising taxes for millions of American families. The third has been to extend a series of tax incentives that are vital to American jobs and families. Frankly, on these matters, what unites us is far greater than what divides us. And now, at the last minute, it is time to get these bills done.

With this in mind, I have worked with my good friend CHUCK GRASSLEY, the ranking Republican member of the Finance Committee. Together, we have worked with the majority leader and with the Republican leader. We have worked with Senator DURBIN and with Senator KYL. All of us have come together on a way to get these major tax bills done.

What has divided us on tax measures has been mostly whether to pay for them. Democrats have said we should. Republicans have said we should not. So we and the leaders have come up with an honorable compromise. We propose that we pay for the energy tax

bill, that we not pay for the AMT bill, and that we pay for roughly half of the tax extenders bill. With this structure, we believe we can pass these bills, we can get a lot of things done, and we can help to bring on the last minutes of this Congress.

Passing these bills would get a lot of things done. The Energy bill would help to create well-paid jobs in the growing field of new energy technologies. It would help to secure America's independence from high-priced foreign oil. It would help us to move closer to addressing global warming.

The AMT patch would keep some 21.5 million taxpayers from being hit by a tax increase. We must not let more families fall into the AMT.

The tax extenders package would help provide relief in a time of economic uncertainty. The economy clearly is struggling and so are America's working families. Markets are experiencing volatility. In times such as these, Americans need tax cuts they have come to count on to help them get by. The tax extenders package includes the research and development tax credit to spur new, high-paying jobs. It includes a teacher expense deduction to help teachers who put out money from their own pockets to buy school supplies. It includes a tuition deduction to give families needed relief from rising college costs.

As well, this package includes the mental health parity bill. The bill has been a long time in coming. We must pass this bill for many reasons. It would ensure that families facing mental health challenges would receive fair treatment—treatment the same as those facing other health challenges. This legislation is a tribute to the hard work of Senators Paul Wellstone, TED KENNEDY, and PETE DOMENICI.

This package also includes disaster relief. It would aid the victims of the Midwest floods. It would help the victims of all recent federally declared disasters. It includes relief for the victims of Hurricane Ike and Gustav.

This is a good package. It would make real progress on energy policy. It would extend needed tax relief in hard times. It would give us a chance to show American families that Congress can work for them.

So let's hasten the last minutes of this Congress. With that, let's finally get a lot of things done. Let's do the work of governing that the American people sent us here to do.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Texas.

Mr. CORNYN. Mr. President, I ask unanimous consent to speak for up to 15 minutes.

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

THE ECONOMY

Mr. CORNYN. Mr. President, this week I witnessed the devastation and

destruction of Hurricane Ike in Texas, and, of course, that destruction has extended beyond the State of Texas to other parts of the country as well, leaving thousands of people without homes, millions without electricity, and countless without water and the necessities of life.

I traveled with the Secretary of the Department of Homeland Security, Michael Chertoff, the head of the Federal Emergency Management Agency, the Secretary of Health and Human Services, and the President of the United States over the past few days surveying this devastation and trying to do everything we could collectively, together with the Governor of Texas, the National Guard, the Red Cross, and many volunteers, to get people back to their regular routine, hopefully back in their homes, back to work with power restored and the necessities of life being provided as soon as possible.

There are a lot of people working to make that happen, from private businesses to the electric utilities that are trying to get power back online to the oil companies. All are working as hard as they can to get life back to normal as soon as possible.

I also witnessed firsthand the importance to the Texans who were personally affected by this catastrophe of a calm, reassuring response from the Government, a disciplined approach to the problems, and a sense of optimism from their leaders about the future. What people want from their Government is not panic, is not hyperbole, is not partisan attacks and the blame game. What they want is their leaders to talk about how we are going to methodically work through this challenge and find a solution to the problem.

Unfortunately, in Washington, we are facing a very different but nevertheless very real storm in our financial markets. The problem is, we have witnessed the most recent string of failures that have not seen any precedent since perhaps the Great Depression.

The collapse of companies such as AIG and Lehman Brothers, the purchase of Merrill Lynch by the Bank of America, the probable sale of Washington Mutual, all on the heels of a massive Government takeover of Fannie Mae and Freddie Mac, point to a financial system in serious trouble.

Today we do not yet know where this will all lead, especially how far the fallout from the troubled subprime mortgage industry will reach. The irresponsibility of so many financial institutions has touched almost every segment of our economy, and the effects are far from over.

While I have heard from many of my colleagues demand for quick Government action to counter this downturn, I would caution all of us that the most important approach is to take a deep breath, to consider the facts, and then to act carefully and deliberately, working together across the aisle to identify the actual causes of this crisis and what we might do to make things better.

The first thing you need to do in a crisis is to take stock of the situation and identify the specific problems that need to be addressed so we can be sure or as much as humanly possible that we don't overreact or actually try to treat a problem that doesn't exist or to make something bad even worse, indeed.

Now, if there ever were a time, is a time for level heads and bipartisan cooperation, not overreaction and not partisanship. Now is the time for an earnest and probing discussion.

