UNANIMOUS CONSENT REQUEST—S. 1315

Mr. AKAKA. Madam President, I ask unanimous consent that the Veterans' Affairs Committee be discharged from further consideration of H.R. 674 and the Senate proceed to its immediate consideration; that all after the enacting clause be stricken, the text of S. 1315, the Veterans Benefits Enhancement Act, as passed by the Senate on April 24, 2008, be inserted in lieu thereof, the bill, as amended, be read the third time and passed; that a title amendment which is at the desk be agreed to, the motions to reconsider be laid upon the table, with no intervening action or debate, the Senate insist on its amendments, request a conference with the House on the disagreeing votes of the two Houses, and the Chair be authorized to appoint conferees on the part of the Senate.

The PRESIDING OFFICER. Is there objection?

Mr. CRAIG. Madam President, reserving the right to object—and I will object because of my concern of the way the given legislation is being handled—this is an issue on which the chairman of the Veterans' Affairs Committee and I have had some difference. At the same time, I clearly recognize the phenomenal commitment of the chairman to veterans and, in this case, to Filipino veterans who served us so gallantly during World War II.

It is my understanding there is a conflict in the House at this minute relating to the passage of legislation the Senate has moved. This is an effort to avert that conflict and bring the bill to a conference committee in a different form by using a House-passed bill. It is a tactic I hoped we would not use to address this important issue. The Senate can and should revisit this issue at another time. I hope we will.

It is with that intent that I object to this unanimous consent request.

The PRESIDING OFFICER. Objection is heard.

The Senator from Hawaii is recognized.

THE VETERANS BENEFITS ENHANCEMENT ACT

Mr. AKAKA. Madam President, of course, I am very disappointed that an objection has been made to this unanimous consent request. The intent of the request is to create a means by which there might be further action on this very important veterans legislation before the Congress recesses next week.

On April 24, 2008, the Senate passed S. 1315, the Veterans' Benefits Enhancement Act of 2007, by a vote of 96–1. Since that time, the bill has languished in the House.

This bill would improve benefits and services for veterans, both young and old. It includes numerous enhancements to a broad range of veterans' benefits, including life insurance programs for disabled veterans, traumatic injury coverage for active duty servicemembers, automobile and adaptive equipment benefits for individuals with severe burn injuries. In addition, the bill includes a provision that would correct an injustice done to World War II Filipino veterans over 60 years ago. It grants recognition and full veterans status to all of these individuals, both those living inside and outside the United States.

In order to cover the costs of S. 1315, the bill would overturn a court decision in a case known as Hartness. That decision allowed for certain veterans to receive an extra pension benefit based solely on their age, a result never intended by Congress. The purpose of the provision in S. 1315 is simply to restore the clear intent of Congress, but some have mischaracterized it as an attempt to withdraw benefits from deserving veterans and grant them to undeserving veterans. This misconception is the main reason that action on S. 1315 has been held up.

I am not interested today in debating the merits of the bill—either the increased benefits or the revenue provisions—but rather ask that the Senator or Senators who object to the request to set up a conference with the House—advise me of their concerns to see if it might be possible to find a way forward. I am very committed to this veterans' benefit legislation and would like to see if we can reach final action before the end of next week. If we are not able to do so, I intend to renew my efforts in the next Congress.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

The Senator from New Hampshire is recognized.

Mr. GREGG. Madam President, I wish to return to the issue which has been the topic of the day—and should be, obviously—and that is the stress on the financial systems in the United States.

Earlier in the day, I asked why we couldn't have an adult discussion of this subject rather than a lot of hyperbole and partisanship. I doubt it was my comments that energized it. In any event, the Senator from New York, Mr. SCHUMER, did come down and make a couple of points on how he thought we could proceed. I wish to comment on those specific points and elaborate a little bit.

First off, the term ''Resolution Trust Corporation'' has been thrown around a great deal. I am, as I mentioned earlier today, rather familiar with that term because I was Governor of the State of New Hampshire at the time that we had the real estate meltdown in the Northeast and the Resolution Trust Corporation came in, as well as the FDIC under Chairman Seidman. Chairman Seidman did an extraordinary job, by the way, for us. We had to reorganize our banking system. The assets fell into the hands of the Resolution Trust Corporation, which then proceeded to dispose of those assets which basically had caused the banking system to fail in the Northeast and earlier in the Texas area.

I think that vehicle was appropriate to that time. I think what we are hearing today in the term ''resolution trust'' is the concept, not the specifics of that vehicle. Thus, when Senator SCHUMER said it was inappropriate for Senator MCCAIN to throw out the concept of resolution trust as an approach to addressing this extraordinarily critical matter, I think he may—I don't know, I can't speak for Senator MCCAIN—I suspect Senator MCCAIN's purpose was to talk about the concept of a government entity, such as the resolution trust, which comes in and basically relieves the pressure on the financial markets by creating value under assets which nobody at the present time can value. That is what we need. That is exactly what we need.

