

risk that relationship breeds. But its roots lie in our economic codependency, and our economic codependency is rooted in our Nation's passive trade policy.

Senator SANDERS and Senator WHITEHOUSE, joining me on the floor, with the Presiding Officer, all understand what these trade agreements have done, this passive trade policy that we have practiced for more than a decade, what that has done to our country.

Ohio is one of the great manufacturing States in our Nation. We make paper, steel, aluminum, glass, cars, tires, solar panels—one of the leading States in the country manufacturing solar panels—polymers, wind turbines, and more. Look around you today and you will see, wherever you go, something that was made in Ohio.

So let's look at a typical Ohio manufacturer and compare that with a Chinese manufacturer. The Ohio manufacturer has a minimum wage to pay his workers, as he should. The Ohio manufacturer has clean air rules, safe drinking water rules, workplace rules, product safety standards by which to abide, helping to keep our workers healthy and productive, helping to keep customers safe, helping to create a better, more humane society.

Worker safety, environment, public health, treating workers properly, these are all things our country and the values it represents has brought to us. The Chinese manufacturer has no minimum wage to maintain, is allowed to pollute local water sources, is allowed to let workers use dangerous and faulty machinery and, frankly, whether it is in a vitamin or food of some kind, is allowed to use, too often, toxic substances, such as on children's toys with lead-based paint, things such as that. Chinese manufacturing doesn't do any of the things the Ohio manufacturer does.

The Ohio manufacturer pays taxes, health benefits, pays into Social Security and Medicare, typically allows family leave, and gives WARN notices when there is a plant closing. The Chinese manufacturer does little of that, but the Chinese manufacturer also allows child labor, which is expressly forbidden in this country. The Ohio manufacturer generally receives no government subsidies. The Chinese manufacturer often receives some subsidies for the development of new technologies and, often, subsidies for export assistance. The Chinese manufacturer benefits from China's manipulation of its currency which gives it up to a 40-percent cost advantage.

The Ohio manufacturer is going green, investing in new technologies and efficiency to create more sustainable production practices. Ohio manufacturers are part of the movement to become more energy efficient. They will do their job to reduce carbon emissions but not at the expense of jobs if China and other countries don't take comparable action. When an Ohio man-

ufacturer petitions for relief, when he says, "I can compete with anyone, but this is not a level playing field;" when the Ohio manufacturer says he wants to emit less carbon but needs to see that his competitors from China bear the same cost on similar time lines, what does the Chinese Government say? They call it protectionism.

Last week Energy Secretary Chu noted in a hearing that unless other countries bear a cost for carbon emissions, the United States will be at a disadvantage. The Chinese official responded:

I will oppose using climate change as an excuse to practice protectionism on trade.

Chinese officials are quick to call us protectionist, a country that has an \$800 billion trade deficit, despite all the protections the Chinese afford its manufacturers. Meanwhile, the United States has the world's most open economy, as we should.

Of course, Chinese officials are often joined by highly paid American CEOs, by Ivy League economists, by editorial boards at darn near every newspaper in the country in calling any effort to rebuild American manufacturing protectionist. In newspapers around the country, when we fight for American jobs and say we need a level playing field, newspapers will say we are protectionist. That is why there is such a sense of urgency about changing this manufacturing policy. China's industrial policy is based on unfair trade practices. It involves direct export subsidies and indirect subsidies such as currency manipulation and copyright piracy, hidden subsidies such as lax standards and low labor costs, and unenforced environmental rules. In total, it results in millions of lost jobs—in Erie, Pittsburgh, Philadelphia, Cleveland, Youngstown, Sandusky, Zanesville, and Lima, all over the States.

It is also depressing wage and income levels worldwide, while China's exploitation of environmental and health and safety standards injures Chinese, sometimes kills Chinese workers and citizens, and adds to our climate change challenges. The health of our economy, the strength of our middle class depends on how Congress and how the Obama administration engages with China on these issues.

I yield the floor.

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 2 p.m.

Thereupon, the Senate at 12:33 p.m., recessed until 2 p.m. and reassembled when called to order by the Presiding Officer (Mr. KAUFMAN).

NATIONAL SERVICE REAUTHORIZATION ACT—Continued

The PRESIDING OFFICER. The Senator from Texas.

Mr. CORNYN. Mr. President, I ask unanimous consent that Senator REED from Rhode Island be recognized first, for up to 5 minutes, and then I be recognized, following him, for up to 10 minutes.

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

The Senator from Rhode Island.

Mr. REED. Mr. President, I rise in strong support of H.R. 1388, the Serve America Act. I particularly commend Senator MIKULSKI for her leadership on this very important initiative. She has done more than anyone to bring this bill to the floor and it being on the verge of successful passage. I say thank you, Madam Chairwoman as well as Senators KENNEDY, HATCH, and ENZI for your excellent work on this bill.

This bipartisan legislation reauthorizes the National and Community Service Act for the first time since 1993. It strengthens our commitment to the importance and value of national and community service for individuals of all ages.

I was pleased the American Recovery and Reinvestment Act that was signed into law last month included \$154 million for AmeriCorps State and national programs and AmeriCorps VISTA. This funding is estimated to engage 13,000 additional individuals in service to their communities. In his address to Congress last month, President Obama encouraged "a renewed spirit of national service for this and future generations" and called for quick congressional action on the legislation we seek to pass today.

There are a variety of ways to serve your country. You can serve in the Armed Forces, as I did, or you can serve in your community, as so many Americans are doing today. More than ever, being a good citizen means not only working hard and providing for one's family but also being an engaged and contributing member of the community, and particularly to those most in need in your community.

We make ourselves better by engaging in service that gives back to our communities and makes our society better, through teaching, mentoring and tutoring children, cleaning up rivers and streams, building housing for the homeless, and addressing the medical needs of the ailing, to name a few endeavors that are so critical.

The AmeriCorps, Learn and Serve America, and Senior Corps programs have greatly benefitted my State. Rhode Island has a proud tradition of service and was one of the first States to embrace the AmeriCorps program. More than 14,000 Rhode Islanders participated in those programs last year.

Participants in these programs are given an opportunity to learn as well as an opportunity to serve. In the act of serving their community, participants often make a difference in their own lives—developing their own knowledge, skills, character, and self-esteem, and incorporating an ethic of civic responsibility for the rest of their lives.

As a cosponsor of this legislation, I am particularly pleased that this bill includes changes I advocated to maximize Rhode Island's funding through the AmeriCorps and Learn and Serve programs. The Serve America Act includes a statutory small State minimum for the AmeriCorps and Learn and Serve formula programs for the first time. It also includes a provision I authored to ensure that small, innovative AmeriCorps programs such as those found throughout Rhode Island get their fair share of competitive grant funding. Additionally, I am pleased that this legislation includes changes I sought to encourage volunteers to focus on helping low-income individuals find affordable housing.

This is legislation that is important. It is critical. It lives up to our highest traditions as a nation; that is, to be something more than one who enjoys their rights but also who discharges their responsibilities through service to the community and the Nation. I urge passage.

The PRESIDING OFFICER. The Senator from Texas.

THE BUDGET

Mr. CORNYN. Mr. President, I am a member of the Budget Committee. Senator CONRAD is our chairman. Senator GREGG is our ranking member. As the Senate knows, this week we will be taking up the President's proposed budget, and I want to speak for a few minutes about that subject.

Yesterday I had the opportunity to speak to a number of students who were here because they want to make sure Congress continues to provide them an opportunity to study at our Nation's community colleges. I am a strong believer in the role of community colleges as a less expensive yet outstanding opportunity to earn a good education, but it being also a part of our workforce development and training, where industry can come in and match up a curriculum to train people to perform jobs for which they can receive well-paying salaries.

But yesterday these community college students, of course, were here to talk about the issues that are on their mind. They heard from Dr. Jill Biden and Secretary Duncan, among others. I appreciate how eager they were to learn what is going on here in Washington. Indeed, I bet there are a lot of people who would like to know what is going on here in Washington.

I encouraged them to learn about the issues and express their views. I told them that as far as I can tell, their generation will bear the consequences of the reckless spending this Congress is engaged in, in a budget that simply spends too much, taxes too much, and borrows too much.

Students will ultimately end up—after they finish their education and enter the workforce—paying those higher taxes under this proposed budget. This proposed budget calls for \$1.4 trillion in additional net taxes over the next 10 years.

Students are trying to figure out how these higher taxes will actually impact the opportunities they will have as they enter the workforce. Some of these taxes will hit these students at the toughest time; that is, right as they enter their first job.

We know the engine of job creation in America is our small businesses. In fact, of those small businesses that employ between 10 and 500 employees—which are the principal job creators in our country—50 percent of them will experience higher tax rates because many of them are not incorporated. They are sole proprietorships. They are partnerships. They are subchapter S corporations, where the income actually flows through and is reported on an individual tax return.

So it is not true to say these will only affect the rich. Indeed, these taxes will affect the very job engine that creates the jobs we ought to be worried about retaining and indeed creating more of.

I also talked to these students about how they will feel the impact of higher energy costs on their electric bill. You may wonder what I am talking about. Well, we all care about the environment. As a matter of fact, I reject the notion of people who actually say: Well, we care about the environment, and you do not care. I think we all care about the quality of the air we breathe, the quality of the water we drink. I cannot imagine someone who does not.

These students, though, I think are understandably skeptical of the complex and unproven cap-and-trade scheme the President's budget wants to import from Europe, which will actually ultimately increase the cost of energy, including electricity. That is why some people have called it a national sales tax on energy, if, indeed, this complex and unproven cap-and-trade plan is passed as part of the President's budget.

Then there is the issue of the caps placed on charitable deductions for taxpayers who take advantage of that tax break when they contribute money to good and worthy purposes. Many community college students receive scholarships from foundations that are funded by charitable contributions. As a matter of fact, charitable giving is one of the things that is part of our Nation's great tradition of voluntarism—something Alexis de Tocqueville called “public associations”—things you do not get paid for but things that people do because they think it is the right thing to do and they have the opportunity to do in our great country.

This budget would actually cap charitable contributions, which will actually reduce the tax incentive for individuals to contribute money to good causes such as the Tyler Junior College Foundation in Tyler, TX. The foundation is understandably concerned that raising taxes without increasing the charitable tax deduction will limit their ability to offer as many scholarships in future years.

So these tax increases will, in effect, limit the opportunities for these community college students, including folks in my State, in east Texas, in Tyler, TX.

Then there is the issue of raising taxes generally and spending. These students know Congress is already spending a whole lot of their money because it is all borrowed money. In fact, we have spent more money since this Congress convened this year than has been spent for the Iraq war, the war in Afghanistan, and in Hurricane Katrina recovery. We have done that already. And this budget calls for doubling the debt in 5 years and tripling the debt in 10 years.

These students, understandably—because they are going to be the ones we are going to look to to pay that money back or bear that tax burden—should be concerned and, indeed, they are concerned that so much money is being spent so recklessly. In fact, it is impossible for me to imagine it will be spent without huge sums of money actually being wasted.

We have already seen evidence of that. In the stimulus bill—the President said he wanted on his desk in short order, which was rushed through the Senate and through the Congress—\$1.1 trillion, including the debt and interest on the debt—we found out, once we passed the next bill, which was a \$410 billion Omnibus appropriations bill, that, lo and behold, Congress had actually doubly funded 122 different programs in the bill. We acted with such haste, with such little care, with such little deliberation, that we found out we doubly funded 122 programs.

Indeed, we found out in recent days that in the conference report on the stimulus bill, there was a provision stuck in the conference report that protected the bailout bonuses for the executives of AIG. Then, of course, there was the understandable uproar over that. That is what happens when a bill is printed and circulated at 11 o'clock at night, on a Thursday night, and we are required to vote on it in less than 24 hours the next day. That is not the kind of transparency, that is not the kind of accountability, that is not what will actually give people more confidence in their Government-elected officials. To the contrary. There is another provision in this omnibus bill that has essentially started a trade war with Mexico, something that causes me grave concern.

So as we consider the President's \$3.6 trillion budget proposal, we should remember the lessons of the past 2 weeks: spending so much money, so quickly, can lead to unintended consequences, to say the very least, but the biggest consequence of this budget is the amount of debt we are accumulating. I have already talked about it a minute.

But, of course, we were shocked, and I think even the President and the administration were shocked, by the Congressional Budget Office, the non-partisan office which evaluates financial matters for Congress, which said the President's budget will actually create deficits averaging nearly \$1 trillion a year for the next decade.

I mentioned the fact that it would double the debt in 5 years, triple it in 10 years. The Congressional Budget Office said the size of the national debt as a percentage of the economy will become the highest since the years after World War II.

So these students who start college this year will see their share of the national debt grow from \$19,000 per student to more than \$36,000 per student after graduation from a 4-year program. By 2019, their share of the debt will grow to more than \$55,000 per person. Can you imagine, with the money they have to borrow to fund their education, with their credit card debt—and I do not know any student who does not have sizable credit card debt—we are going to heap \$55,000 in additional debt on these students. That is a tough way to start out your life after school as you start your first job. Today's college students will ultimately have to pay back the debt, as well as the generations that succeed them. All bailouts, one way or another, will come out of their pocket.

I urge my colleagues to understand the impact on this younger generation of a budget that taxes too much, spends too much, and borrows too much. Because of our actions, the next generation will either have to raise more taxes or cut programs that are necessary or lower their standard of living.

I know from my parents, members of the "greatest generation," the one thing they aspired to more than anything else was that my brother and my sister and I would have a better life, more opportunities, more freedom, a better standard of living than they did. And they were willing to sacrifice for that, and sacrifice they did. But it seems to me the sacrifices we are calling for today are all on our children and grandchildren, and none upon the present generation.

The President says he wants to make hard decisions. But I do not see any hard decisions in this budget. All I see is more borrowing, more taxing, and more spending, and that is exactly the wrong way we ought to be headed.

Mr. President, I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from Michigan.

Ms. STABENOW. Mr. President, I ask unanimous consent to speak as in morning business.