It is clear that many factors have contributed to this problem, and I have to say both political parties share part of the blame. In the 2 years since our Democratic colleagues have taken over, Congress has failed to address the rising debt of the Federal Government, with deficits at record levels, important tax relief that has not been made permanent and which will expire in 2011, and all attempts at addressing American energy production and, of course, rising prices at the pump. All of those efforts have effectively been blocked.

But rather than engaging in the blame game, which is a world class sport in Washington, and pouncing on this crisis as an opportunity to point fingers, the American people need for us to come together and have a serious, nonpartisan discussion, investigation, and resolution of these challenges.

One thing that should be crystal clear, however, is that mixing public purposes and private enterprise in a quasi-governmental entity is a dangerous business, if not more so, than the free market itself. The unprecedented collapse of Fannie Mae and Freddie Mac has sent shock waves throughout our financial system.

That is why 2 years ago I joined several of my colleagues in an attempt to reform government-sponsored entities. That is what these two entities, Freddie Mac and Fannie Mae, are called, government-sponsored entities. Unfortunately, folks on the other side of the aisle blocked every attempt at that time to reform this broken system. At the time, I suppose things seemed to be working pretty well. But as we know now, these institutions were rotten to their core and destined to ultimately fail. Looking back on those actions then, they seem even more urgent now than they did then.

Now that these institutions have failed, my colleagues on the other side of the aisle are calling for investigations they rejected 2 short years ago. Representative BARNEY FRANK at that time said:

These two entities—Fannie Mae and Freddie Mac—are not facing any kind of financial crisis. The more people exaggerate those problems, the more pressure there is on these companies, the less we will see in terms of affordable housing.

I have said things in the past that I have later on learned to regret or had cause to revise and correct. I bet BARNEY FRANK wishes he could take those

words back today. We have colleagues in this body who went so far as to ask the President to immediately reconsider his ill-advised reform proposals. They are the reform proposals we have now enacted, unfortunately now that the horse is out of the barn and Fannie and Freddie have failed.

It is difficult to think that we may have had a chance to head off the collapse of Fannie and Freddie and prevent a lot of turmoil we are facing now. But, indeed, with the benefit of hindsight, if we had acted 2 years ago or even 5 years ago to implement the reforms we have now since implemented, we could have headed off this calamitous failure of these two huge quasi-governmental institutions.

Then, of course, there is the fact that Fannie and Freddie faced increasingly well-documented corruption and mismanagement. In 2006, some of the very leaders of those entities paid huge civil fines for basically cooking the books to make the profit look better than it actually was in order to reap huge financial bonuses. Yet for some reason, the Department of Justice gave them effectively a slap on the wrist, a civil fine rather than prison time and true accountability.

Because of the intertwining nature of these quasi-governmental entities, Fannie and Freddie, they developed ultimately a powerful lobby group and became institutionalized in the Government. They developed, in effect, a political shield that made them invulnerable to the kind of scrutiny that private enterprise ordinarily would have and that proper oversight would produce.

I have sent a letter to the Attorney General of the United States asking for a full investigation into what happened with Fannie and Freddie and to find out how two institutions that are so central to the issuance of mortgages in the United States could have been so poorly managed that they had to be bailed out by the American taxpayers.

Fannie and Freddie have proven that direct governmental involvement does not necessarily mean better management, nor does it preclude financial disaster. In fact, the Government involvement itself may have created a false sense of security that made it less obvious that these entities were, indeed, increasingly a house of cards.

What was the result? The result is now at least an estimated \$200 billion tab for the Federal taxpayers, maybe higher in the end. All told, Reuters has estimated the Federal Government bailouts to date have totaled roughly \$900 billion. Between Fannie and Freddie, Bear Stearns, the FHA, and an assortment of other programs, we will spend almost \$1 trillion of the American taxpayers' money. This kind of spending on private entities and loans cannot protect the economy and will only result in higher taxes to pay for it and further dwindling of the value of the dollar.

That is why rather than reacting hastily and increasing the cost to the

taxpayers, we need to cool down, take a breath, and look at the economy more closely.

No one suggests that regulation is not appropriate in the right circumstances, but the Democratic candidate for President, Senator OBAMA, used the word "regulate" or "regulation" or a variation of those words 26 times in a single speech this last week—26 times. What we need to ask ourselves is if we have the right systems in place to oversee and effectively regulate industry where necessary.

Anyone who has studied corporate law can tell you there are plenty of laws and regulations governing the conduct of business entities. The question we ought to be asking is, are they working effectively or is the redtape and bureaucracy self-defeating? What can we do to improve the regulatory regime, not necessarily use it as an excuse to grow the size of Government along with an increase in the tab the taxpayers invariably will pick up?

Rather than taking over businesses and guaranteeing against failure, how can we, working together in a non-partisan fashion, create a more effective framework to help business succeed?

The most important thing to remember is that the free enterprise system will weather any storm and will bounce back if we let it. But if we use this as an excuse to grow the size of Government, to create new bureaucracies, to create more redtape, and to create an increase in the cost of Government, then it will crowd out the new job creation we need in order to keep this economy strong.