I would not dismiss the idea out of hand. I would simply say it is a term of art now versus a specific structure, and the term of art is essentially stating that the Federal Government does have a role potentially of coming in and putting value on assets which cannot be valued by the market and which are locked down and which have caused the whole credit market in the Nation to freeze down.

That is what has happened today, of course, in these mortgage-backed securities. Nobody knows the value of the security underlying the mortgage-backed security and, therefore, it is impossible to sell them and, therefore, the fluidity of the economy has been disrupted and, in fact, we are seeing a freezing of the economy as these securities hold in place instead of being traded.

What has been suggested, and actually, interestingly enough, appears to be the suggestion of the Senator from New York, is we create some sort of structure which allows the Federal Government to step in and essentially put value underneath these mortgage-backed securities by using the good faith and credit of the American taxpayer to essentially set a price for those. He suggested a couple ways of doing this. Let me comment on those suggestions because I think they are worth commenting on.

First, as the price of doing this, he suggests we should change the bankruptcy laws, a proposal debated here at some length earlier in the year, so bankruptcy courts would have the right to write down mortgages in bankruptcy. That is an appealing idea on its face because most of these mortgages are going to be written down anyway. But the issue becomes, what is the cost of that on the marketplace. If the mortgage underwriter knows there is a potential that the mortgagee may file bankruptcy and that mortgage may be adjusted significantly in bankruptcy, then the cost of that mortgage is going to go up and go up a lot because it is going to have to cover the premium and some actuarial estimate of how many mortgages might end up in bankruptcy, might end up being written down.

As we know, bankruptcy doesn't deal with secured assets such as a mortgage in the sense it doesn't write them down. The secured assets come first. This proposal has its upside from a standpoint of being attractive to a way of getting these mortgages performing again. But it has the downside of probably creating a much higher price for mortgages in the marketplace in the initial offerings.

Of course, what we want to do is make mortgages more readily available in a sound and reasonable way, not in a speculative way, the way they were in the last few years under the subprime system.

There may be a way to do this. I wouldn't close the door to it. I simply say, in looking at this, we have to be realistic and recognize that the cost of writing mortgages in this way will go up, and there may be a way to keep that price from being excessive by limiting the availability of that option. So I am willing—not that it is my role, but I would certainly think it is something to look at.

The second idea the Senator suggested was that we allow the Federal Government to basically buy into troubled banks and get what I presume would be equity back by creating a new entity, a new agency to do that.

That is also an interesting idea, and I respect the fact he brought that idea forward. I suggest that is a long, complicated exercise, however, and we are not in a period where we have a whole lot of time. What we need is something that is going to make sense soon and give us some fluidity in the marketplace reasonably quickly.

Probably the only way we are going to accomplish that is to pursue a course of the Federal Government injecting itself into the process by purchasing mortgage-backed securities in some manner, maybe through one of the agencies we have already gotten possession of—Freddie Mac, Fannie Mae, or one of our other agencies—and taking them off the books of these entities and reselling them in some way that recoups value to the taxpayer. That gets liquidity into the process, and it hopefully gets a stability into the pricing mechanism for these mortgage-backed securities which are at the core of our problem.

Honestly, if we had done this or taken this type of route with stimulus 1, where we used $160 billion, we probably could have abated this entire problem or at least muted it significantly because that is a lot of money, $160 billion. If we had not handed it out in $600 increments to everybody to be spent to buy a television made in China so the Chinese benefited from it—we didn't benefit from it—instead, if we had put it on the problem, which is the mortgage issue and the fact there was a lot of debt nonperforming and where you couldn't ascertain the value and use it to settle out that part of our economy, we might have made great strides earlier, and we might not be where we are today, which is in such dire straits.

I think it is good at least that the topic has been opened, and I congratulate Senator MCCAIN for being willing to stick his toe into this rather choppy water and do it in a way that isn't in the tradition of what one would call classic conservative politics. He is basically suggesting we might need to look at a major initiative through the Government to stabilize the situation. That is a departure. He should be congratulated for being strong enough, creative enough, and mature enough to be willing to step into that direction.

I wish, quite honestly, Senator OBAMA was saying something similar. Senator OBAMA continues to talk, unfortunately, in hyperbole on this issue, sort of out here on some other planet, relative to the reality of the on-the-ground problem. At least Senator MCCAIN is talking about the problem in a mature, substantive way. Obviously, the ideas haven't totally evolved or developed yet, but he is opening a dialog that I think is very constructive to the question of how we get to a solution, as Senator SCHUMER, quite honestly, did in his proposal.