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

Ms. STABENOW. Mr. President, we know our planet is in danger, and later this year we will be debating a climate bill to address our environmental chal-

lenges. I am glad to see my colleagues from the other side of the aisle are doing their part for the environment by recycling 15-year-old talking points on the budget.

President Bush left us a terrible mess: high unemployment, high deficits, millions without health care. I am referring to the first President Bush and the mess inherited by President Bill Clinton. One of my colleagues at the time said Clinton's budget would "destroy the economy." Well, I think everyone knows the Clinton years did not destroy the economy. In fact, they created about 22 million new jobs.

Let's look at some of the newspaper headlines from back then. First of all, just this week, Politico's banner headline was: "GOP Warns About Budget Hardball." That is what we have been hearing on the floor—hardball, people coming down time after time attacking President Obama's budget.

But back in 1995, we heard the same thing: "GOP Plan for Budget to Take No Prisoners."

In 1993: "GOP's Politics of No." Sound familiar? GOP's politics of no.

In 1993: "One-Word Vocabulary Hobbles GOP. Republicans Grouse as Senate Takes Up Budget Bill." You could recycle and, in fact, that is what they are doing, every single one of these comments and every single one of these headlines.

The American people voted for change last November. They are tired of all of this. They are tired of the naysaying, the doom and the gloom. They deserve better than a Republican repeat, and that is, unfortunately, what is happening: a Republican repeat, same old politics, same old politics of no, slow-walking, filibustering; same old policies; every problem should have a tax cut for the wealthy. That is what got us into this mess.

We hear the same old thing from our colleagues on the other side of the aisle. We hear no to health care reform and the budget, no to creating 3.5 million new jobs through the recovery plan. We hear no to increasing oversight of our financial sector. We hear no to extending unemployment for those most in need. Certainly, in my great State of Michigan the answer has been no. To a commonsense budget that provides middle-class tax cuts and will cut the deficit in half in 4 years, what do we hear? No.

The budget we are working on now focuses on the real problems affecting American families, the things that people sit down with their families and struggle over every day. The Obama budget invests in America's future by focusing on jobs, by focusing on health care, by focusing on energy independence, and education. That is what our families are concerned about as they are trying to juggle what to pay first amidst the crisis they feel today.

This is a budget we need to do right now. We need to move past the politics of no and start working together to do what is right for American families. I

urge my colleagues to look past the next election cycle and to pass this budget to get America back on track again.

I thank the Chair. I yield the floor.

The PRESIDING OFFICER. The Senator from Tennessee.

AMENDMENT NO. 688

Mr. CORKER. Mr. President, I rise to speak regarding amendment No. 688, the Crapo-Corker amendment. I say to the Senator from Michigan, this is an opportunity for us all to say yes.

This is an amendment that is very important to people all across the country. What this amendment does is it gives the FDIC the ability to have a line of credit that today is at \$30 billion, and it gives them a line of credit up to \$100 billion. The FDIC was put in place in 1991 when banking assets in our country were at \$4.5 trillion. Today, bank assets in our country total almost \$14.7 trillion. We have an FDIC today that is hamstrung because of the financial crisis in which we find ourselves. So this amendment would raise that line of credit from \$30 billion, which is an ancient establishment, to \$100 billion.

Secondly, what it would do is give the FDIC—with certain signatures required from the Fed, from the Treasury, from others—access to a \$500 billion line of credit in the event they need it to seize an institution to protect depositors. So this does two things.

To make this relevant to people who will be voting on this amendment, hopefully, this afternoon, I think all of my colleagues know the FDIC has just put in place a special assessment. My guess is every person in this body has heard from community bankers and regional bankers and even larger establishments about this special assessment.

I know in Tennessee, many of the community banks actually would have to spend an entire quarter's earnings to pay this special assessment. So by doing what we are doing in this amendment, we actually give the FDIC time to amortize that special assessment over a number of years which will cause it to be far more palatable for community bankers, in particular, who have had nothing whatsoever to do with the financial crisis in which we find ourselves.

Secondly—and I think this ought to be equally important to people here—this gives the FDIC the ability to move into an organization quickly and to seize it to protect depositors' accounts.

I know right now the fund is running thin. My guess is that could affect—and actually the FDIC has lobbied for this—this might affect future actions if they don't feel as though they have the resources necessary to go into an organization to do the things they need to do to make sure depositors are protected.

This action is action for which I would imagine we could almost get unanimous support. As a matter of

fact, my guess is we could voice vote this. As a matter of fact, I hope that will occur this afternoon.

In the past, this legislation has been held hostage to what is called the cram-down provision. The cram-down provision has been before this body. It was defeated overwhelmingly. Numbers of Democrats thought it was bad legislation. There have been a few Senators who have tried to attach cram-down to this legislation that we will be voting on this afternoon and tried to extort action on cram-down by virtue of holding this very good piece of policy at bay.

It is my hope this afternoon that we will do something that is very important, especially to community bankers across the country but also to depositors to make sure we have the ability to protect them: that the FDIC has the ability to move quickly. Move aside from extortionary politics and move toward doing something that is good for our country, good for community bankers, and certainly very good for depositors all across this country.

Mr. President, I thank you for this time. I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, first, I wish to say with respect to the Serve America Act, let me compliment the committee chair and the ranking member. This is a good piece of legislation. I am proud to support it. I also wish to say I have an amendment I hope we will be able to accept by voice this afternoon. It is the amendment that calls for a tribal liaison to the Corporation of National and Community Service in order to keep Indian tribes in this country fully involved in this process.

Some of the highest rates of unemployment in this country exist within Indian tribes. The opportunity to participate in, for example, the National Committee Service Program would be very important. So I know this amendment is supported by the chair and the ranking member, and I hope we can accept it by voice vote at some point this afternoon.

Mr. President, I would inform Senator MIKULSKI that I wanted to describe to my colleagues something that is happening in our State as I speak, and I wanted to do so in morning business so it doesn't interrupt the flow of the debate over this bill. So I ask unanimous consent to speak as in morning business to describe the flooding threat that is occurring in my State at this moment.

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

(The further remarks of Mr. DORGAN are printed in today's RECORD under "Morning Business.")

The PRESIDING OFFICER. The Senator from Maryland is recognized.

Ms. MIKULSKI. Mr. President, later this afternoon we are going to be voting on the Crapo amendment, No. 688, to increase borrowing authority for the

FDIC. I will not be supporting the Senator's amendment even though I agree there is much about the policy in the amendment that I agree with. It might be a good idea, but it is in the wrong place.

The bill pending before the Senate is the national service bill. It is the result of bipartisan, bicameral work—very complicated bipartisan, bicameral negotiations—on which we have strong support from a range of Senators and strong support from the administration. Introducing contentious housing and economic issues into this debate would jeopardize the bipartisan support we have on this bill and could wreak havoc in the conference we will be facing with the House. We don't want to be in havoc with the House. It is one thing to be negotiating assertively, representing a Senator's viewpoint with the House on national service and what is the best, most prudent, and affordable way to do it, but if we have to carry over to the House an amendment dealing with FDIC and insurance—that really belongs on another bill.

I encourage our colleague, Senator CRAPO, to withdraw the amendment. I really would not like to reject the idea, but that is the Banking Committee's jurisdiction. As I understand it from the chairman and ranking member of the Banking Committee, this is a substantive issue they intend to take up in their committee.

I say to my colleagues on both sides of the aisle, if Senator CRAPO insists upon a vote, that we really not pass his amendment. For all of those who think the policy has merit, I don't dispute that. But that is for another forum. That is for a Banking Committee forum. That should be hashed out in the Banking Committee, and then recommendations would be brought to the respective caucuses of both the Democrats and Republicans so that we can have a substantive discussion.

I must say that to increase the borrowing authority of the FDIC from \$30 billion to \$100 billion should not be done on a shoot-from-the-lip. That is what this amendment is, all due respect to my colleague. Just kind of dumping it on national service is a shoot-from-the-lip amendment. I think it deserves more caution and consideration. We are talking about raising the borrowing authority by \$70 billion just when everybody is saying: Hey, Obama is taking on too much. I think we are taking too much on in an amendment with the national service bill.

I say to my colleague, please withdraw your amendment. If you insist upon a vote, I am afraid I will have to oppose you in a very vigorous way. Perhaps, if done appropriately through the Banking Committee and it comes before the Senate in the regular order, I might be in the "aye" column.

So when we do vote on that, that is the category I will be in. As I understand it, we will be voting on that amendment this afternoon. There is still time for the Senator to come over

and withdraw his amendment. I say this in the most respectful way because I know how strongly he feels about it. He has a lot of expertise on that, and I would like to see that expertise channeled to the right place, at the right time, with the right amendment, on the right bill.

Mr. 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.

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

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

Ms. MIKULSKI. Mr. President, I ask unanimous consent that at 3 p.m., the Senate resume consideration of amendment No. 688; that if a budget point of order is raised against the amendment and a motion to waive the applicable point of order is made, that immediately thereafter the Senate proceed to vote on the motion to waive the point of order.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from Arizona is recognized.

Mr. KYL. Mr. President, President Obama has said he wants to encourage "a renewed spirit of national service for this and future generations." I submit that we can all agree on the value of promoting voluntarism. Volunteers are essential to the survival of many charitable organizations in America. But I believe S. 277 diminishes the true spirit of volunteering, first, by providing taxpayer-funded benefits such as monthly stipends and housing to participants—this financial support for volunteers will cost over \$5 billion, which is a lot of money for volunteering—and secondly, by redefining volunteering as a taxpayer-funded political exercise in which Government bureaucrats can steer funding to organizations they select.

In the past, service organizations mandated by the Government have not been constrained from providing funds to organizations with political agendas, and this bill is no different. While the Mikulski substitute amendment to the bill adds a limited constraint, the political direction of the bill is still apparent. It attempts to direct resources to five newly created corps—three that aim to influence health care, energy and the environment, and education; that is, groups that reflect the key aspects of President Obama's domestic agenda. For instance, the bill would allocate funds to a newly created Clean Energy Corps in which participants would improve energy efficiency in low-income households. All well and good, but the bill would also require the Clean Energy Corps to consult with energy and labor and the Environmental Protection Agency. Among the activities of the new Clean Energy

Corps would be reducing carbon emissions. How reducing carbon emissions can be achieved by volunteers has not been made clear. Is this, in fact, an attempt to create federally subsidized “green jobs” in areas already served by other Government programs or traditionally served by State, local, and private community service organizations?

Another problem with the bill is its failure to eliminate programs that are not working. Current national service programs being funded, such as Learn and Serve and the AmeriCorps National Civilian Community Corps, have not been successful. On its Web site, expectmore.gov, which provides a database of Federal program performance results, the Office of Management and Budget has categorized both of these programs as not performing and ineffective.

Finally, there are the costs associated with the programs. The Congressional Budget Office estimates that the costs this year will top \$1 billion and will cost another \$5.7 billion from 2010 to 2014 to expand the program from the current 75,000 participants to 200,000 participants by 2014.

There is ample reason to conclude that these programs are not worth another \$5.7 billion. I realize we have gotten to the point where \$1 billion does not mean what it once did. But S. 277 would saddle taxpayers with another multimillion dollar bill at a time when we should be cutting back, not finding new ways to spend.

The spirit of voluntarism is alive and well in America. I see it in my own State of Arizona. Could we agree that maybe there is one area of our society in which we do not have to add more Government? I think volunteering to help our neighbors might be a good place to start.

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.

Mr. DODD. 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. DODD. Mr. President, very briefly, I gather Senator MIKULSKI has already addressed this point, but I see my very good friend from Idaho, Mr. CRAPO, here as well, the author of the amendment. I commend him for it. I know this is going to sound awkward because there is going to be a procedural issue we are going to vote on shortly.

My colleague should understand the procedural differences should not reflect substantive differences at this point. We agree with what he is trying to achieve. There is an issue here involving a budget point of order, as well as a determination, I know, by the authors of this bill—Senator MIKULSKI, Senator KENNEDY, Senator HATCH, Senator ENZI, the principal authors—to try

to achieve a bill that can move quickly dealing with national service.

But the underlying amendment by Senator CRAPO is one that I think is universally supported—there may be some who disagree, but I do not—that this has a lot of merit and we need to deal with it in conjunction with other matters, with which my colleague from Idaho is very familiar, dealing with the FTC, some safe harbor provisions from Senator MARTINEZ dealing with the foreclosure issue, and several other points as well. We are trying to include these as an overall package which we are working on and hopefully can complete maybe before the recess. I don’t want to commit to that but certainly quickly because there is a sense of importance to these matters.

I want my colleagues to know, particularly my friend from Idaho, that supporting a motion dealing with a budget matter here is not a reflection of the substance of his amendment.

We talked privately about this issue, but I wanted to say so publicly as well, and that as chairman of the committee of jurisdiction, we will move as quickly as we possibly can to deal with this and related matters.

Again, I wish my colleagues to know that as well, but that is the rationale behind this particular moment.

Again, I thank my colleague from Idaho for raising this important issue. He is a valued member of the committee and made a very worthwhile suggestion, certainly one we will, in my judgment, incorporate as part of this larger package.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAPO. Mr. President, I thank my committee chairman, Senator DODD, of the Banking Committee for his comments. I appreciate our working relationship and the commitment he made on not only this issue but a number of issues of importance facing our financial institutions and the reform we need to deal with in Congress. I look forward to working with him on that matter.

I also thank Senator MIKULSKI for her patience as we brought this issue up on her bill. I truly do appreciate her patience and her understanding. I understand what the procedure is going to be and what the votes are going to be in a few minutes. I recognize that. I do realize we have a procedural issue here, but we also have a very critical financial issue.

