

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

zealous greed on Wall Street which we haven't seen since the 1930s.

But what concerns me is that I remember 3 years ago, in early 2005, George Bush, DICK CHENEY, and JOHN McCAIN barnstormed the United States and campaigned all over the country for Social Security privatization. They worshipped at the mantle of how important it would be to have these private accounts; that if only people on Social Security invested in the stock market, think how much better off they would be. That was in 2005. Imagine if Bush and CHENEY and McCAIN, and others around here, had succeeded in that endeavor. Imagine what people would be doing today if we had privatized Social Security. When people opened their statements—if they had private accounts—imagine what they would be feeling today with what has happened in the stock markets.

That, to me, is the biggest contrast between the direction the country is going in now, the direction JOHN McCAIN and George Bush wanted to take also, and the direction so many senators, such as Senators WHITEHOUSE, McCASKILL, and others in this body want to take us. Do we want to privatize Social Security, put senior citizens at the mercy of Wall Street? What would happen to their solid, guaranteed Social Security payments? Do we want to do that or do we want to make sure we will protect those Social Security payments?

I can't get Social Security out of my mind this week as I have seen what has happened with AIG, and what happened a few weeks ago with Bear Stearns, and what happened with Lehman Brothers and the stock market, and that we would possibly put people into private Social Security accounts. That is what JOHN McCAIN wants to do. That is what they tried to do in 2005.

That is why I am so thankful that enough people in this body and in the House of Representatives, where I was in those days—and, more importantly, enough people in the United States, enough citizens—pushed back and said no to the Bush-Cheney-McCain privatization of Social Security. It wouldn't have worked then, and it clearly won't work now. It is a bad idea. It is one of the major issues I think we will see in the fall campaign, this whole idea of privatizing: privatizing Medicare, privatizing Social Security, privatizing the military, and all these contracts that Halliburton-Bechtel have.

Senator McCASKILL, who will speak in a few moments, has done a great deal of work in trying to root out all the waste and all the illegalities, if you will, in some of these private military contracts. This whole effort to privatize has clearly cost taxpayer money. It has caused great risk for far too many people in Medicare. Thank God we were able to stop the Social Security privatization. If they had had their way in 2005, seniors would be much more worried about the cuts and the decline and the disintegration and

the disappearance of their dollars if we had instituted private accounts, coupled with higher gas prices and food prices, and all that we have seen.

So again, I remind my colleagues that they have not given up on their idea in 2005. We know they will try it again. If they have a majority, and if Senator McCAIN is elected, we know they will try privatization again. It was a bad idea then, it is a bad idea now.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Georgia.

WORDS MATTER

Mr. ISAKSON. Mr. President, I want to open my remarks by simply stating that words matter. And to the distinguished Senator from Ohio, for whom I have the greatest of respect, I gained a lot of concern yesterday when I heard the words used in so many speeches given on the floor, especially at this disconcerting time, when the American public is so worried about our marketplace and our financial markets.

As Members of the Senate, I think it is very important we be conscientious, that we be positive and prudent in every word we use. Words matter. We have seen a savings and loan in California fail because words got out that there might be a failure and it became a self-fulfilling prophecy. We have seen things happen in the economy in large measure that were reactions to words that were said which should not have been said at all.

In making that statement, I am going to make a speech about what is happening right now on Wall Street and about our role in the Senate, and I will remember the admonition I gave that words matter. The words I want to use are words that I think are in the best interests of the people of the United States, but more importantly of this institution.

We can't play this historical blame game and set a precedent for the cause of what is going on in the financial markets today. We have to recognize that we equally, as Republicans and Democrats, have a responsibility to work together and to recognize the things we have done that have contributed to the problem. And I will give some examples.

One of the problems with the American economy today is the deficit of \$407 billion, which we will realize at the end of this month when the fiscal year ends. Yes, part of that deficit is because we have been at war. And had we not gone to war, we might be in the throes of terrorism. But that is another debate. But a lot of that deficit is about Federal spending. A lot is about the budget process. As Members of the Senate, we have yet to take up a single appropriations bill on the floor of the Senate, yet in less than 2 weeks, this fiscal year will end. I think it is our responsibility at a time of deficit, at a time of spending difficulties to get that

debate to the floor of the Senate and for all of us, Republicans and Democrats alike, to recognize we have a role in what that deficit is.

Secondly, the concerns regarding the financial markets now started back in May and June, when oil prices went to \$147 a barrel. We are within a week, almost a week, of adjourning, yet it is patently clear there will be no resolution by Congress to any way forward in terms of domestic exploration or dealing with all the other energy issues out there. Those are two things that, had we been doing them this month and in the months previous, might have helped to ameliorate at least part of the concerns on Wall Street.

So I think all of us, Republicans and Democrats alike, must understand that we share part of the blame as an institution, and not just as one political party blaming the other. It is time for cool heads and prudent minds in the Congress to prevail. Americans are concerned. We should not play politics with their future. By way of example, the previous speaker brought back the entitlement debate of 2005 and the challenge of privatization. We must remember today that the debate we had was about one of the problems that Congress has contributed to, and that is a Social Security system from which we have borrowed all of its trust fund and spent all of its money. Because of the way we have managed the fiscal house of the United States, we will dissipate the trust fund in its entirety by 2043. That is something we ought to be addressing. We can have differences on the way to address it, but to try to stigmatize a sitting President or a future candidate when they were trying to address a problem that we all know exists is not the way to deal with these financial difficulties.

On the question of regulation, I am not so sure it is a question at all of needing more regulation as much as it is a question of using the regulatory powers that we now have to address some of these problems. I will give a couple of examples.

On Wall Street, within the Securities and Exchange Commission, there used to be an uptick rule. And the uptick rule basically was that as the market was going up, you could play the market game with speculation. But if it was going down, you couldn't short sell it. What is happening on Wall Street now is there are a lot of people selling short, and they are selling short to the detriment of the American people but to the benefit of the individuals themselves. That is part of the problem. We should ask the Securities and Exchange Commission to look deeply into regulations that worked in the past and see if they can't bring back the uptick rule to stop what has been an abuse in terms of short selling.

Secondly, I have said on the floor of the Senate three previous times—and I will repeat it today because I believe it strongly, and because I think it is more true now than ever before—a significant contributor to the problems we