As I said, I have outlined what I think is the point to begin the dialog. This may all be moot anyway because there is significant rumor that the Treasury and the Fed are moving much faster than the Congress, which should not be a surprise, which they usually do. That is why we have them. The Treasury did a good job, in my opinion, on Freddie Mac and Fannie Mae, and the Fed did the right thing with AIG.

Another issue that has been raised, however, that is giving us some problems is the short-selling issue. There has been a lot of discussion about short selling, how it has been predatory and inappropriate. It is true. There is no question but that naked short selling is a serious problem. I congratulate the SEC for pursuing aggressive rules on the equity side of naked short selling so people have to cover what they are doing.

But when you do an event on short selling on the equity side, it opens short selling on the debt side. If a short seller thinks a company is a target and they are going to go after that company, a person who is approaching this from a very predatory approach on the equity side and the equity side is shut down by the SEC or, more importantly, by financial houses, with the British action which basically bars short selling from financial houses until the beginning of next year, then that short seller is probably going to move over to the debt side.

Spreads jump dramatically, and the practical effect of that is it becomes virtually impossible for people to borrow money because the spreads are so high, and that is an equally contracting event. It makes commercial paper very hard to move.

I do hope that as we look at the short-selling issue, we not only look at the equity side but we also look at the debt side. In that arena, there are a lot of different ideas that have been suggested. One that I heard is that you should—and I don't know that this works, but I think it is worth throwing out—is that you have to look at the credit default swap arena and have more transparency so people know what the risks are and they know what the value is and they know what is going on in this arena.

That can be done through creating some sort of clearinghouse along the lines of what we do with S&P futures. That has been a suggestion. Maybe that is the way to go.

In any event, we cannot fix half of this equation, in my opinion, and expect the markets to not adjust in a way that actually continues the retardation of the markets or the retardation of the economy because of the lack of transparency on the debt side as to who owns what and what the spreads are. Not the transparency on the spreads but the fact that people are not going to be able to get commercial paper because the spreads will be too high as a result of the short selling.

I am not talking about eliminating it. I am not even talking about chilling. I am talking about making it more transparent, and that I think will be very helpful.

In any event, it seems to me at least we are getting some good and positive discussion on these issues around here, which is a change, and hopefully we can continue on this track. It may be that the Congress will be out of session before anything can be done, and that may actually be good, too, if we don't have anything good to do. But as a practical matter, I think we have to maintain our flexibility as a government, and we have to be willing to support those who are trying hard in this area to try to get our markets back operating at some level of normalcy, specifically the Secretary of the Treasury and the Chairman of the Fed. And we should not try to hyperbolize this issue and create an atmosphere where the well of opportunity to look at things that are different and creative, maybe outside the tradition of the ideology of one side or the other, is poisoned by excessive partisan discussion.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Ms. KLOBUCHAR. Mr. President, we have some startling new figures about how difficult it has become for the middle class to get by. We now have some new numbers, through the Joint Economic Committee and the work of Professor Elizabeth Warren, that in fact the average middle-class family has lost about $2,000 in wages, $2,000 per year, for the last 8 years, and the expenses have now gone up about $4,400 per year. That is a net loss of $6,400 per year. And with family childcare, you add an additional $1,500 per year. This is how much more expensive it was than 8 years ago.

So we are seeing more and more families in debt, more and more families having trouble getting by due to the failed economic policies of this administration, and as we have seen from the events of the past week, the country is facing an enormous financial crisis, probably the largest we have seen since the Great Depression.

Although the administration is still wary to admit this is a recession, we have seen time and time again over the last 8 months more and more jobs lost. Many institutions—some that have been on Wall Street for decades, some for a century—are finding themselves in the same position as many families were when their house was foreclosed on, with nowhere to go, and secretaries with nothing to their name. People had their retirement money in stock in the company. They were depending on that stock for their future but now have nothing to their name. This week we saw things take an even greater turn for the worse.

When Chairman Bernanke was in front of the Joint Economic Committee back in April, days after the Bear Stearns buyout, there was some talk that maybe that would stabilize things. But Wall Street was simply in denial. When you look at this past decade, Mr. President, you can see it was a decade of greed, a decade of risk, and there wasn't much fear in how those deals were made—jumbo mortgages, securities with no backing. Too much, too much, too much.

Look at IndyMac in California, and Fannie Mae, Freddie Mac, Lehman Brothers, Merrill Lynch, AIG, and all of these firms that insisted they were solvent, until the eleventh hour. That practice put everyone's savings at risk.

Next week, in our Joint Economic Committee, we are going to be hearing from Chairman Bernanke and discussing exactly where we go from here. I believe in this country. I believe we will move forward. But I can tell you lax regulation, decaying agencies, and some of the people who were put in charge of them have led us to where we are today.