As Senator DODD has so well stated, this is an issue on which we have broad bipartisan agreement. I appreciate his commitment to work with us in an expeditious manner so that we can get this legislation put into law as soon as possible. There is an urgency. It is not an emergency yet and we have a little bit of time to deal with it, but there is an urgency. I appreciate Senator DODD’s recognition of that and his willingness to work with us on this issue.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. ENSIGN. Mr. President, I wish to ask the manager of the bill if I may bring up a couple of my amendments. We gave the amendments to her staff about 4 hours ago. I was recently informed I was not going to be able to get those amendments up and pending. The majority leader of the Senate asked us to get amendments up. I cleared my schedule to make sure I could come over and get my amendments up. Now I am told by Senator MIKULSKI’s staff that there would be objection to getting any more amendments pending.

Ms. MIKULSKI. Mr. President, I say to my colleague from Nevada, there seems to be some confusion about this matter. We do want to address his amendments. We have been working on his side trying to queue up those amendments. Perhaps during this vote he and I can talk. I think there was confusion about where there are some roadblocks. Let’s talk during the vote.

Mr. ENSIGN. I appreciate that.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. CORKER. Mr. President, I wonder if I may have permission to ask the Senator from Connecticut a question.

Mr. President, I stepped in after the dialogue was taking place on the floor. My understanding is that the Crapo amendment that actually is part of the original bill—that you are very much a part of and have allowed—is going to come up in an expeditious manner. I wonder if we have a commitment from the chairman, whom I respect and certainly enjoy working with very much, that it come up unattached to a cram-down so that we don’t have the extortion of that issue being attached to this.

I didn’t hear that, so I wanted to know if that was also part of the commitment.

Mr. DODD. Mr. President, I appreciate my colleague from Tennessee having very good ears in all of this. I can’t dictate what all is going to be included in the amendment. My colleague, of course, is aware that there are a number of our colleagues who are very interested in the cram-down—as you call it—provision dealing with the bankruptcy law and primary residences. So I cannot give the assertion that a final package will or will not include that. That will largely depend on how these negotiations proceed.

That is the reason we are not prepared today to go forward with this proposal, along with others as part of this package. And I know there are strong feelings on both sides of that question in this Chamber. So I know I have been asked to give that assertion, which I cannot give, obviously, any more than I could give an assertion that other pieces Members are interested in would be excluded or included at a moment like this.

What I have said to my colleague—and I will repeat to my good friend

from Tennessee, with whom I enjoy a very good relationship—is that this is a very important matter my friend has raised. I agree with him on the substance of it. It needs to be done expeditiously. It is a serious issue. There are others, dealing with the Federal Trade Commission and others, which need to be a part of a package that our bankers—particularly our community bankers—are very interested in.

I also know there are strong feelings about the cram-down provisions. But as I have said to my colleague from Idaho and others, I cannot today stand here and dictate the outcome of a matter on which there are strong feelings and opinions in this Chamber. We will deal with that as we normally do, through the normal process, one way or the other.

At this particular moment, given the fact that we need to deal with this in a more complete fashion, there is a budget point of order on this matter and, clearly, the authors of this bill, the pending matter, would like to move this matter without having extraneous material added to it. So for all those reasons, I will be supporting the motion of the Senator from Maryland so we can move along with the matter. But that is the answer to the question of my good friend from Tennessee.

Mr. CORKER. Mr. President, if I could have just 30 seconds, I certainly thank the Senator from Connecticut and, again, will certainly work with him. I might add that the strong feelings that are felt sort of go in this manner: that there is unanimous or overwhelming support for this particular provision, and this body is very divided on this other issue. So it does, in effect, keep us from having a very good policy that is very much supported from becoming law.

It is broken down by the fact we have tremendous dissension in this body—or let me say this: a difference of opinion in this body—over the cram-down issue. But that is stating the obvious, and I am sure the American public understands that.

I yield the floor.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAPO. Mr. President, I ask unanimous consent that Senator CHAMBLISS be added as a cosponsor of the Crapo amendment.

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

Under the previous order, the question is on agreeing to amendment No. 688 offered by the Senator from Idaho, Mr. CRAPO.

Ms. MIKULSKI. Mr. President, I make a point of order that the pending amendment violates section 302(f) of the Congressional Budget Act of 1974.

Mr. CRAPO. Mr. President, I move to waive the applicable provisions under the Budget Act with respect to my amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second. The yeas and nays were ordered.

Ms. MIKULSKI. Mr. President, what is the order, a vote or a quorum?

The PRESIDING OFFICER. A quorum is in order if someone suggests the absence of a quorum.

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

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

The question is on agreeing to the motion to waive the Budget Act in relation to the Crapo amendment, No. 688. The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from Massachusetts (Mr. KENNEDY) is necessarily absent.

Mr. KYL. The following Senator is necessarily absent: the Senator from Wyoming (Mr. ENZI).

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

The yeas and nays resulted—yeas 48, nays 49, as follows:

[Rollcall Vote No. 110 Leg.]

YEAS—48

Alexander	DeMint	McCain
Barrasso	Dorgan	McCaskill
Baucus	Ensign	McConnell
Bennett	Feingold	Murkowski
Bond	Graham	Nelson (NE)
Brownback	Grassley	Risch
Bunning	Gregg	Roberts
Burr	Hatch	Sessions
Cantwell	Hutchison	Shelby
Chambliss	Inhofe	Snowe
Coburn	Isakson	Specter
Cochran	Johanns	Tester
Collins	Kyl	Thune
Corker	Lincoln	Vitter
Cornyn	Lugar	Voinovich
Crapo	Martinez	Wicker

NAYS—49

Akaka	Hagan	Nelson (FL)
Bayh	Harkin	Pryor
Begich	Inouye	Reed
Bennet	Johnson	Reid
Bingaman	Kaufman	Rockefeller
Boxer	Kerry	Sanders
Brown	Klobuchar	Schumer
Burris	Kohl	Shaheen
Byrd	Landrieu	Stabenow
Cardin	Lautenberg	Udall (CO)
Carper	Leahy	Udall (NM)
Casey	Levin	Warner
Conrad	Lieberman	Webb
Dodd	Menendez	Whitehouse
Durbin	Merkley	Wyden
Feinstein	Mikulski	
Gillibrand	Murray	

NOT VOTING—2

Enzi	Kennedy
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The PRESIDING OFFICER. On this vote, the yeas are 48, the nays are 49. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected, the point of order is sustained, and the amendment falls.

AMENDMENT NO. 715 TO AMENDMENT NO. 692

The PRESIDING OFFICER. The Senator from Nevada.

Mr. ENSIGN. I ask for the regular order concerning the Baucus amendment and I send a second-degree amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. ENSIGN] proposes an amendment numbered 715 to amendment No. 692.

Mr. ENSIGN. I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To clarify that nonprofit organizations assisted under the Nonprofit Capacity Building Program include certain crisis pregnancy centers, and organizations that serve battered women or victims of rape or incest)

On page 2, line 20, insert before the period the following: “which shall include crisis pregnancy centers, organizations that serve battered women (including domestic violence shelters), and organizations that serve victims of rape or incest”. These organizations must be charities within the meaning of the United States tax code.

Mr. ENSIGN. Mr. President, this is a very simple amendment. The Baucus amendment wants to pay legal fees for some of these organizations that are volunteer organizations. Sometimes these organizations have significant legal fees. What my amendment says is, even though the bill doesn’t specifically exclude any organizations, I wish to make sure that several of these organizations or types of organizations are able to be included and eligible for some of those legal fees. In my amendment, it points out things such as crisis pregnancy centers, battered women shelters, rape crisis centers, various organizations that are specifically geared toward helping women. I wished to make sure that somewhere down the line somebody at an administrative level doesn’t exclude somebody because they have a different political philosophy. We want to make sure the people in these organizations are included. These are people, obviously, from both sides of the political aisle whom we have included in our amendment. I urge its adoption.

The PRESIDING OFFICER. The Senator from Maryland.

Ms. MIKULSKI. Mr. President, we can appreciate this amendment and the thrust behind it.

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. MIKULSKI. I ask unanimous consent that the order for the quorum call be rescinded.

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

Ms. MIKULSKI. Mr. President, the Ensign amendment would make an unnecessary and divisive change to the bipartisan amendment offered by Senators BAUCUS and GRASSLEY. The Baucus-Grassley amendment would create

a nonprofit capacity building program. It would fund a grant program to provide education opportunities to small charities, primarily designed for those in rural areas. The education opportunities would teach charities how to manage finances and fundraise effectively, how to accurately file complicated tax forms, adopt new computer technologies or even plan a long-term budget. Capacity in rural communities, such as I see in my own areas, do need help. I think the Grassley-Baucus amendment has merit. In the Baucus-Grassley amendment, there is no limitation on the types of charities that can access these training programs. Therefore, the amendment of the Senator from Nevada is unnecessary.

Support for the Baucus-Grassley amendment is quite broad. The National Council of Nonprofits, the Independent Sector, and the Alliance for Children and Families have voiced their strong support for this amendment. I urge colleagues to oppose the Ensign amendment.

I wish to also comment on his desire to include crisis pregnancy centers. That is a broad definition. I am not sure what he means by a crisis pregnancy center. There are those that are ones with a particular philosophical viewpoint as compared to broad pregnancy information. These centers are already covered by language in the current bill. The amendment is not needed. There is a question about adding that explicit language. I urge Members not to adopt the Ensign second-degree amendment. It is unnecessary and unneeded and would cause quite an intense negotiation with the House when we go to conference. The whole idea of the way we have been working so faithfully on a bipartisan and even bicameral basis is to not to have a long conference so we are able to move the national service bill to signing by the President so it could be included in this year's appropriations. By adding the Ensign second degree, this would result in jeopardizing the passage of the bill.

I urge defeat of the Ensign amendment and would so recommend to my colleagues.

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.

Mrs. SHAHEEN. I ask unanimous consent that the order for the quorum call be rescinded.

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

Mrs. SHAHEEN. I ask unanimous consent to set aside the pending amendment so my amendment No. 712 can be called up for consideration.

The PRESIDING OFFICER. Is there objection?

Mr. THUNE. Reserving the right to object, I would also ask, as part of that agreement, that I have an amendment that also be made pending as part of

the request of the Senator from New Hampshire.

Ms. MIKULSKI. I object.

The PRESIDING OFFICER. Objection is heard.

The Senator from Maryland.

Ms. MIKULSKI. Mr. President, we didn't know the Senator had an amendment. We need to have a copy of the amendment. If we could have a copy, we would be willing to discuss it.

Mr. THUNE. I would be happy to make it available to the distinguished manager of the bill.

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. MIKULSKI. I ask unanimous consent that the order for the quorum call be rescinded.

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

Ms. MIKULSKI. Mr. President, if I may say to the Senator from South Dakota, we are looking at his amendment to see if there is something we can accommodate. Would it be agreeable to him if the Senator from New Hampshire offered a bipartisan amendment that she and the other Senator from New Hampshire are offering? She will offer it and speak briefly, understanding that the Senator had sought recognition before she did.

Mr. THUNE. Let me ask through the Chair, so the understanding would be that the amendment of the Senator from New Hampshire would become the pending amendment?

Ms. MIKULSKI. Yes.

Mr. THUNE. Is there any understanding beyond that about amendments offered by Members on our side, mine included?

Ms. MIKULSKI. It is a matter of expediting the time. We are reviewing your amendment, which is a sense of the Senate. We are viewing it from not only a policy standpoint but with this arrangement of discussing issues with the House. It is more of a time management issue than a content issue.

I ask unanimous consent that upon completion of the offering of the amendment by the Senator from New Hampshire, the Senator from South Dakota's amendment be pending.

Mr. THUNE. I thank the Senator from Maryland. I withdraw my objection.

The PRESIDING OFFICER. The Senator from New Hampshire.

AMENDMENT NO. 712 TO AMENDMENT NO. 687

Mrs. SHAHEEN. I ask unanimous consent to set aside the pending amendment so amendment No. 712 can be called up for consideration.

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

The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Hampshire [Mrs. SHAHEEN], for herself and Mr. GREGG, proposes an amendment numbered 712 to amendment No. 687.

Mrs. SHAHEEN. I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To provide that an Education Corps may carry out activities that provide music and arts education and engagement)

In section 122 (a)(1)(B) of the National and Community Service Act of 1990, as amended by section 1302 of the bill, insert at the appropriate place the following:

"(_____) providing skilled musicians and artists to promote greater community unity through the use of music and arts education and engagement through work in low-income communities, and education, health care, and therapeutic settings, and other work in the public domain with citizens of all ages;".

Mrs. SHAHEEN. Mr. President, I appreciate your assistance in moving this amendment forward and certainly appreciate the Senator from South Dakota and, of course, the Senator from Maryland for helping me move forward with this amendment.

I bring this amendment forward on behalf of my colleague from New Hampshire, Senator GREGG, and myself. The Shaheen-Gregg amendment would simply add to the menu of activities that can be included in the Education Corps. It would include musicians and artists to promote arts in education. That, very simply, is the amendment.

I would also like to speak briefly to the pending legislation, S. 277, the Serve America Act. I want to begin by commanding my colleagues, Senator KENNEDY and Senator HATCH, for their leadership in working on this legislation and bringing it forward and, of course, Senator MIKULSKI and Senator ENZI for their work in making sure the discussion on this bill can go forward, so hopefully we can pass this legislation this week.

This Serve America Act clearly embodies the spirit of America—a spirit that calls on all of us to give back to our country and to work together to build a nation that can continue to offer endless opportunity to generations to come.

This bill could not come at a more critical time in our Nation's history. More and more people need help getting by in this tough economic climate, while more and more of even the most generous among us have less and less to contribute to charitable activities. That is what makes this legislation so special. It has nothing to do with status, with background, with privilege or circumstance. Every American is equal in their ability to give of themselves and their time. As Martin Luther King said so eloquently: Every American can be great because every American can serve—to paraphrase what he said a little bit. The Serve America Act encourages voluntarism at every stage of life—from students, to full-time workers, to senior citizens.

Throughout American history, the compassion of our people has gotten us

through the most difficult of times. That spirit exists today in communities across America, and the Serve America Act taps into the strong desire of Americans to do their part to help our country recover and prosper.