So instead of trying to box in our economy and control it from Washington, DC, how it works in every minute detail, we should be creating the most fertile environment for the economy to grow. Overregulating the economy is like planting an oak tree in a flower pot. Even if it survives, it will never get very big.

There are some things Congress can do and can do quickly. We can reassure the American worker that we will keep taxes low rather than allow them to grow and increase. We can keep taxes low for individual Americans, for corporations, for small businesses. We can make sure the capital gains rate is low. We can do what Senator MCCAIN has proposed and lower the corporate tax rate, which is the second highest in the world.

Does it make sense to increase corporate taxes because we can stand up here and rail against corporations and excess of the market or does it make sense to make it more likely that these corporations will actually create jobs in America because of a more favorable tax regime rather than go abroad and create those jobs because the cost of doing business is too high here?

Another thing we can do is we can help cut out-of-control Federal spending. That would help the economy. Spending more Federal dollars will

only take away from the people the resources we need to strengthen the economy—the small businesses that innovate and drive competition, the workers who make industry run, and the consumers who return money to the economy.

Another thing we can do is commit to free trade. Free trade creates jobs in America from the agricultural produce we grow to the products we manufacture that we have new markets for in other parts of the world. If we make a commitment to open new markets to fair and equal trade, we give new outlets for American goods and produce. Trade has always helped businesses grow, and it creates new jobs and higher wages right here in America. That is why one thing we could do to help stimulate our economy and get the economy back on track is to pass the Colombia Free Trade Agreement, something that Speaker PELOSI has blocked for many months now.

We can open America's energy resources for more domestic exploration and production.

Mr. President, I ask unanimous consent for an additional 3 minutes.

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

Mr. CORNYN. Mr. President, we can open America's energy resources right here at home so that we would have to spend less money buying that oil from the Middle East or from Hugo Chavez in Venezuela.

Americans are feeling the pinch of high gas prices, and not just when they fill their gas tank. They feel it at the grocery store, and in the cost of fuel for the schoolbuses run by the school districts around the country, even for our law enforcement officials who drive police cruisers. These high gas prices affect all of us, and we could do something about it today, right here in Congress, by our being part of the solution and eliminating the moratorium on offshore exploration and development of the oil shale out in the Midwest and up in the Arctic, where we could produce as many as 3 million additional barrels of oil a day right here at home, and reduce the amount of money we send to the Middle East to buy that oil. We know also that it would create jobs here in America to produce it.

So there are a number of things we can do right here in the United States at this time that do not result in overregulation and strangulation of an already struggling economy.

We have seen financial institutions, such as the Bank of America, stepping in and shoring up the market and preventing some of the losses. And while there is no doubt this consolidation of the financial markets is painful for many, we have to focus on long-term solutions that will put the economy back on track. Again, this situation calls for a calm, nonpartisan discussion that looks for the real root of the causes of this crisis and the best ways to recover from it. We should remem-

ber the old carpenter's adage to measure twice and cut once. We can't afford to make hasty decisions that may in the long run hurt our economy.

We may never be able to foresee every crisis that our country or our economy will face, but I do know that America is built to weather any storm. American ingenuity and the engine of capitalism will always rebound, if we will let it.

Mr. President, I yield the floor
The ACTING PRESIDENT pro tempore. The Senator from Ohio.

FISCAL RESPONSIBILITY

Mr. BROWN. Mr. President, I am always both amused and amazed to hear my friends on the other side of the aisle talk about taxes, because they are always talking about cutting the corporate tax rate. They always say our corporate taxes are higher than anyplace in the world. But that is on paper that they are the highest. The effective tax rate, what corporations are paying, is much lower. They know that and we know that.

It is so often a smokescreen. Senator MCCAIN and my friends on the other side of the aisle always want to talk about tax cuts. It is always a smokescreen to cut taxes for the wealthiest Americans while the middle class, again, bears the brunt. The Obama tax cuts are all about the middle class. He wants to cut taxes on people making \$30,000 and \$50,000 and \$100,000 and \$150,000 a year.

Certainly people making \$300,000 a year can afford a little more, and that is exactly the way Senator OBAMA has looked at it, and the way so many of us have looked at it as well.

We want to get our fiscal house in order. We have seen what happens with President Bush and Vice President CHENEY. We have seen what happens with the Federal budget. We are spending close to \$3 billion every week on this war in Iraq. These tax cuts, which have gone overwhelmingly to the richest citizens, have put us behind the eight ball. And we have seen our budget surplus—the day George Bush was sworn in—go to more than a \$1 billion a day budget deficit. That is because of tax cuts for the rich. Not for the middle class, tax cuts for the rich. We want to move some of that money to middle-class tax cuts. And as we exit the war in Iraq and we begin to free up money, we want to use that for the domestic needs many of us have talked about.

The real reason I came to the floor, though, was to talk about what has occurred this week, what has happened on Wall Street. I am fairly incredulous that some in this body would still be saying we have too much regulation. It is pretty clear the cowboys on Wall Street and the deregulation of the Bush era—the Bush years—have led us to these problems. Not that this leads us to a Great Depression. I don't believe that. But it has led us back to some of the same kinds of unparalleled