I saw it firsthand on the Commerce Committee with the Consumer Protection Agency, a shadow of its former self, with 50 percent fewer employees than it had during the Reagan era. Big surprise when these toxic toys started coming in from places such as China. There was no one there to mind the store. There was one guy named Bob in a back room.

When you look at these mortgage instruments, there was no one watching over them, no one to enforce the rules. As a former prosecutor, I know you can have all the laws on the books, but if you don't have people enforcing them and people who are committed to the purpose of making sure that regular people are protected in this economy, it is not going to matter what laws are on the books.

We also had rampant change in some of our regulations—the Enron loophole. We had the chair of the Commodity Futures Trading Commission before a joint meeting with our Agriculture Committee, and I asked him if he didn't want some more tools in his arsenal so he could maybe look at what is going on with these trades and the speculation going on with foreign countries. Even if you don't want to use them, I asked him: Don't you want those tools we can give to you? As a prosecutor, I figured I wouldn't use every law that was on the books, but I always wanted more tools to look at things.

He said: No, we are fine the way we are. It was that attitude, Mr. President, that got us where we are today. So we are going to have to change things in this country. We are going to have to get some balance. I believe in vigorous entrepreneurship. My State is home to nine Fortune 500 companies and many thriving small businesses. We believe in entrepreneurship in our State, but we also believe there must be a balance and there must be fairness and somebody minding the store. And that has been lacking over the last 8 years.

We do have an opportunity as we look at how we are going to get this economy moving. I mentioned there was so much greed and not enough fear in the last 8 years. Well, now we stand on the precipice of where we don't have too much fear, but we want to move forward as an economy, and there is one thing we know we can do immediately in the next few days. We can make sure the incentives are in place to keep moving forward with this new green economy to compete with other countries and have the right incentives in place.

I am talking about the extenders for renewable energy that have really led to a boom in my State. We are third in the country with wind energy. Southwestern Minnesota is home to hundreds of large-scale wind turbines, helping to make us a leader in wind power. Along with biofuels, these wind energy farms have spurred a rural economic renaissance in that part of our State.

Let me give a few examples of this and examples of hope for this economy as we go forward and how we can put incentives in place so we can keep going.

I see my friend from Kansas across the aisle, and I know he has a picture of a wind turbine in his front office. We know there is a future for this country with development in this area.

In 1995—and this is just an example from Minnesota—SMI & Hydraulics, Inc. began their business in Porter, MN, primarily as a welding and cylinder repair shop for the local farmers and businesses. Today, SMI & Hydraulics, which manufactures the bases for the wind towers we see all across this country, just recently expanded a facility to 100,000 square feet and created over 100 new jobs in just this little town. It is a barn with these big wind bases that actually come out of it. It is an amazing success story.

Last year, the renewable electricity sector pumped more than $20 billion into the U.S. economy, generating tens of thousands of jobs in construction, transportation, and manufacturing. Throughout the country, renewable energy has led us down a path toward new jobs, lower energy bills, and enhanced economic development. We need to move this country forward.

For me, and the State of Minnesota and so many other areas across this country, the protection tax credit is critical to realizing this goal. The protection tax credit, in combination with strong State renewable electricity standards, has been a major driver of wind power development in Minnesota. That is why I was so concerned we might actually lose it. All the studies show if you let it go, about 8 months before it is forecasted to go off, you have an enormous drop in investment, and that is exactly what we don't need now in this country. We need a plan to go forward.

I personally would like to see it go into effect for 3, 4, or 5 years. I have a bill with Senators SNOWE and CANTWELL to put it in place for 5 years. But if all we can agree on today is to extend it for another 1 year for wind, solar, geothermal, and all kinds of renewable products and wasted energy, that is what we should be doing. But I will try. We are working on a bipartisan basis with a group of Senators to extend it for at least 3 years for renewable fuel sources. Because as we struggle with this economy we know, as we say in Minnesota, the approach is not just going to be a silver bullet, it is going to be silver buckshot. It is going to involve all kinds of energy production, increased energy production. But it is also going to involve looking at things in a new way. That has been lacking so much, this long-term look at our economy while other countries have leapfrogged us. While we developed the technology for wind and solar, we have been leapfrogged by other countries. Anyone who watched the Olympics in China knows what we are up against on the world stage for competition. They saw not only the athletes from all over the world but they saw the precision with which the Chinese were able to pull off that opening ceremony in those Olympics.

We have to get our act together. We have to get our act together for our economy and be sensible and not look at 1-day solutions and 1-day spins. We have to have a plan for this economy, and this is a start, but we also have to have some balance in our regulatory system so our economy can function and our businesses can function as they were meant to.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The senior Senator from Kansas is recognized.