No deed is too small. While the average American may not be able to save struggling banks from financial crisis, they can help a family to weatherize their home so they can save money on their heating or cooling bills. They can mentor a child so that child can reach his or her greatest potential, so they can hopefully go to college and compete in this global economy.

The Serve America Act will usher in a new era of service and civic engagement in our country, where we can solve our most difficult social challenges by using entrepreneurial spirit to bring about social change. It will build upon great success stories in voluntarism, such as AmeriCorps, by increasing the numbers of volunteers involved in volunteer programs nationwide from 75,000 to 250,000.

It also creates several new volunteer organizations with missions in specific areas of national deed, including a Clean Energy Corps. While Congress works to position America as a leader in clean energy and energy efficiency, this group of volunteers will enhance our efforts by encouraging efficiency and conservation measures in communities and neighborhoods. It is an idea that makes so much sense. In New Hampshire, I know volunteers stand ready, for example, to make homes more energy efficient, or work to preserve our State's many parks, trails, and rivers for future generations to enjoy.

As Governor of New Hampshire, I saw firsthand the difference that programs such as AmeriCorps and other volunteer programs can make. Plus Time New Hampshire is one of those programs. It provides afterschool help to vulnerable students who would otherwise go home to empty houses. And New Hampshire's City Year program has been successful in decreasing the high school dropout rate.

I just point out that City Year was started by a New Hampshire native, Alan Khazei, who, with some of his friends from Harvard, was able to start a wonderful program that has now expanded across the country.

One young volunteer in New Hampshire for City Year, Jennifer Foshey, volunteered at Hampton Academy through the City Year program. During her year of service, she worked with sixth grade boys who were struggling academically and failing most of their classes. Jennifer provided one-on-one academic support, individual mentoring, and encouraged these students to get involved in extracurricular activities.

Because of her hard work, the boys' grades improved dramatically, and one of them joined the community service afterschool club Jennifer ran. He was later quoted in the school paper as saying:

There are kids in our neighborhoods that need help, and it's our job to help them.

There could not be a better testament to the ripple effect programs such as City Year that are supported in this legislation have in our communities.

I have long been an advocate for national service because I have seen the power of these volunteers—power not only to help those in need but to empower citizens and strengthen communities. There is no question that the Serve America Act expands opportunities for all Americans to become involved in service in a wide range of areas of need.

Today, this amendment I offer will further extend the work of the service corps by offering opportunities for skilled musicians and artists to expand educational opportunity, promote greater community unity, and bridge cultural divides through the use of music and arts engagement.

The Serve America Act is so important to those in New Hampshire and across the country. I am very pleased and honored to join with Senators KENNEDY, and HATCH, and MIKULSKI, to cosponsor such an important piece of legislation that invests in new, innovative solutions to our Nation's most persistent social problems, and I urge my colleagues to join me in support of the Serve America Act. I hope they will also support the amendment Senator GREGG and I are offering.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Maryland.

Ms. MIKULSKI. Mr. President, I thank the Senator from New Hampshire, along with her colleague, the senior Senator, Mr. GREGG, for offering this amendment. It does make sure that service programs in the Education Corps are also allowed to incorporate art and music. We in the committee on both sides of the aisle support this. We support it both for content reasons and process reasons.

In the area of process, what the Shaheen-Gregg amendment does is actually incorporate art and music as eligible for funding, as do our colleagues in the House. So it puts it in symmetry with the House. This is what we like. It is when we are out of symmetry with the House that we do not like it. This makes it a high note for art and music.

Second, we know that for many of our boys and girls, the involvement in art and/or music can have a profound impact on, No. 1, school attendance—they really want to come to school to follow their passion; No. 2, it also seems to have a particularly positive effect in the area of behavior for special education children. Special education children seem to have a real affinity in engaging in music and art activity and often by the enrollment in those activities.

What we see in our public schools is that art and music programs have been the first on the budget block when it comes to the reduction of funds. Having talented young people come in with

this kind of approach can really help school attendance, help with behavior problems in schools, and also unlock a talent in a child.

If a child grows up, as I see in Baltimore in that show called "The Wire"—where neighborhoods that are so drug saturated that there is constant police activity, and the informants become the wire—the children of those communities are so terribly disadvantaged. The teachers work under such Spartan circumstances that AmeriCorps being able to come in could change lives—could actually change lives.

The Shaheen-Gregg amendment is an excellent concept to add to our Education Corps. We, under normal circumstances, would accept it, but we understand a vote will be required. But when they call my name, I am going to be in the "aye" column.

Mr. President, I yield the floor.

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

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

AMENDMENT NO. 716 TO AMENDMENT NO. 687

Mr. THUNE. Mr. President, I ask unanimous consent that the amendment I have at the desk be called up and made pending.

The PRESIDING OFFICER. Is there objection to setting aside the pending amendment?

Without objection, it is so ordered.

The clerk will report the amendment. The bill clerk read as follows:

The Senator from South Dakota [Mr. THUNE] proposes an amendment numbered 716 to amendment No. 687.

Mr. THUNE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER (Mr. UDALL of Colorado). Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To express the sense of the Senate regarding the Federal income tax deduction for charitable giving)

At the appropriate place, insert the following:

SEC. —. SENSE OF THE SENATE.

(a) FINDINGS.—The Senate finds the following:

(1) President John F. Kennedy said, "The raising of extraordinarily large sums of money, given voluntarily and freely by millions of our fellow Americans, is a unique American tradition . . . Philanthropy, charity, giving voluntarily and freely . . . call it what you like, but it is truly a jewel of an American tradition".

(2) Americans gave more than \$300,000,000,000 to charitable causes in 2007, an amount equal to roughly 2 percent of the gross domestic product.

(3) The vast majority of those donations, roughly 75 percent or \$229,000,000,000, came from individuals.

(4) Studies have shown that Americans give far more to charity than the people of any other industrialized nation—more than

twice as much, measured as a share of gross domestic product, than the citizens of Great Britain, and 10 times more than the citizens of France.

(5) 7 out of 10 American households donate to charities to support a wide range of religious, educational, cultural, health care, and environmental goals.

(6) These charities provide innumerable valuable public services to society's most vulnerable citizens during difficult economic times.

(7) Congress has provided incentives through the Internal Revenue Code of 1986 to encourage charitable giving by allowing individuals to deduct income given to tax-exempt charities.

(8) 41,000,000 American households, constituting 86 percent of taxpayers who itemize deductions, took advantage of this deduction to give to the charities of their choice.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that Congress should preserve the full income tax deduction for charitable contributions through the Internal Revenue Code of 1986 and look for additional ways to encourage charitable giving rather than to discourage it.

Mr. THUNE. Mr. President, President John F. Kennedy said:

The raising of extraordinarily large sums of money, given voluntarily and freely by millions of our fellow Americans, is a unique American tradition. . . . Philanthropy, charity, giving voluntarily and freely . . . call it what you like, but it is truly a jewel of an American tradition.

In 2007, Americans gave more than \$300 billion to charitable causes, an amount equal to roughly 2 percent of the gross domestic product. The vast majority of those donations, roughly 75 percent, or about \$229 billion, came from individuals who willingly gave their hard-earned dollars for causes greater than their own.

Studies have shown that Americans give far more to charity than the people of any other industrialized nation. In fact, relative to the size of our economy, Americans gave more than twice as much as the citizens of Great Britain and 10 times more than the citizens of France.

We should be proud of this tradition. Congress should continue to support the 70 percent of all American households that donate to charities to support a wide range of religious, educational, cultural, health care, and environmental goals. These charities provide invaluable public service to society's most vulnerable citizens during difficult economic times. In many cases, these services go above and beyond what any conceivable Government program could provide.

For years, Congress has provided incentives through the Internal Revenue Code to encourage charitable giving by allowing individuals to deduct income given to tax-exempt charities. Over time, 41 million American households have taken advantage of this deduction to give to the charities of their choice.

Unfortunately for these generous families and individuals, President Obama and his administration have proposed, as part of their budget outline, reducing the allowable deduction for charitable giving. According to one

study, President Obama's proposal would reduce charitable donations by as much as \$8 to \$16 billion per year.

Particularly in a time when many charities are already struggling on account of the economic downturn, these entities do not need a change in the Tax Code that would further discourage charitable giving. These organizations that educate our children, care for the sick and the poor, and facilitate religious opportunities should not have to pay the price for additional spending on new Federal programs, as is proposed in the administration's budget.

Over the past several days, this proposal has been criticized by Republicans and Democrats, large companies and small companies, universities and churches, constituents and charities of all shapes and sizes. Therefore, I have offered an amendment to H.R. 1388, the national service bill, which is before the Senate right now, which would express the "sense of the Senate that Congress should preserve the full income tax deduction for charitable contributions through the Internal Revenue Code of 1986 and look for additional ways to encourage charitable giving rather than to discourage it."

Americans have a proud tradition of voluntarily giving to those who are in need. Even in these tough economic times, when there is great temptation to save any earned income for better days, families and individuals continue to support our charities. I believe Congress should continue to support those who voluntarily make that sacrifice, and I hope my colleagues will, when this amendment comes up for a vote, support it.

I also point out that a Washington-based coalition of 600 different non-profit groups opposes this measure and has characterized it as a further disincentive to giving in challenging economic times. It is hard enough, with the economy being in the condition it is these days, people and charitable organizations trying to rely heavily on volunteers and voluntary giving to make ends meet, but it makes it even more complicated when we put policies in place that discourage that.

I wouldn't suggest for a minute that anybody who makes a contribution to a charitable organization does that because of the tax treatment only, but I do believe there is an interaction between our tax policy and charitable giving, and that it definitely affects the amount of those gifts. So rather than dialing back the tax treatment we provide to those who make charitable contributions, in my view, we ought to be encouraging more of that. Certainly the administration's proposal, which would take away the favorable tax treatment for those above certain income categories, is going to cost those organizations who rely heavily upon charitable giving an enormous amount of additional dollars they would receive.

I hope my colleagues would find their way to support my amendment and ex-

press the sense of the Senate that we ought not be going down that path, that we ought to retain the current tax treatment that we have for charitable giving, particularly in a time when the economy is struggling and many people, many organizations that rely on that type of giving, are struggling to make ends meet.

I ask that my colleagues, as they consider this particular issue, in light of the underlying bill that does make available new monies for government programs, also give consideration to all of those charitable organizations out there and all of those individuals across this country who, out of the goodness of their hearts, have contributed mightily to make the good causes that are served by these charities move forward.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Maryland.

Ms. MIKULSKI. Mr. President, if I could comment on the Thune amendment, it is a sense of the Senate that Congress and Federal law should continue the current tax deduction rate of 35 percent, and we understand the thrust of the argument behind the Senator's sense of the Senate. I wish to comment both on process and on content. This is a Finance Committee and a Budget Committee matter; this is not a national service matter, though I can see why the Senator would say that, because the uniqueness of America is that we have always had these great public-private partnerships. In fact, so many of the AmeriCorps volunteers will work exactly in the nonprofits that benefit from the charitable giving. Boys and Girls Clubs would be an example of that type of work.

Now, the budget will be on the floor of the Senate next week. Why is that not the right place for the Senator to offer his amendment, not only as to the sense of the Senate, but to actually make a change? The President has recently proposed to limit the tax benefits of itemized deductions for those in the top two income brackets—to limit it to 28 percent. So in the President's budget we will be considering, there is the change in tax deduction rates from 35 percent to 28 percent. Next week is the right time for not only a sense of the Senate but actually direct action. I actually hope that the Senator from South Dakota would consider withdrawing his amendment and dealing with it on the budget when the budget is before us next week.

We believe that the President's proposal would retain a generous benefit. There still would be a tax deduction equal to 28 cents on the dollar for every dollar contributed to charity. Less than 10 percent of the taxpayers who do claim a charitable deduction are in that 35-percent category the Senator from South Dakota has outlined. We believe these taxpayers, fortunate enough to be doing well, and who also wish to do good, will continue to give, even if it is at a 28-percent rate.

I could debate the substance, but I would prefer that the substantive debate come from the Budget Committee members and the Finance Committee members who have poored over this. No one on either side of the aisle wants to limit charitable giving or penalize people for giving. We understand that this is exactly what we need during these tough times. I believe this amendment should be debated and voted on in the budget bill, but if it is going to be here, again, I will have to oppose it, not necessarily on substantive grounds, though. I will support the President's budget.

We are proud of the tradition we have with giving. We should encourage people to keep on giving. One of the ways we do that is through an itemized deduction for charitable giving. I think both sides of the aisle agree on that. We very much support the idea of an itemized deduction for charitable giving. Both sides of the aisle agree on that. Certainly I do. But what the Senator's amendment misses is that all Americans give, all Americans who itemize deductions as well as Americans who don't. In fact, CRS says that only 30 percent of taxpayers claim a deduction for charitable giving. Yet we know that many more than 30 percent of taxpayers give to charity. In fact, the independent sector the Senator has quoted has a study that indicates 89 percent of households in America give in some charitable way. Isn't that wonderful. I mean isn't that fantastic. So many taxpayers make charitable contributions, even though they are not getting a tax benefit at all.

So to place the national service bill in one more quagmires with the House—because when we send this over, it means that national service will not only be conferred by our counterpart in the Education and Labor Committee, but it is going to have to go to the Finance Committee—excuse me, their Ways and Means Committee. Once again, because of a sense of the Senate, we are going to be put in a quagmire, when the Senator wants to deal with the policy of 35 percent versus 28 percent, and he would have that opportunity on the budget debate.

I disagree with this amendment not only because it is bad policy, but it is absolutely the wrong place to bring this up. I am going to oppose this sense of the Senate and I encourage the Senator from South Dakota, who has many excellent points to be made, that he bring it up on the budget bill.

So I oppose the amendment based on process as well as on substantive grounds.

Mr. President, before I yield the floor, I note that the Senator from Oregon is standing. May I inquire what the purpose of his statement will be—because the Senator from Louisiana has been waiting to offer an amendment. Did the Senator wish to speak on the Thune amendment?

Mr. MERKLEY. No. I am going to return to morning business, so I will defer.

The PRESIDING OFFICER. The Senator from Louisiana.

AMENDMENT NO. 717 TO AMENDMENT NO. 687

Ms. LANDRIEU. Mr. President, I so appreciate the Senator from Maryland for managing this important bill and the Senator from Utah, both of whom have done an excellent job, along with Senator KENNEDY's guidance and support during the times he could be with us to move this bill, because it has been a great work of many Members of this body, both Democrats and Republicans. Of course, Senator ENZI has also been a great leader in this effort. It is such a timely and important subject as Americans are searching amidst all of the difficulties faced in the economic climate and uncertainty on the international front.

Americans are realizing the importance of loved ones and family. They are realizing the importance of the community that is around them. For better or worse, even though we are a great travel destination—and I do want to encourage people to continue traveling as they can, particularly to places such as New Orleans and Louisiana that see a number of visitors—I think Americans are turning a little bit more inward and want to spend more time with their families and right at home in their communities.

So this bill is timely because it basically calls America to come together, and it recognizes that some of our greatest assets are not just our money—which is fleeting, as we can tell these days. I remember my father used to tell me when I was growing up, he said: The easiest thing for me to give you, sweetheart, is a \$20 bill, even though we didn't have a lot of them floating around the house, but the hardest thing for me to give you is my time. That is what this bill calls for. This bill calls for us to give our time and our talents. God has given us all an equal amount; we all get 24 hours in a day. A life is made by how people spend that time, either serving themselves, worshiping idol gods, or spending their time on the things that matter.

I think this bill has such significance for us as a Nation now as we think about how to revitalize our service programs, update them, modernize them, particularly in light of the fact that we have so many healthy seniors, men and women who have achieved unimaginable success, different than many generations in the past. They find themselves at a great point in their life, in their late sixties or early seventies, very healthy, or even mid fifties. They are retiring and want to serve. So I think this is an excellent bill.

Mr. President, I come to the floor only to again congratulate the leaders and offer an amendment that gives a slight twist to a piece of this that I think is very important. I know a lot of great work has gone on. The amendment I wish to call up is amendment No. 717.

The PRESIDING OFFICER. Is there objection to setting aside the pending amendment?

Without objection, it is so ordered.

The clerk will report the amendment. The bill clerk read as follows:

The Senator from Louisiana [Ms. LANDRIEU] proposes an amendment No. 717 to amendment No. 687.

Ms. LANDRIEU. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To add a foster care program to the national service corps programs)

On page 92, strike line 1 and insert the following:

“(H) A program that seeks to expand the number of mentors for youth in foster care through—

“(i) the provision of direct academic mentoring services for youth in foster care;

“(ii) the provision of supportive services to mentoring service organizations that directly provide mentoring to youth in foster care, including providing training of mentors in child development, domestic violence, foster care, confidentiality requirements, and other matters related to working with youth in foster care; or

“(iii) supporting foster care mentoring partnerships, including statewide and local mentoring partnerships that strengthen direct service mentoring programs.

“(I) Such other national service programs

Ms. LANDRIEU. Mr. President, I wish to take a minute to explain the amendment. I understand both Senators managing have looked at this and both their staffs have looked at it as well. It is a slight change to the mentoring portion of this bill dealing with children at risk.

If you think of America having 300 million people, about a third of those would be children. So we have about 100 million children in America, I guess between the ages of zero and 18 or 21. That is a lot of kids to care for. We as a nation are trying to do our best as individual parents and families and communities. However, there is a special group of children—and I am going to take a minute more—there is a special group of children who are actually our children. All of these 100 million are ours theoretically. But definitely—and not in theory, but in actuality there are 500,000 children—as the Senator from Maryland knows very well because her career started as the only social worker, I think, in this body—500,000 children who are in foster care actually are children of the government, of the State, of our national and State governments. We are primarily responsible as a government for their care, their welfare, and their education.

So my amendment is quite simple. It adds a provision for a mentoring program for this special group of children, foster children who sometimes spend a few years there—sometimes a long time, unfortunately. Despite our great efforts to make foster care temporary, we know there are barriers for reunification or adoption. We are trying to work through those barriers. But we have some extraordinary, I say to my colleagues Senator HATCH and Senator

MIKULSKI, some extraordinary pilots underway in this country.

In States such as California, where Governors Gray Davis and Arnold Schwarzenegger joined to support this program, there are promising results coming back about foster children in elementary and high schools who have mentors of their same age. We have always had grandparent mentoring, and that is very effective, where seniors are mentoring children. But, as you know, if you have teenagers, as I do, sometimes teenagers don't like to listen to adults. But teenagers will listen to their peers.

This is a great opportunity to have mentors from colleges and high schools coming to mentor our children who are in foster care. I will submit for the RECORD—because my colleague is going to speak—some exciting results.

I ask unanimous consent that a list of these results be printed in the RECORD.

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

98 percent of the foster children in this program have stayed in school.

There has been a 50 percent drop in teen pregnancy among the foster youth.

There has been a 1.7 year increase in academic progress per year.

50 percent increase in turning in assignments and homework.

100 percent in taking state standardized tests.

The program is now testing the students every 8 weeks to measure achievement.

In about 80 percent of the cases, there has been evidence of increase in grades within the first 8 months.

Ms. LANDRIEU. Mr. President, that is basically the substance of my amendment. It doesn't add a special corps, but it is an amendment that says when we care for children in need, let's look especially at foster care children and promote those kinds of mentorship programs that we know work and that can make a difference.

Of all the children in America, I say to the Senator from Maryland, these children really need our focus, our attention, our love and our support. I understand this amendment can be taken up at any time that is appropriate for the managers.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

Ms. MIKULSKI. Mr. President, this is not only a good amendment, it is a fantastic amendment. I really compliment the Senator from Louisiana not only for the amendment but for her steadfast commitment to children in foster care, and also children in need of adoption—not only the cute, cuddly infants but the older children and the children who are handicapped. The Senator has also been a leader in the international field, working on a bipartisan basis.

This amendment is fantastic because it will help more foster children get the social and academic mentoring they need. It doesn't create a new corps. We are going to put it under AmeriCorps and leave it to the flexibility of gov-

ernment at the local level to do this in a way that coordinates with their departments of human services.

It is true there are 500,000 children in foster care in this country. When I started out my career as a social worker, after I graduated from college, I worked for Associated Catholic Charities. I was a foster care worker, so I know this up close and personal. I was also a home worker, so I know it personally.

When I was in my twenties, I often worked with children being cared for by nuns in group homes. The nuns themselves were in their forties, fifties, or older. They were sweet, caring, and compassionate. We could not do it without them. But those young preteens and adolescents needed different kinds of help.

I organized women I graduated with at my Catholic college, and we did hair-dos and curlers and lipstick with them and the kinds of things young girls needed to do. I was once in that age group myself. But those preteen girls were transitioning to womanhood. My classmates and I helped them, and it increased their interest in school, their interest in working with the sisters. When those girls were ready to leave the group home, either to go out into the world or to return to their parents, they were in a better place because of the nuns and their loving care and the work of Catholic Charities, and because of what the volunteers did.

I think what the Senator is offering is going to make a difference. I look forward, when we have the vote, to supporting it.

Our colleague from Oregon has been waiting to offer a very compelling speech, which I eagerly await to hear. I yield the floor.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. MERKLEY. Mr. President, I ask unanimous consent to speak as in morning business.

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

DEFENSE OF THE AMERICAN HOME

Mr. MERKLEY. Mr. President, I rise today to call on my colleagues, and indeed upon all Americans, to rally to the defense of the American home.

Sometime soon, within the next few weeks, this esteemed Chamber will be taking up this issue. So this seems to be an appropriate time to reflect on how to improve our policies for promoting homeownership.

There is nothing that characterizes the American dream better than owning your own home. The homeowner is the king—or queen—of his or her castle. You decorate and remodel it to suit your own taste and style. You are your own landlord; no one can tell you what you can or can't do. You fence the yard so you can finally have a dog. You put in a skylight because you want more light. You plant tiger lilies and hyacinth in the yard because they are the most beautiful flowers in the world. You create a stable and nurturing environment for raising your children.

In your own home you control your own destiny.

Moreover, it is through home ownership that you secure your financial destiny. By and large, everything you buy in life loses value quickly—your car, your furniture, your clothing. But not so with your home. The family home is, for most families, the biggest nest egg they will build in their lifetime.

At a minimum, owning a home—with a fair mortgage—locks in and caps your monthly housing expenses. That is a great deal compared to renting, where rents go up and up over the years.

In addition, your monthly payments steadily pay off your mortgage, you own an increasing share of your home, and the bank owns less.

You can look down the road and see the possibility of owning your home free and clear before you retire, making it possible to get by decently in your golden years. To make the deal even better, your home appreciates in value. The home you bought for \$80,000 in 1980 might be worth \$250,000 in 2010. In many cases, it might be that appreciation, that growing home equity, that enables you to travel a bit during retirement, or that enables your son or daughter to afford to go to college.

So homeownership really is a magical part of the American dream—opening the door to our aspirations and building our financial fortunes. Thus, you would expect that our leaders would do all they could to protect and advance homeownership.

Unfortunately, however, I am here today to say that we really haven't done such a good job. In fact, all too often this past decade, we have allowed the great American dream of homeownership, to turn into the great American nightmare. We can and must do better.

What has gone wrong? In short, almost everything.

Most fundamentally, we have abused one of the most amazing inventions, one of the most powerful wealth building tools, we have ever seen: The fully amortizing mortgage.

Let's turn the clock back 77 years to the Great Depression. Before 1932, house loans were normally 50 percent loan to value with 3- to 5-year balloon payments. This worked fine as long as a family could get a new loan at the end of 3 to 5 years to replace the old loan. With the crash of our banking system in 1929, however, replacement loans were no longer available. Thus, as balloon payments came due, millions of families lost their homes.

The solution was the fully amortized mortgage, which eliminated the challenge of replacing one's mortgage every 3 to 5 years, thereby insulating families from frozen lending markets. Indeed, the Roosevelt administration's decision to help millions of families replace their balloon loans with fully amortized loans was a major factor in ending the Great Depression and putting our national economy back on track.

This system of amortized mortgages worked very well for over half a century. But in recent years, we have allowed two developments that have deeply damaged the stabilizing power of the amortizing mortgage and helped produce our current economic crisis. Those two factors are tricky mortgages and steering payments.

One tricky mortgage, for example, was the teaser loan—sometimes called the “2-28” loan. In this loan, a low introductory rate exploded to a much higher rate after 2 years. In many cases, the broker knew that the family could never afford the higher rate, but the broker would persuade the family that the mortgage presented little risk since the family could easily refinance out of the loan at a later date. This argument was misleading, of course, since the family was locked into the loan by a sizable prepayment penalty.

Another tricky mortgage was the triple-option loan, in which a family could make a month-to-month choice between a low payment, a medium payment, or a high payment. What many families didn’t understand, however, was that the low payment could only be used for a limited period before the family was required to make the high payment, which the family couldn’t afford.

These tricky loans, however, would probably not have done much damage, because their use would have been rare—except for a second major mistake; namely, we allowed brokers to earn huge bonus payments—unbeknownst to the homeowner—to steer unsuspecting homeowners into these tricky and expensive mortgages.

These secret steering payments turned home mortgages into a scam. A family would go to a mortgage broker for advice in getting the best loan. The family would trust the broker to give good advice because, quite frankly, they were paying the broker for that advice. The payment to the broker was right there, fully listed and disclosed by law, on the estimated settlement sheet.

But what the borrower didn’t realize was that the broker would earn thousands of bonus dollars from the lender—so called “yield-spread premiums”—if the broker could convince the homeowner to take out a tricky expensive mortgage rather than a plain vanilla 30-year mortgage.

This scam has had a tremendous impact. A study for the Wall Street Journal found that 61 percent of the subprime loans originated in 2006 went to families who qualified for prime loans. This is simply wrong—a publicly regulated process designed to create a relationship of trust between families and brokers, but that allows payments borrowers are not aware of that stick families with expensive and destructive mortgages.

It is difficult to overstate the damage that has been done by these tricky loans and secret steering payments.

An estimated 20,000 Oregon families will lose their homes to foreclosure this year.

Nationwide, an estimated 2 million families will lose their homes this year and up to 10 million over the next 4 years.

In every single case, the foreclosure is a catastrophe for the family. Each foreclosure is a shattered dream. The family has lost its financial nest egg. It has lost the nurturing environment the parents created for the children. The family has lost its dream of building a foundation for retirement. And don’t doubt for a second the stress that this catastrophe places on the parents’ marriage, or on the children, multiplying the damage.

The foreclosure is also a catastrophe for the neighborhood, because an empty foreclosed home can lower the value of other homes on the street by \$5,000 to \$10,000.

The foreclosure is, in addition, a catastrophe for our financial system. A lender often loses half the value of the property by the time it has been publicly auctioned. And as we now know all too well, foreclosures undermine the value of mortgage securities and mortgage derivatives, damaging the balance sheets of financial institutions in America and throughout the world and throwing our banking system and global economy into chaos.

That frozen lending and economic chaos, of course, further hurts our families. Oregon’s unemployment rate has gone from 6 percent to 11 percent in just 5 months, nearly doubling the number of Oregon families out of work, and unemployment, in turn, drives additional foreclosures.

How did we let this happen? This fiasco is, first and foremost, the consequence of colossal regulatory failure. Let me count the ways.

First, in 1994, Congress required the Federal Reserve Board to prohibit mortgage lending practices that are abusive, unfair or deceptive. That was a very good law. But for 14 years, the Fed sat on its hands, failing to regulate abusive and deceptive practices such as teaser loans, prepayment penalties, and steering payments.