Mr. BROWNBACK. Mr. President, I join my colleague from Minnesota. I have a map that shows the wind energy capital of the world, the Saudi Arabia of wind, right in the middle of our country. I have a nice corner here in Minnesota with some good wind power. We have a lot right here in the middle of the country in Kansas and we want to harvest it. I am delighted to see that the wind energy piece in the production tax credits is in the bill, the tax extenders bill. That is what I wanted to come to the floor, because it is critical to the investment taking place for wind power generation. We are doing that in this particular bill.

I, as well as my colleague from Minnesota, wish to see these production tax credits extended for a series of years rather than one; planning that arrives in a 3 to 5-year window would give a lot better opportunity for capital to come into the business. I think this is a critical piece we have to get done.

I met with my Kansas wind energy associates yesterday, people putting in these units on a big scale, and small scale. They are saying we need to have these credits in place.

I was at Pratt Community College about a month ago. They have put in three midsize wind turbines that are cutting down the community college's electric bill about $1,000 a week. They are looking at it and saying this credit is a great one, it has a nice payoff. It is right in this zone where we have high wind electric generation. It is working and working well.

I do note for my colleagues, on this particular issue you cannot rob Peter to pay Paul. This is the sort of thing where you have to do all the energy issues. You can't punish one or another. We need all of it. We have said that for some period of time. I hope we would start to do that.

The unfortunate piece of the tax extenders is the pay-for provision of it, where it is going at the refining capacity in the United States. I do not think that is wise at all. I want to cover this briefly here.

Of the $17 billion energy portion of this tax package, that is being paid for mostly by tax incentive freezes and adjustments to other sectors of the energy industry, primarily the refining sector. That is not where we should go. We need more refining capacity, not less. It is not the sort of thing that we should rob from one piece of the energy pie and sector to put it in another one. That is not the way to go forward on this. It is to grow the entire energy piece.

This bill will alter current law and freeze a manufacturing tax deduction at 6 percent instead of the current law, which would raise it to 9 percent by 2010 for the sale and exchange of oil, natural gas, or primary refined products. This is something that was going to be used by refineries to expand refining capacity and was going to provide a tax deduction from 6 to 9 percent. That is a good incentive. It will see the refining industry that is important to my State as well that is looked at, a refining industry that has been punished by Hurricane Ike, in rebuilding, to use that money to encourage more refining capacity in the United States. We need to do it rather than to tax it.

That is why I urge, when we look at these in the future, we do not punish one piece of the energy sector to pay for another one. I support wind power generation. It is key and critical. I am very supportive of the wind package in here. I want to make sure that we do all in the energy field because we need all of it in the energy field. We do not want to continue sending $500 billion overseas every year for oil. Much of that goes to countries that do not like us. We need to be able to do more of the production and the refining here in the U.S., and the current state of the technology will allow us to do it.

We have somewhere between 10 and 18 billion barrels of oil available under 2,000 acres in ANWR, along with another 45 billion barrels available in the offshore and deep water areas of the Gulf of Mexico. Unfortunately, many of those proposals, we are not going to be able to vote on here. We need to be able to get at that oil and we need to be able to get at the oil shale production in the western United States—in Utah, Wyoming, and Colorado.

I note to my colleagues, we need to do all of it. On this side of the aisle I think they will find support for all of it, but not to pick pieces of it.

There is another thing I want to point out, and I don't have the map here, but I think it is illustrated by the map I do have here. We have a lot of electric wind power capacity generation, given the strength of wind we have in our State. But we need to be able to move that to markets; we need to be able to move it to markets in my State but also be able to move it across State lines as well to be able to take advantage of this energy production. To do that you need backbone lines to be able to move it.

A lot of times you are going to need that wind to mix with, whether it is natural gas electric production, coal or nuclear production. We need to expand those so you have the base load there to build the wind energy into, to have the pipelines of electricity to move it to various places in the market throughout the country.

We need a 21st century grid. That is going to require not just wind being harnessed to it but also the base power being generated for times in the season and places where wind is not blowing, to be able to move it. I urge my colleagues to look at this as the total package. That is how we move this forward and how we balance the three E's of energy, environment, and the economy. It is all of them working together to get us a more stable economy, having more of this energy production here at home and having a better environment in the process. It is not just throwing any of these out in the process to get that done.

I hope in a new Congress, when we can look at these things, and in a new administration, I hope we can look at these things together and work them all in together, balancing those three E's to move the country forward.

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

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

Mr. BROWN. I ask unanimous consent to speak for 5 minutes as in morning business.

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

Mr. BROWN. Mr. President, in the last 18 or 19, 20 months since I have been a Member of the Senate, joined by my friend from Rhode Island, I have held, around my State, about 115 or so roundtables in most of Ohio, all of Ohio's 88 counties, from Mahoning County to Ashtabula to Williams County, from the southeast to the southwest, all over the State, listening to groups of 15 to 20 people for an hour and a half or so tell me about their hopes and their dreams and what we can do to build their communities and help strengthen the middle class in the State.

I hear regularly, in more emphatic terms almost every month, about the anxiety facing our State's middle-class families. They can be as rural as Fulton County or Highland County, they can be as urban as Cuyahoga or Franklin or Hamilton County, or they can be in between, places such as Mansfield and Lima and Zanesville and Chillicothe and Portsmouth. I hear people in Ohio who work hard, who play by the rules, and they are watching too many of their jobs or their neighbors' jobs move overseas. They are seeing their own health care and energy costs soar. In far too many cases, even in unionized plants, they are seeing their pensions disappear.

I hear this sense of betrayal. People understand—intuitively understand—that in most of the last 8 years, especially up until last year but even so, still, how they feel this Government has betrayed the middle class. When President Bush had control of the House and Senate, with the Republican majority in the House and Republican control of the Senate and Bush and Cheney in the White House, they saw the drug companies writing the Medicare laws; they saw the insurance industry dictating health care policies; they saw the oil industry ramming through energy legislation; they saw Wall Street pushing these job-killing trade agreements through the House and through the Senate. They understand, again intuitively, that the Bush-Cheney-McCain ideology that markets can always police themselves is bankrupt.

Every year of the Bush administration and every year of Republican control of the House and Senate, we heard this mantra, this conservative orthodoxy that markets always do the right things; that markets can police themselves; that any regulation is evil; just open our country, no reason for environmental rules, no reason for worker safety rules, no reason for rules, period, governing financial institutions.

Let's take one issue. Imagine if George Bush and Dick Cheney and JOHN MCCAIN had gotten their way 3 years ago, in January 2005—I believe January or February. President Bush and JOHN MCCAIN and Dick Cheney authored their scheme, their legislation—call it legislation—to privatize Social Security. This risky, reckless privatization scheme they were trying to push through Congress met incredible opposition, not just from Democrats in Congress—because we believe strongly in a Social Security that works, not one that is privatized, that Wall Street gets its hands on—but the American people spoke resoundingly, loudly, clearly that they did not want this Social Security privatization.

But go back. Imagine if the voters of Rhode Island or the voters of my State of Ohio—if George Bush and JOHN MCCAIN had gotten their way 3 years ago with that risky scheme to privatize Social Security, imagine what American seniors would think today as their private Social Security accounts disintegrated before their eyes. Imagine the next Social Security statement they would get after we have had a week like this, when they opened up the envelope that was mailed to them that itemized how their private accounts were doing, their Bush-Cheney-McCain private accounts.

Imagine what choices they would face. Their food prices are already going up. Gas prices are through the roof. Heating prices, especially in States such as Rhode Island and Ohio—imagine what seniors in Dayton and Findley and Bowling Green and Akron and Canton would think when they opened their Social Security statements and saw what had happened, as they look forward to the winter and high energy prices.

Look at JOHN MCCAIN's economic advisers. I have not been privileged to serve in the Senate that many years. I was in the House then, and I was not here when Phil Gramm served as a Senator. Phil Gramm was JOHN MCCAIN's economics mentor. JOHN MCCAIN looked to Phil Gramm for advice about economics. Phil Gramm is the one who said we are not in a recession; we are in a mental recession. Americans should just get over this. Then he told Americans to quit whining. It is easy for Phil Gramm who, I assume, has a pretty good pension. I also know he is now an investment banker and adviser to large corporations. I am sure he is making a salary of several multiples of what he was making in the Senate. So, to him, recession doesn't much matter. He is still cashing his bonus checks. I am sure he doesn't whine about his economic situation. But I am equally sure he doesn't understand the economic woes of people in Galion and Cambridge and Bellaire, OH.

I am equally sure both JOHN MCCAIN and Phil Gramm probably own more homes each than almost anybody in any of those communities and don't face these kinds of economic problems. Phil Gramm said he wants to be Treasury Secretary if JOHN MCCAIN is elected.

Look at one of his other advisers, Carly Fiorina, ousted CEO of Hewlett Packard. She pretty much failed at her job, was ousted, and was given a huge golden parachute. She is JOHN MCCAIN's chief economic adviser in the campaign. Phil Gramm was the mentor. Now Carly Fiorina is his chief economic adviser. She said she doesn't think JOHN MCCAIN is capable of running a corporation, and she wanted to be Vice President.

I guess I should not be surprised that Ohio's middle-class families intuitively understand they can't afford four more of Bush, CHENEY, and MCCAIN, of deregulation and privatization, how so many in this institution—and unfortunately, Senator MCCAIN—are so out of touch with the middle class of Ohio, the people he is going to ask to vote for him. I think none of us are fooled by this latest change in rhetoric where Senator MCCAIN is all of a sudden showing an anger at what these companies and Wall Street have done.