Second, in 2002, after the State of Georgia adopted comprehensive mortgage reform legislation, the Comptroller of the Currency, John Hawke, overturned the Georgia reforms and banned all States from making such reforms affecting federally chartered institutions. This action made it difficult for States to pass reforms covering State-chartered lenders as well, since such action generated the powerful argument that it would create an unfair disadvantage for State-chartered banks. I can testify to this firsthand because that is exactly what happened when last year, as Speaker of the Oregon House, I worked to pass such mortgage reforms in Oregon. As a former attorney of North Carolina summarized it, the Office of the Comptroller of the Currency “took 50 sher-

iffs off the job during the time the mortgage lending industry was becoming the Wild West.”

The third failure was in 2004. The Securities and Exchange Commission exempted the five largest investment banks from its leverage requirements. This dramatically amplified the funds available to the banks to purchase mortgage-backed securities, funding a tsunami of subprime loans. Let’s take a look at a chart.

We see that impact in 2004, when subprime loans, which had been at a relatively stable level, grew dramatically and suddenly. To make it worse, the Securities and Exchange Commission failed to regulate credit default swaps, which became a \$50 trillion industry, that contributed to the appeal of mortgage-backed securities by insuring those securities against failure.

The fourth failure was in the Office of Thrift Supervision. That office was asleep at the switch. The office failed to halt risky lending practices that doomed numerous thrifts. An inspector general’s report after the failure of NetBank in September of 2007 concluded that the Office of Thrift Supervision ignored warning signs about the bank’s risky lending. OTS continued to snooze, however, while numerous thrifts failed, including IndyMac, Washington Mutual, and Countrywide.

The fifth failure. While Fannie Mae and Freddie Mac set standards limiting their purchase of subprime mortgages, they nevertheless poured fuel on the subprime fire by investing in subprime securities, thereby driving the financing of the subprime market.

Taken together, these five circumstances composed a colossal failure of regulation. Even Alan Greenspan, former Chair of the Fed who prominently advocated that banking practices should not be regulated because Wall Street, in its own long-term interest, would regulate itself, now renounces that philosophy.

I say to my friends and colleagues, what a mess. Congress got it right in 1994, when it asked the Fed to prohibit mortgage lending practices that were abusive, unfair, and deceptive. But Congress shares the responsibility for not following up aggressively when the Fed failed to act on this requirement.

The result is that home ownership has suffered and our national economy is in deep trouble. So now is the time for us to honestly assess the damage and to repair the damage as best we can. It is time to end the deception and abuse in Main Street mortgages and in Wall Street mortgage securitization.

The American dream of home ownership, with all that it means for the quality of life of our families, depends on our effective action.

To repair the damage, we need to support aggressive efforts to enable families trapped in subprime mortgages to negotiate modifications to those mortgages. President Obama and his team have taken many steps in the right direction on this issue, but we

need to monitor the progress and help pave the way for success.

If mortgage modifications fail due to the extraordinary difficulty of connecting borrowers to lenders in a market where the loan has been sliced and diced into 100 pieces, we need to support the ability of bankruptcy judges to operate as an arbitrator to adjust the terms of the loan. We grant this power to judges for loans for yachts, loans for vacation homes for our more privileged citizens. Certainly, ordinary citizens should have the same recourse for a far more important possession—the family home.

Consider the experience of Lisa Williams, who spoke at a mortgage foreclosure summit I hosted in Oregon last month. Lisa spoke about the lengths to which she went to get in touch with someone to help her renegotiate her loan. She would call and call her bank and never get through or she would be put on hold for more than an hour at a time or, on the rare occasion that she did get through, she could not reach anyone in a position of authority to talk with her. Five months ago, despite her innumerable and consistent efforts, she lost her home. An aggressive loan modification program or a last resort—and I stress “last resort”—bankruptcy arbitration would have saved Lisa’s home and, looking forward, would save the homes of millions of other American families.

We also need to restore the same guidelines to Wall Street—cap excessive leverage, regulate credit default swaps, prevent the creation of firms too big to fail, end regulator shopping, and evaluate and control systemic risks.

Finally, we need to end deceptive and abusive mortgage practices. The regulations adopted by the Federal Reserve last year are a decent start. It is time for us to make sure teaser loans, triple option loans, and secret steering payments never again haunt American families.

I say to my friends and colleagues, I end this appeal as I started it. Let us rally to the defense of the American home. We will have that chance when we consider legislation in the near future addressing mortgage practices. As we prepare to do our thoughtful best to craft mortgage and housing policy that will strengthen our American families, we might do well to consider the advice of President Franklin Roosevelt, since it was, indeed, Roosevelt who steered us out of the Nation’s last enormous housing crisis.

Roosevelt, speaking in his April 2, 1932, radio address entitled “The Forgotten Man,” declared:

Here should be the objective of Government itself, to provide at least as much assistance to the little fellow as it is now giving to large banks and corporations.

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

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

Ms. MIKULSKI. Mr. President, I compliment the Senator from Oregon. I understand it is his very first speech he has given on the Senate floor; is that correct?

Mr. MERKLEY. That is correct.

Ms. MIKULSKI. Well, how wonderful, I say to the Senator from Oregon, his very first speech was important because it was about home ownership and how we have to make sure the American dream continues to be within reach for most Americans, that they are able to afford a home and have the jobs that pay those wages, and that when they go to buy a home, the rates are reasonable, that they are not a victim of a scam or scum.

I would like to say, if that is his first speech, I am looking forward to hearing many more and working with him on access to the American dream—home ownership, the opportunity to pursue a higher education, and to either own a business or have a job that pays a living wage. Senator MERKLEY is a welcome addition to the Senate. Speaking, I know, on behalf of those who have been here a while, that was a great speech, and we look forward to many more.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. MERKLEY. Mr. President, I simply thank the Senator from Maryland and look forward to working with her.

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. BROWNBACK. 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. BROWNBACK. Mr. President, I ask unanimous consent to speak as in morning business for up to 15 minutes.

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

The Senator from Kansas.

NOMINATION OF CHRISTOPHER HILL

Mr. BROWNBACK. Mr. President, I thank my colleagues for the opportunity to speak now on a critical issue that is facing us. There are a number of nominations coming before this body. We need to move forward on a lot of these nominations and move forward aggressively. There is one I wish to talk about with my colleagues, one about which I am deeply concerned. We held a hearing today on the nominee for the ambassadorship to Iraq.

Christopher Hill has been nominated to serve as Ambassador to Iraq. This is our most important diplomatic post in that region, arguably the most important diplomatic post to the United States in the world today. While it is important we have an Ambassador in place as soon as possible, what is most

important is that we get the right person in place.

The next Ambassador to Iraq faces a daunting array of issues, such as preserving Iraq’s fragile security, the drawdown of our troops, Arab-Kurdish tensions, oil distribution, and Iranian aggression, to mention a few.

Quite simply, the stakes could not be higher for the administration to find the right person to conduct our diplomacy in Baghdad and that region.

In providing our advice and consent to the President, our duty is to ensure that his nominee for this most sensitive and complicated post will not only carry out faithfully the policies of the administration but also will implement the laws of this country.

Moreover, the nominee should have a strong track record of diplomacy, forthrightness, professionalism, and achievement to bolster his or her credibility with the American people, with the Iraqi people, and the numerous regional actors. And in this respect, Mr. President, I regretfully say that I do not believe Ambassadors Hill’s career in the Foreign Service reflects the needs we have for this position in Iraq or this country. I think his record and his actions fall short of the qualifications we need. I want to articulate why I believe that, and therefore I will be objecting to his nomination as we move forward.

Let me begin by saying that I do not deny that Chris Hill is an experienced negotiator. He negotiated Bosnia in the 1990s and then negotiated North Korea for some period of time. But negotiation is only one component of diplomacy. In addition to being able to converse with foreign actors, we also expect our diplomats to respect the chain of command, to work closely with colleagues in the State Department, the Department of Defense, and all other relevant agencies, and we expect our Ambassadors to respect the laws of the United States expressed by statute and through proper oversight. But in his role as Assistant Secretary of East Asia and Pacific Affairs, as well as head of the U.S. delegation to the six-party talks, too often Ambassador Hill found that key officials and the law got in the way of his agenda. He found that sidelining those officials and ignoring congressional will was expedient, if not acceptable. I regret to have to say that. Such behavior establishes a precedent that can only hamper his efforts to coordinate the immensely complicated U.S. Government effort in Iraq, and that brings me to the focus of my concerns and the specific dealings I had—and extensive they were—on human rights in North Korea, where these troubling aspects of Chris Hill’s diplomatic conduct all come together.

I have a picture next to me here that is a very lamentable one from North Korea. It is a kindergarten in North Korea, and you can see the starving children who are there. This was during the late 1990s when there was starvation taking place in North Korea,

and the North Korean Government was not asking for assistance or support and the people were dying of starvation. The human rights situation is deplorable in North Korea. I believe it is the worst in the world, and that is saying something given some of the other actors that exist.

Let me start by reminding my colleagues of all of this—the situation in North Korea. North Korea is ruled by a totalitarian regime rigidly controlled by a single dictator, Kim Jong Il. Human rights in North Korea do not exist. The state regulates all aspects of individual life, from food ration, to speech, to employment, to travel, and even to thought. Under Kim Jong Il's watch, millions of North Korean citizens have perished from starvation, while thousands of others have died during imprisonment in the regime's extensive political system and gulags.

I will show a picture here of the location of one of the prison camps—or a number of prison camps in Russia. I have given a speech, and I have pointed this out. Google Earth has made witnesses of us all. Now you can see these on Google Earth.

North Korean defectors have testified about the conditions in these camps. Prisoners face torture, hard labor, starvation, forced abortion, infanticide, public executions, chemical and medical experimentation on prisoners, and gas chambers. They experience detention without judicial process, and family members of dissenters, including children and the elderly, are also shipped to the gulag as part of the policy of guilt by association. It is thought that over 400,000 people have died in the gulags over the years, and currently there are 200,000 North Korean prisoners in the gulag system.

I want to read to you an account from the Washington Post about the only known living escapee from a North Korean gulag, and Mr. President, I ask unanimous consent to have the full article printed in the RECORD.

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

[From the Washington Post, Dec. 15, 2008]
THREE KERNELS OF CORN—THE STATE DEPARTMENT HAS MORE PRESSING CONCERNSTHAN A MODERN-DAY GULAG.

We tend to think of concentration camps as belonging in history books, but Shin Dong-hyuk reminds us of the uglier truth. Mr. Shin, who is 26, was born in such a camp in North Korea and lived there until he escaped in 2005. He is, in fact, the only person known to have made a successful escape from one of that nation's prison camps, which hold an estimated 150,000 to 200,000 people.

Mr. Shin's story, which Post reporter Blaine Harden movingly recounted in an article last week, was horrifying on a couple of counts. The casual, routine brutality of the camps is, as the article noted, almost unfathomable. Part of Mr. Shin's finger was cut off as punishment for accidentally dropping a sewing machine in the factory of the camp where he was held. He bears scars from the torture of being, essentially, roasted over a charcoal fire. When he was 14, he

watched as his mother was hanged and his brother shot to death, ostensibly for trying to escape. In a memoir, he writes of the "lucky day" when he found, in a pile of cow dung, three kernels of corn that he was able to wash off and eat.

It's horrifying, on another level, that only 500 people in South Korea, where Mr. Shin lives, have bought his book. Many Koreans don't want to hear about human rights abuses in the north; they're worried that the Communist regime might collapse and leave the more prosperous south with a costly burden of rehabilitation. And South Korea isn't alone in tuning out the horrors. The United States is more concerned with containing North Korea's nuclear ambitions. The State Department's stunning lack of urgency was captured in a recent statement from its assistant secretary for Asia, Christopher R. Hill: "Each country, including our own, needs to improve its human rights record." Japan is focused on Japanese citizens abducted forcibly to North Korea. China doesn't want instability across its border.

Mr. Hill's larger point is that the United States should be practical in relations with the north and not simply denounce abuses so that America can feel good about itself. We support his efforts to negotiate with the regime. It's worth noting, though, that last week the north yet again backtracked on a nuclear-related agreement it had made and Mr. Hill had vouched for. It will continue to honor such agreements, or not, based on a reading of its own interests, not on whether its negotiating partners do or don't speak honestly. We think there's an inverse relationship between a regime's trustworthiness on any subject and its propensity to abuse its own people. We also believe that it should not be left to the lone escapee from North Korea's gulag to speak out about its horror.

High school students in America debate why President Franklin D. Roosevelt didn't bomb the rail lines to Hitler's camps. Their children may ask, a generation from now, why the West stared at far clearer satellite images of Kim Jong Il's camps, and did nothing.

Mr. BROWNBACK. Mr. President, here is the quote I want to read from the article about Shin Dong-Hyuk:

... his finger was cut off as punishment for accidentally dropping a sewing machine in the factory of the camp where he was held. He bears scars from the torture of being, essentially, roasted over a charcoal fire. When he was 14, he watched as his mother was hanged and his brother shot to death, ostensibly for trying to escape. In a memoir, he writes of the 'lucky day' when he found, in a pile of cow dung, three kernels of corn that he was able to wash off and eat.

This was from the full piece from the Washington Post that I have had printed in the RECORD.

Here is an aerial picture of what one of the camps looks like. This is camp 18—and you can get these off Google Earth—and the execution site within this camp. Imagine if during World War II and the Holocaust we had these kinds of pictures and this sort of knowledge. Would we say we want to really do something about this or would we not? I think all of us would say: Well, absolutely. We would want to be very vocal about this. We would want to be addressing this issue if we knew it took place. Well, this is happening today. It happened during Chris Hill's watch in that position, it happened during the six-party talks, and

he didn't address it and he didn't work on it.

The desperate situation has caused tens of thousands of North Koreans to risk their lives and their families' lives to flee across the border into China, seeking food, shelter, and livelihood. But the Chinese Government blocks international access and aid to these refugees, leaving them helplessly exposed to severe exploitation, particularly in the form of sex trafficking. The refugees also face repatriation if caught by Chinese authorities, which for most of them means automatic imprisonment, torture, or execution once returned to North Korean officials.

As Holocaust-survivor and Nobel laureate Elie Wiesel said, the North Korean regime "... is responsible for one of the most egregious human rights and humanitarian disasters in the world today."

I want to quickly show two satellite photos showing the prison barracks of two camps, one in North Korea and the other in Auschwitz. Now, my point is not to say these situations are the same—they are not—but, rather, that there are similarities, and people should know this kind of evil still exists in the world today. I want people to look at this prison situation. This is one of the camps—and again, this is from Google Earth—one of the prison camps in North Korea. Then I want to hold up here as well a picture of Auschwitz. I ask people to look at the similarity of these situations and of these settings. I know when I first saw this, I thought, this is really eerie, that these look alike this much. Now, I am not saying these are the same situations. What I am saying is we continue to have this evil in the world. We continue to have thousands of people killed in a gulag system in 2009. This continues to happen in the world.

Mr. President, as you may recall, the Congress sought to address this horrifying situation back in 2004 with the North Korean Human Rights Act. This was passed and signed into law in October of that year. The Senate even passed that bill by unanimous consent—a proud day in the history of this body as we strengthened the moral fibers of this Nation. The purpose of that law, as defined in its introduction, was to promote respect for and protection of fundamental human rights in North Korea; to promote a more durable humanitarian solution to the plight of North Korean refugees; to promote increased monitoring, access, and transparency in the provision of humanitarian assistance inside North Korea; and to promote the free flow of information into and out of North Korea.

Let me also read aloud the very first section of title I of that act. It says this:

It is the sense of Congress that the human rights of North Koreans should remain a key element in future negotiations between the United States, North Korea, and other concerned parties in Northeast Asia.

So this is a statement to the six-party talks—to our negotiators—that

human rights should remain a key element in future negotiations. This was in 2004. Mr. President, 4½ years have transpired since the passage of this legislation. During that time, the issue of North Korean human rights quite simply has been subordinated, ignored, cast aside, and indeed swept under the carpet, in complete contradiction of the law of this country and against our Nation's most basic moral obligations and against the witnesses that we are that it is taking place even as we see it.

In all the bluster and dealmaking over the past few years, our negotiators have failed to exert any serious effort to address this dire issue. In fact, the situation has only worsened, according to any independent benchmark. And the individual responsible for this account during this period of time is Ambassador Chris Hill, who, according to the Washington Post Editorial Board, displayed a "stunning lack of urgency" to deal with human rights and, according to the Washington Times, "deliberately minimized focus on the bleak human rights record." This is the nominee to be the Ambassador to Iraq—the most important account for us, I believe, in the world.

The cochair of the Congressional Human Rights Caucus, FRANK WOLF, agreed, stating in a recent letter to Hill that he is concerned with Hill's "marginalization and utter neglect of human rights."

Just 1 year ago, Chris Hill himself said the following, asked about the human rights situation in North Korea:

Each country, including our own, needs to improve its human rights record.

In the face of the most horrific and ongoing human rights catastrophe in the world and instructed by Federal statute to address it, Ambassador Hill instead saw fit to associate the record of Kim Jong Il with that of the United States of America.

Some have said that the policies implemented by Ambassador Hill were merely the articulation of the Bush administration, but this is not the case. I spoke several times directly with President Bush about North Korean human rights. I know his passion for it and his real commitment to addressing the issue. He proudly signed the North Korean Human Rights Act and then again its reauthorization last year. He appointed a good, qualified man in Jay Lefkowitz as the Special Envoy for North Korean Human Rights. But somewhere between the Oval Office and the six-party negotiation room, the message got lost. On this, we have strong evidence that the broken link was Ambassador Hill.

First, at his nomination hearing this very morning, Ambassador Hill admitted that on at least one occasion he exceeded his instructions by meeting bilaterally with the North Korean Government. This went against the clear public position of the President. He explained this by saying he had to "call

an audible." This was in testimony this morning. But to others, this looks like a freelancing diplomat. When it comes to working in a country with neighbors such as Iran and Syria, the stakes are too high to have diplomacy run anywhere other than by the Secretary of State and the President.

We also know from a number of sources that Ambassador Hill used his position to sideline key officials in the administration who were charged with addressing the human rights situation in North Korea. One of these individuals was Jay Lefkowitz, who struggled during his entire tenure as Special Envoy for Human Rights in North Korea to gain tracks and support for his efforts among the East Asian Bureau and the team led by Hill.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter I sent, and was sent back in answer by Jay Lefkowitz today, where we asked him if he ever invited to the six-party talks—ever.

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

U.S. SENATE,
Washington, DC, March 25, 2009.
Mr. JAY P. LEFKOWITZ, P.C.,
Kirkland & Ellis LLP, Citigroup Center, New
York, NY.

DEAR JAY: Christopher Hill testified today before the Senate Foreign Relations Committee. In response to a question by Senator Lugar, he failed to specifically address whether he invited you to participate in the Six Party Talks to address North Korean human rights. As you recall, in his testimony before the Senate Armed Service Committee on July 31, 2008, he promised to invite you to participate in all future negotiation sessions, without qualifying the nature of those sessions.

Based on my knowledge of the situation, I believe he violated his commitment. Can you please respond to me as to whether or not Christopher Hill or anyone acting on his behalf invited you to the Six Party Talks subsequent to July 31, 2008?

I look forward to your swift reply, and appreciate your cooperation in this matter.

Sincerely,
SAM BROWNBACK,
U.S. Senator.

DEAR SENATOR BROWNBACK: At no point during my tenure as Special Envoy for Human Rights in North Korea, either before or after July 31, 2008, did Chris Hill or anyone acting on his behalf invite me to participate in any Six Party Talks.

JAY.

Mr. BROWNBACK. Mr. President, this is what Mr. Lefkowitz says in his response to my letter:

DEAR SENATOR BROWNBACK: At no point during my tenure as Special Envoy for Human Rights in North Korea, either before or after July 31, 2008, did Chris Hill or anyone acting on his behalf invite me to participate in any Six Party Talks.

This is the Special Envoy for Human Rights to North Korea.

Another key official cut out of the loop by Hill was former Ambassador to Japan, Tom Schieffer. The Washington Post reported in 2007 that Ambassador Schieffer received assurances from the administration that he could tell the

Japanese Government that North Korea would not come off the terrorism list until the abduction issue that was central to the Japanese had been resolved. But Ambassador Schieffer found out later that Chris Hill had cut a deal ignoring that pledge and, without advance notice or information from Ambassador Hill, had to backtrack—our Ambassador to Japan—and try to mollify our stalwart ally, Japan, whose Government felt upset and betrayed.

Finally, at least one senior intelligence officer has said Ambassador Hill sidetracked and bypassed procedures designed to inform the intelligence community of the substance of his discussions with the North Koreans.

Such conduct in the course of negotiations should give serious pause to those concerned about the sensitivity of diplomacy in Iraq and in the Middle East at this time.

In addition to this undiplomatic conduct with respect to his executive branch colleagues, Ambassador Hill has a disturbing track record of evasiveness, and I believe dishonesty, in dealing with Congress. In statements made for the record in congressional testimony, Ambassador Hill made promises that he did not, could not, or had no intention to keep.

Regarding the prospect of normalization with North Korea, Ambassador Hill assured a skeptical House Foreign Affairs Committee in February 2007 that improvement in human rights would be part of any deal struck with North Koreans. But 1 year later, Ambassador Hill indicated to a reporter that normalization could proceed before such things took place. He stated:

Obviously we have continued differences with North Korea, but we can do that in the context of two states that have diplomatic relations.

On the issue of human rights last year, before the Senate Armed Services Committee, I asked Ambassador Hill whether he would invite the Special Envoy for Human Rights to all future negotiation sessions. His answer, and I quote it directly:

I would be happy to invite him to all future negotiating sessions with North Korea.

That answer was given without qualifiers.

Mr. President, I ask unanimous consent to have the relevant portion of that committee transcript from July 31, 2008, printed in the RECORD.

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

THE NORTH KOREAN SIX-PARTY TALKS AND
IMPLEMENTATION ACTIVITIES

HEARING BEFORE THE COMMITTEE ON ARMED
SERVICES, UNITED STATES SENATE, JULY 31, 2008

Senator BROWNBACK. I want to, because my time will be narrow here: will you state that the Special Envoy will be invited to all future negotiating sessions with North Korea?

Ambassador HILL. I would be happy to invite him to all future negotiating sessions with North Korea.

Senator BROWNBACK. Thank you.

Mr. Ambassador, you noted this earlier, that there are political gulags and concentration camps in North Korea. Will you

state that any prospect of normalization with North Korea is contingent upon the regime shutting down the political gulags and concentration camps?

Ambassador HILL. I can say to you, Senator, that we will definitely raise these issues as an element of the normalization process. I'm not in a position at my level to state to you today what the specific conditions of normalization were, but they will be raised as part of that and clearly, we will be looking for more satisfactory answers on this.

Senator BROWNBACH. Mr. Ambassador, the Illinois delegation in total in a letter dated in 2005—noted the abduction of Reverend Kim Dong Shik, who's a U.S. citizen, and his wife is an Illinois resident, children U.S. citizens. I'm going to enter this letter in the record. It's from the Illinois delegation. They have said they would not support any normalization with North Korea until his abduction is dealt with.

[The information referred to follows:]

Mr. BROWNBACH. Mr. President, I already entered the note I received from the Special Envoy saying he was never invited, but there is another case—one I know is of great concern to the ranking member of the House Foreign Affairs Committee, Ms. Ros-Lehtinen—where Chris Hill told a reporter that he had no recollection of receiving a letter from and had provided no response to the spouse of Rev. Kim Dong-Shik, a U.S. permanent resident and father of a U.S. citizen, who was kidnapped in North Korea in 2000.

Yet a photo obtained by the media showed Mr. Hill receiving this from the Congresswoman herself.

On the issue of nuclear disarmament, Ambassador Hill also misled Congress. During his February 2007 testimony, Hill insisted that North Korea must disclose "all" of its nuclear programs, and specified that "All means all, and this means the highly enriched uranium program as well."

But when the North Koreans' belated declaration of nuclear activity did not even mention their uranium program, even when there were reports that the documents themselves that they gave us had traces of uranium on them, Ambassador Hill still insisted on rewarding the North Korean regime with delisting from the terrorism list.

On dealing with proliferation, later that year before the House subcommittee, Ambassador Hill said:

Clearly, we cannot be reaching a nuclear agreement with North Korea if at the same time they are proliferating. It is not acceptable.

Yet only months later, Hill reached just such an agreement before Congress had a chance to answer key questions about North Korea's alleged nuclear proliferation to Syria, taking place during Hill's own negotiations.

What all this shows is a disturbing pattern by Ambassador Hill to tell Congress one thing, and then do another.

Congressional testimony is not a formality. It is not a venue for executive officials to parrot what Members of Congress want to hear—regardless of whether such parroting reflects reality.

Rather, congressional hearings provide a means to reassure the American people that their tax dollars are being spent wisely, and their interests are being preserved.

In this case, we had a right to know that the tens of millions of dollars worth of heavy fuel oil sent to Kim Jong Il, and the other serious concessions Ambassador Hill was handing over, were at least going to improve our national security, if not help end the oppression of the North Korean people.

And in that respect, I would like to address the substance of Ambassador Hill's deals with the North Korean regime. The record can be summarized by stating the concessions that both sides obtained through the negotiations.

First, Ambassador Hill is credited with a victory in bringing the North Koreans back to the table in 2005. But in doing so, he admits to exceeding his instructions to avoid bilateral talks with the regime.

Second, Hill oversaw and managed a complicated process that involved Russia, China, South Korea, and Japan, in addition to the U.S. and the DPRK.

Neither of these gains in process provided us with concrete evidence of progress on denuclearization, despite the fact that the North Koreans traded them for substantial material gain from our side.

Ambassador Hill did obtain a declaration of nuclear activities from the regime. But as noted earlier, this declaration was half a year overdue and so incomplete as to render it useless. The declaration provided no confirmation of the number of bombs that were made, no admission or information on the uranium program, and nothing on proliferation. It was a radioactive set of documents of dubious worth.

Additionally, Ambassador Hill was able to get the DPRK to implode the cooling tower at Yongbyon. But according to many analysts, the step was mostly a symbolic gesture in that North Korea is still able to run its plutonium reactor, just with more environmental consequences.

In exchange for these minimal gains in process and symbolism, the concessions we forked over were substantial. Tens of millions of dollars worth of heavy fuel oil were shipped over to supply the regime with "energy assistance," ostensibly so that it could continue to carry out its policies of belligerence and oppression.

Congress was asked to pass legislation waiving Glenn amendment sanctions against North Korea. These sanctions were designed to prohibit assistance to states that detonate illegal nuclear weapons, and were automatically triggered when DPRK tested a nuclear bomb in 2006. We gave them a pass on that.

We delisted the DPRK from the list of state sponsors of terror, despite their failure to account for the Japanese abductees and U.S. permanent resident Reverend Kim Dong-Shik, not

to mention their failure to even slightly diminish the terror they inflict upon the North Korean people.

We removed sanctions pursuant to the Trading with the Enemy Act, and facilitated the transfer of money to the regime that otherwise should have been confiscated by the Treasury Department under financial regulations for nuclear proliferators.

We looked the other way on the role that the DPRK played in constructing a nuclear reactor in Syria, choosing instead to plow ahead with the negotiations.

What is worse, after we gave up so much leverage, the DPRK is now just as hostile and dangerous as ever. Next week the regime plans on launching a ballistic missile over Japan that could reach the outskirts of the United States, a provocative act of the gravest significance.

And to push the limits of our tolerance even further, on March 17, North Korean border guards abducted two American journalists—Laura Ling and Euna Lee—and reports indicate that since their capture they have been subjected to "intense interrogation."

Taken all together, this is an unfortunate legacy for Ambassador Hill. Broken commitments to Congress, freelancing diplomacy, disregarding human rights, and giving up key leverage to the DPRK in exchange for insubstantial gestures.

Such things have harmed our national security and ignored our moral obligations, a legacy ill-suited for the next Chief of Mission to Iraq.