As we know, JOHN MCCAIN was one of the cheerleaders not just for privatization of Social Security, he was also a cheerleader for deregulation, saying we have way too many regulations, too many environmental, worker safety, consumer product safety, and health regulations and rules on Wall Street.

We know when you relax regulation of consumer product safety, you get toxic toys coming from China. When you relax regulation on food safety, you get too many cases of E. coli. You get too many contaminated ingredients that end up in drugs such as Heparin that killed several people in Toledo, contaminating prescription drugs. When you weaken environmental laws, we know what happens. When you weaken food safety laws, consumer product safety, all the things that Americans care about, and when you deregulate Wall Street, we know what happens. It is pretty clear but nowhere is it clearer than it is on Social Security. I know the Senator from Rhode Island and I and the majority of people in this Senate want to protect Social Security, don't want to privatize it. JOHN MCCAIN, George Bush, and DICK CHENEY tried to privatize it back in 2005. We know if they get a majority in the House and Senate, they will try to privatize Social Security again. It is bad for the American people.

We saw this week the best illustration yet of what happens if this crowd in Washington, the people who are so out of touch with the middle class—JOHN MCCAIN, George Bush, DICK CHENEY—if they get their chance ever to privatize Social Security, far too many of my constituents will be hurt.

Mr. DURBIN. Will the Senator yield for a question?

Mr. BROWN. Yes.

Mr. DURBIN. I thank the Senator for his comments. This whole concept, the underlying philosophy that you will hear from President Bush and Senator MCCAIN with his support, is the notion of the ownership society which, to put it in shorthand, means: Just remember, we are all in this alone. They believe when it comes to at least the issue of Social Security, it would be preferable to divert money from current benefits and to put it in the stock market. That was the notion supported by JOHN MCCAIN and President Bush which the American people rejected. It is my understanding as well that Senator MCCAIN has taken this ownership society idea to the notion of health insurance too, that they would penalize employers that provide health insurance and give people a tax break to go out into the market and go shopping for their own health insurance policies.

I ask the Senator if he has any reaction to the notion of individuals and families shopping for health insurance, not as part of some pool where they work but on an individual family basis.

Mr. BROWN. The first thing Senator MCCAIN would do is tax those health care policies that tens of millions of Americans have. In my State there are an awful lot of still pretty good health care policies, health care coverage, often negotiated by unions, often extended voluntarily by employers. Senator MCCAIN wants to tax the worth of those policies. So if you have a policy worth $6,000 for your family, then that would be taxed under the McCain plan. He turns around then and gives some tax breaks in their place. But the net effect simply means it isn't going to work.

It goes to the heart of our philosophy as a people, the values we hold. The values that we hold, in my view, are about communities. We really are in this together. Our country works best when we are cooperating, working together. We pulled together after September 11. We pulled together during

World War II. When we pull together and work together, things work for everybody so much better.

Senator McCAIN is taking up where George Bush and DICK CHENEY left off. They think it is every man and woman for himself or herself: privatization of Social Security, messing with employer-based health benefits as they are, without replacing them with anything that makes any sense. The ''you are on your own'' attitude makes no sense for the American people. The more people know about this, the more upset they are going to be.

Mr. DURBIN. I don't know if the Senator, when he was a Member of the House, ever served with Phil Gramm, who is from Texas. I did. Then Senator Gramm came over and represented the State of Texas in the Senate. For the longest time, Senator Phil Gramm was the economic adviser to JOHN McCAIN, not just on a campaign basis but on a personal basis. They shared a lot of thinking together. It was Phil Gramm's inspiration that moved us to this moment now where we have a lack of oversight, a lack of accountability when it comes to basic investments and credit institutions. The Gramm-McCain view of the world was government should step aside and get out of the way for the magic of capitalism and the magic of the free market. There is no question that the entrepreneurial spirit is a major part of the success of America, but time and again in history we have seen that if there is not a government entity involved in oversight, demanding accountability, many times the forces in the market go to extremes.

What we have seen in the last 2 weeks are the extremes of the Phil Gramm-John McCain approach to regulation. In fact, Senator McCAIN prided himself by saying he was one of the leading deregulators in the Senate. In the last couple days, as companies have been crashing and taxpayers have been picking up the bills, he now says he favors regulation. I ask the Senator, isn't this part of the same mindset, privatizing Social Security, privatizing health care, and basically removing the government from market operations that can ultimately damage investors, savers, retirees, and the taxpayers?

Mr. BROWN. There is no question. Earlier we were talking about Phil Gramm, who says we are in the middle of a recession and Americans should quit whining; Phil Gramm, whose income is many times what it was in the Senate, and we are paid very generously in this body. JOHN McCAIN has followed the policies of the Bush-Cheney administration, but he gets his advice, if he ever strays, from Phil Gramm. Phil Gramm was his mentor on his economic views.

If you remember JOHN McCAIN said several times in the last couple years, I don't know much about economics. He may or may not. Apparently, he doesn't know much. But what he does know comes from this very corporate, very privatized way of thinking that Phil Gramm has taught him. He has carried that into the campaign as Phil Gramm continues to advise him on economic matters. Just because JOHN McCAIN is saying some things today that you and I agree with about going after Wall Street and that I want regulation, his whole history is deregulation, fighting for deregulation, doing Wall Street's bidding, doing the oil industry's bidding, doing the health insurance companies' bidding.

Mr. DURBIN. I would ask the Senator from Ohio, is it fair to say when it comes to regulation that Senator McCAIN was against it before he was for it?

Mr. BROWN. I think he was against it before he was for it. He was for the head of SEC, Chris Cox, and now he is against him. Maybe tomorrow he will want Secretary Paulson fired. I don't know. He has been for a lot of things before he has been against them, unfortunately. I thank the Senator from Illinois.

I yield the floor.

The PRESIDING OFFICER. The Senator from Washington is recognized.

TAX EXTENDERS

Ms. CANTWELL. Mr. President, I come to the floor hoping that the two leaders, Senator REID and Senator McCONNELL, might be close to getting an agreement that allows us to move forward on voting on the tax extenders package, including the critically important energy provisions. While we wait for that, I thought I would take an opportunity to come down and mention some of the key provisions of the bill and also to thank many people who have worked on it.

We are the cusp of breaking this logjam on clean energy tax policy and pushing the United States into more of a leadership position on clean energy technology. Getting to this point took a lot of work and dedication. Senator REID of Nevada, obviously coming from a State that has incredible resources to participate in this, has long been an advocate of renewable energy. He instinctively understands what it is going to take for us to get off of fossil fuels and on to other alternative, more sustainable technologies. He has consistently forged a consensus on critical issues in the Senate. I know Senator REID knows how desperately our Nation needs to get on this path toward energy independence.

I also take the opportunity to thank Senators BAUCUS and GRASSLEY for their commitment and leadership. I don't think there has been a time during this whole process that these two wise leaders of the Finance Committee have waivered, and we have had many votes to try to get to this point where we are today.

I especially want to thank the Finance Committee staff: Cathy Koch, Pat Bousliman, and Mark Prater, who all worked long hours crafting the overall package. While I will not talk about the overall package, I will talk about the energy provisions. I thank them for their hard work. It takes a lot of time and energy. I also thank Senator ENSIGN and his staff, particularly Jason Mulvihill, who spent many hours working with my staff, Lauren Bazel and Amit Ronen, and my chief of staff Maura O'Neill. All have worked on this in a bipartisan effort to try to get this legislation across the finish line.

It is a bipartisan effort that got us here today. And I hope we will continue bipartisan efforts on many of these policies moving forward because that is what it is going to take given the structure of the Senate for us to continue to move forward on important legislation.

What are we doing in this Energy bill that is going to hopefully be before us this evening? First and foremost, we are doing several things that are new, new policies that will help our nation realize a clean energy future. First we are unleashing the power of solar energy. In 2005, we took a very important step by incenting solar energy for 2 years. Now we are doing something much more robust. We are giving an 8-year investment tax credit to the solar industry because we believe that it will unleash the potential of this unbelievable energy source for our Nation. We think that over 440,000 new jobs could be created in the solar industry just in the next 8 years. Much of that growth is coming from new concentrating solar plants, a breakthrough in technology that has great promise to provide affordable and predictable baseload power in rapidly growing parts of the Southwest. Without this bill that is going to be before us, electricity rates surely would have risen in these fast growing parts of the country, and our environment would have suffered.

Now if we pass this bill, States such as Nevada, Arizona, and New Mexico not only will be able to produce emission-free solar power at a stable and affordable rate, but the industry will be a new source of manufacturing jobs for this part of our country. The new 8-year investment credit will also, I believe, unleash a similar opportunity for fuel cell technology because we are giving this nascent industry great predictability.

Second, we are jump-starting the transition to plug-in electric vehicles. This is the first time we are giving tax breaks to consumers who purchase plug-in electric cars, trucks, and SUVs. These are cars that are about to appear on the showroom floor, and may achieve 100 miles per gallon. By giving consumers up to a $7,500 tax rebate per vehicle, we can accelerate the adoption rate and the mass production and, I believe, help this game-changing technology be deployed more quickly.

This provision was part of a bill that Senator HATCH, Senator OBAMA, and myself began working on over a year and a half ago. We recognized that our current electricity infrastructure,