I will conclude not with my own words, but with the words of Rabbi Abraham Cooper, associate dean of the Simon Wiesenthal Center, who wrote a piece for the Korea Times last month, which I will ask to be included in the RECORD.

By exclusively pursuing the nuclear tail around the six-party table, we have contributed to the horrible suffering of the people of North Korea and degraded the United States' long-standing commitment to fundamental human rights.

Like the inmates of the Soviet Gulag or the Nazi concentration camps of the 1930s, about 200,000 to 300,000 hapless victims in North Korean camps wait for help. Our silence to these and other outrages is perhaps Pyongyang's greatest victory to date. We want them to dispose of fearsome weapons—they want our silence. And too often, we have acquiesced."

Mr. President, I do not acquiesce to this nomination.

I now ask unanimous consent the full article by Rabbi Abraham Cooper be printed in the RECORD.

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

CLINTON STRIKES BLOW FOR NORTH'S HUMAN RIGHTS

(By Rabbi Abraham Cooper)

Give Hillary Clinton her due. Her first overseas foreign policy trip as secretary of state pits her against an adversary, North Korean leader Kim Jong-il, who over the last 16 years effectively took both the Clinton and Bush administrations to the cleaners.

Despite profoundly different worldviews, the United States has played pretty much the same cards at the six-party table. The main goal: securing a nuclear-defanged North Korea.

“Complications,” like human rights, were effectively sidelined. Incredibly, some “Korean experts” are pushing hard for Secretary Clinton to pursue the same approach.

Nuclear deal, *uber alles*. They still imagine that North Korea has the same objectives as we do: that Pyongyang wants to seek benefits for their starving people, that it wants to advance economically, and that it pursues political objectives because of nationalistic fervor.

And, most dangerously, some experts dismiss the regime’s missile-rattling as merely a means to attract attention and extract a higher price when they eventually give up their nuclear bargaining chips. The operative assumption is that they, like us, ultimately want to succeed in achieving a negotiated agreement.

But in pursuit of the prize, we have ignored Pyongyang’s statements that they will never compromise on military objectives and will never relent on its nuclear program.

We have failed to recognize that the North Koreans leverage the process of negotiations to get benefits, while using any pretext to avoid fulfilling verifiable agreements on the issues that trouble the rest of the world.

If this process also degrades our alliances with Japan and South Korea and stymies the advance of good relations and China, their true objectives—putting us and our regional friends in a difficult position—will have been achieved . . . again.

By exclusively pursuing the nuclear tail around the six-party table, we have also contributed to the horrible suffering of the people of North Korea and degraded the United States’ long-standing commitment to fundamental human rights.

Like the inmates of the Soviet Gulag or the Nazi concentration camps of the 1930s, about 200,000 to 300,000 hapless victims in North Korean camps wait for help.

Every day, they are forced to renounce their very humanity. How else to survive when prison guards threaten to chop off a child’s hand to force a confession from a parent?

Why doesn’t that guard, or those who’ve run gas chambers or performed experiments on political prisoners, have any reason to fear punishment under international law?

Our silence to these and other outrages is perhaps Pyongyang’s greatest victory to date. We want them to dispose of fearsome weapons—they want our silence.

And too often, we have acquiesced. For the past two years we have let Japan go it alone in its fight to bring back citizens who were abducted by North Korea, kidnapped as they walked the streets of their hometowns in Japan.

As many as 80 Japanese are estimated to have been taken against their will to North Korea, where they are forced to train North Korean spies, enter arranged marriages and serve other interests of the Kim Jong-il regime. Kim himself admitted to 13 abductions.

In our eagerness to obtain that elusive agreement in which we imagine North Korea might divest itself of a bargaining chip it has devoted decades to develop at great expense, we sacrifice our own commitment to human rights.

The logic of doing so was never stated more vapidly than in the written statement of a private witness at last week’s hearing before the House Foreign Affairs Committee: “Japan will continue to be part of the problem rather than part of the solution when it comes to engaging North Korea, despite

being one of our most important allies. By allowing the abduction of a handful of its citizens decades ago to dominate all policy considerations when it comes to the North, Tokyo has become irrelevant at the nuclear talks,” the statement said, implying that being part of a negotiating process should outweigh a nation’s interest in the rights of its own citizens. Thankfully, Hillary Clinton disagrees.

Secretary Clinton’s visit to Asia is extremely important. So far, she’s been making it clear that we are willing to negotiate with North Korea, but at the same time, by meeting with the families of some of the abductees, she is signaling that the United States will no longer abandon them or our fundamental values.

Mr. BROWNBACK. I yield the floor.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

Ms. MIKULSKI. Mr. President, I ask unanimous consent that at 5:15 p.m. today, the Senate resume consideration of the Ensign second-degree amendment, No. 715, and that the amendment be modified with changes at the desk and there be 2 minutes of debate equally divided and controlled in the usual form prior to a vote in relation to the amendment; that upon the use of that time, the Senate proceed to a vote in relation to the amendment; that upon the disposition of amendment No. 715, as modified, the Baucus-Grassley amendment, No. 692, as amended, if amended, be agreed to and the motion to reconsider be laid upon the table, and that the Senate then resume consideration of amendment No. 693 and that the amendment be modified with the changes at the desk; that once modified, the amendment be agreed to, as modified, and the motion to reconsider be laid upon the table; that the Senate then resume consideration of amendment No. 717, and that the amendment be agreed to and the motion to reconsider be laid upon the table, and that no amendments be in order to any of the amendments covered in this agreement prior to a vote in relation thereto.

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

The amendment (No. 715), as modified, is as follows:

On page 2, line 20, insert before the period the following: “which shall include crisis pregnancy centers, organizations that serve battered women (including domestic violence shelters), and organizations that serve victims of rape or incest”.

Ms. MIKULSKI. 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.

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

The PRESIDING OFFICER (Mr. NELSON of Florida). Without objection, it is so ordered.

AMENDMENT NO. 715, AS MODIFIED

Ms. MIKULSKI. What is the pending business?

The PRESIDING OFFICER. There is now 2 minutes equally divided before a

vote on amendment No. 715, as modified.

Ms. MIKULSKI. Which is the Ensign second-degree amendment?

The PRESIDING OFFICER. That is correct.

Ms. MIKULSKI. Thank you. As I understand it, the Senator from Nevada does not wish to speak.

Mr. ENSIGN. I yield back my time.

Ms. MIKULSKI. I will comment that the Ensign amendment would make an unnecessary, divisive change to the bipartisan amendment offered by Senators BAUCUS and GRASSLEY. Senators BAUCUS and GRASSLEY create a non-profit, capacity-building program that would fund grant programs to provide technical assistance to small charities: how to manage finances, accurately file tax returns, *et cetera*.

There is no limitation in the Baucus-Grassley amendment on the type of charities that can access these training opportunities. Therefore, the Senator from Nevada’s amendment is unnecessary.

Therefore, I move to table the Ensign amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be. The question is on agreeing to the motion. The clerk will call the roll.

The bill clerk called the roll.

Mr. DURBIN. I announce that the Senator from Massachusetts (Mr. KENNEDY) is necessarily absent.

Mr. KYL. The following Senator is necessarily absent: the Senator from Wyoming (Mr. ENZI).

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

The result was announced—yeas 56, nays 41, as follows:

[Rollcall Vote No. 111 Leg.]

YEAS—56

Akaka	Gillibrand	Murray
Baucus	Hagan	Nelson (FL)
Bayh	Harkin	Pryor
Begin	Inouye	Reed
Bennet	Johnson	Reid
Bingaman	Kaufman	Rockefeller
Boxer	Kerry	Sanders
Brown	Klobuchar	Schumer
Burris	Kohl	Shaheen
Byrd	Landrieu	Snowe
Cantwell	Lautenberg	Stabenow
Cardin	Leahy	Tester
Carper	Levin	Udall (CO)
Collins	Lieberman	Udall (NM)
Dodd	Lincoln	Warner
Dorgan	McCaskill	Webb
Durbin	Menendez	Whitehouse
Feingold	Merkley	Wyden
Feinstein	Mikulski	

NAYS—41

Alexander	Crapo	McCain
Barrasso	DeMint	McConnell
Bennett	Ensign	Murkowski
Bond	Graham	Nelson (NE)
Brownback	Grassley	Risch
Bunning	Gregg	Roberts
Burr	Hatch	Sessions
Casey	Hutchison	Shelby
Chambliss	Inhofe	Specter
Coburn	Isakson	Thune
Cochran	Johanns	Vitter
Conrad	Kyl	Voinovich
Corker	Lugar	Wicker
Cornyn	Martinez	

for National and Community Service. And second, it will ensure that Indian Tribes remain eligible to compete for national service grants.

I want to applaud the Corporation for National and Community Service for recognizing the need for a tribal liaison over the past year. That office has helped make tribal communities more aware of the opportunities that the Corporation offers.

Making this position permanent will further increase tribal community in all national service programs. In addition, the office would collect information on challenges to tribes to better address tribal program needs.

The amendment places the designation of this position under the duties of the chief executive officer of the Corporation for National and Community Service and would greatly help to develop and enhance programming to address the unique needs of Indian tribes.

The second part of this amendment would ensure that tribal governments remain eligible for nationally competitive grants. Existing law allows tribes to compete for funds with states and national nonprofit organizations. The bill as currently written would remove tribal eligibility to compete for these grants. My amendment merely maintains existing law, and acknowledges Indian tribes as eligible entities for these competitive grants.

As my colleague from Alaska noted, many of the proposed Corps in this act address the very issues which are most critical in Indian Country. Grants under the activities and indicators of the Education, Healthy Futures, Clean Energy, Veterans and Opportunity Corps would provide many volunteers from tribal organizations, States, and national nonprofits numerous opportunities to work on reservations.

My hope is that the Corporation will continue to encourage the use of these Corps on Indian reservations though the proposed strategic adviser for Native American affairs in a way which will help tribal communities and individuals.

American Indians have the lowest level of educational attainment of any racial or ethnic group in the United States. Only 13.3 percent of Native Americans have an undergraduate degree, compared to the national average of 24.4 percent. Volunteers in the Education Corps who offer their time as mentors and tutors in Indian Country could help improve these numbers for our First Americans.

Moreover, the Health Futures Corps could assist with volunteers for individual American Indians who need help obtaining health services or navigating the health care system. The Clean Energy Corps might facilitate volunteers for Indian Country to assist with weatherization of homes on Indian reservations. The Veterans Corps is able to send volunteers to work with American Indian families who have a family member deployed overseas. Finally, the Opportunities Corps could provide

volunteers to increase financial literacy in Indian communities where this assistance is desperately needed.

In addition, organizations who participate in the national service programs, such as the Boys and Girls Club, are active through these national service programs in Indian Country and they provide a much needed positive environment where Native American youth can go to celebrate their culture and community.

I would like to reiterate how important these national service programs are to Indian Country and thank the Corporation for National and Community Service for recognizing that importance. I urge my colleagues to support this amendment to the Serve America Act.

MORNING BUSINESS

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

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

The Senator from Georgia.

THE PRESIDENT'S PROPOSED BUDGET

Mr. CHAMBLISS. Mr. President, I rise today to speak about the President's proposed budget.

A real sense of unease is pervading the country right now, and it is not just the stock market or unemployment fears or the housing crisis. There is a genuine apprehension about where our Nation is headed financially.

In my travels throughout my home State this past weekend, I had the opportunity to talk to Georgians from Atlanta, to Waycross, to Blakely, to Macon, and to hear what is on their minds. One of their main concerns is the budget the President has sent to the Hill and the financial hole into which it will put this country, our children, and our grandchildren.

They are right to be worried. The independent, nonpartisan Congressional Budget Office released its analysis of the President's proposed budget on last Friday. Its assessment is very troubling. The CBO's estimate for the cost of this budget exceeds that of the Obama administration's estimate by \$2.3 trillion over a 10-year period. By borrowing and spending so much money, the CBO projects that the public debt—the amount we have to pay back to our creditors—will grow to 82 percent of GDP by 2019. The last time that happened, America was paying off a massive debt it incurred from fighting in World War II. According to the CBO, this year, 2009, the total deficit is estimated to hit \$1.9 trillion. By 2018, the CBO projects annual deficits to be more than \$1 trillion every year, and rising. Under the terms of this budget, the annual deficit, in 2013, is slated to be \$672 billion—or more than 4 percent

of estimated GDP. That is one of the largest deficits in American history, but it is actually the smallest projected deficit in this entire budget.

Back in 2004, before he was the President's Director of the Office of Management and Budget, current OMB Director Peter Orszag wrote that repeated deficits of 3.5 percent or more will put this country on an "unsustainable path" and would result in "a related loss of confidence both at home and abroad." He was right. But we are feeling that loss of confidence among Americans now, much less among those whom we are looking to to buy that huge debt we are creating.

To put it plainly, people are worried. These are people such as Phil Perlis, who owns a family clothing business in Tifton, GA. Phil's family has owned The Big Store for almost a century, and it employs approximately 20 people. I know Phil and his family very well. Phil said this is the toughest year he has ever had. He has been "squeezed in every place imaginable." The days of feeling comfortable about making a profit no longer exist, and he simply hopes to be in business this time next year. His confidence is shaken. And given the business climate and the economic issues in Washington—and despite his positive attitude—Phil predicted to me the other day that very trying times are ahead for his store, as well as all other small businesses across America.

He is not alone. Americans, despite the optimism that is our birthright, already feel a sense of disquiet about the direction our Nation is headed economically. As an example, the national savings rate has gone from zero in 2005 to 8 percent today. For the good of their families, Americans are trying to hold on to what they have, not throwing caution to the wind and hoping for a future financial miracle. For the good of our country, our children, and our grandchildren, our Government should do the same.

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

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

THE BUDGET

Mr. DURBIN. Mr. President, next week the Senate is going to take up the budget. The budget, of course, is one of the most important documents the Congress considers each year. It is really the blueprint for spending. At the end of that debate in the Senate, hopefully the budget will pass and the same thing will happen in the House. The two Chambers will come together and agree on a spending pattern for the