The petition was presented to the Hampstead Board of Selectmen on Monday, December 10, 2007.

The Board of Selectmen accepted the petition and voted unanimously to support the project.

Please find enclosed the petition along with the signatures of 526 individuals.

Thank you for your help in moving this project forward.

Very Truly Yours,

RICHARD H. HARTUNG,
Chairman.
PRISCILLA R. LINDQUIST,
Selectman.
JIM STEWART,
Selectman.

The ACTING PRESIDENT pro tempore. The Senator from Rhode Island is recognized.

Mr. REED. Mr. President, I ask unanimous consent that the recess be delayed until I complete my remarks.

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

ORDER OF PROCEDURE

Mr. REED. Mr. President, I ask unanimous consent that the order with respect to Senator DORGAN be changed to provide that if Senator DOLE is here at 2:15 p.m., she be recognized for up to 5 minutes and then Senator DORGAN be recognized.

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

THE ECONOMY

Mr. REED. Mr. President, I rise today to discuss the state of our economy. Regrettably, the news is not good. Two weeks ago, the Mortgage Bankers Association reported that the rate of home foreclosures and the percentage of loans in foreclosure is at the highest level ever recorded by this organization. At the same time, surveys by the University of Michigan and the Conference Board showed consumer confidence at the lowest levels in many years. The financial troubles that began with the subprime mortgage crisis last summer have now spread to all credit markets and created a liquidity crunch that threatens our entire economy.

Some say these troubles are merely temporary. In fact, some say there are two economies—the real economy, with people getting up and going to work, and the economy of Wall Street, which is financial engineering and all sorts of incredibly exotic financial products. The reality is these markets intersect. As a result, our whole economy is threatened now by forces that may be temporary, but they are working themselves out in a very difficult way for the people of this country, the men and women we represent, our constituents.

Some contend that the market has undergone a correction since the end of cheap credit and speculation in the housing sector. They point to job figures and quarterly GDP growth as indications that the overall economy, the real economy, is strong.

Frankly, I think we have to look critically at those assertions. What troubles me more than the numbers—the GDP and all the other financial statistics—is what I am hearing from Rhode Islanders and what I presume my colleagues are hearing from their constituents across the country. The mortgage crisis and credit crunch in many ways represents a culmination of their fears and sort of the tangible acknowledgement of what they have been fearful of for many months. Lately, I have been struck by how many people are finding it increasingly difficult to maintain a decent standard of living, despite having a steady job. People tell me they feel squeezed by the rising costs of energy, food, health care, and higher education, while at the same time the size of their paychecks does not seem to be expanding at all.

For thousand of families in Rhode Island and millions of people across America, wage stagnation has created a general feeling of anxiety. Instead of trying to get ahead, most people are finding it hard to get by. The subprime meltdown and subsequent credit crunch are adding additional stress to that equation. For some people, it has pushed them to the brink of personal and financial crisis.

Today, we are living in an era of divided prosperity, where a few do extremely well—extraordinarily well—and the rest of us are struggling to keep up. The Bush administration has aided and accelerated this trend of growing inequality, and its lax attitude toward regulation has allowed major economic liabilities to develop unchecked, allegedly for the sake of allowing the market to function ''efficiently.''

The latest crises show markets are not always efficient, nor always equitable, and rampant speculation in the absence of oversight can create problems that cannot be quickly assessed or fixed. This President has perpetuated a system that encourages a fortunate few to collect as much of the benefits of our economy as possible, while sharing very little with the rest of society.

At the same time, what we have seen developing are enormous blind spots that have begun to reveal themselves with disturbing frequency. The tragedies of Katrina and the collapse of the bridge in Minneapolis, as well as the subprime crisis, and even our policies in Iraq are all evidence of the administration's consistent failure to plan for long-term liabilities. Moreover, this shortsighted focus is reflected in massive trade and budget deficits and the absence of any comprehensive plan to address our addiction to foreign oil or the skyrocketing cost of health care. These are creating real challenges for our country.

This year, the new majority in Congress has tried to set a different course, but, unfortunately, we have not had the cooperation or support of the President in any real sense of the word. As a result, we have made some progress in addressing and correcting these issues but not nearly enough. In order to end the Bush era of divided prosperity, which some people speak of as two Americas, we have to, I think, reengage ourselves in a process of making sure America is competitive in the global economy and that it has sustainable policies that lead to true growth, which is shared by all Americans. We must reprioritize and take a more serious approach to the policy challenges at hand.

Since World War II, every period of economic expansion has resulted in shared prosperity for most America. To be sure, growth varied by degrees over time and from place to place, but in general the tradition in America has been that a rising tide will lift up all boats. Yet for the past 6 years, under the Bush administration, this tradition of shared prosperity has not been sustained.

In my State, the Poverty Institute of Rhode Island announced last month that our median wage actually declined since 2000, which makes Rhode Island the only State in New England to experience negative wage growth during this period. With stagnation in most places, we have actually seen negative growth. Since President Bush took office, the real national median household income has declined by $962, from $49,163 in 2000, to $48,201 in 2006. In fact, between the first quarter of 2001 and the third quarter of 2007, real median weekly earnings fell 1.2 percent, compared to 7.1 percent growth between 1996 and 2000 under the Clinton administration. We have seen a startling change in the economy affecting the families of America, whose incomes grew from 1996 to 2000 and have declined in real terms since then, and that reality is shaping the lives of millions of Americans.

While the President's economic policy has yielded extraordinary gains at the very top of the income scale, his fiscal policy has multiplied differences and exacerbated the disparity between the very wealthy and, frankly, most everyone else.

According to data recently published by the Congressional Budget Office, in 2005, real after-tax incomes jumped by an average of nearly $180,000 for the top 1 percent of households, while rising only $400 for middle-income households, and $200 for lower income households, which signifies an extraordinary divergence in terms of the wealth of the very few versus everyone else. That average income gain for the top 1 percent is more than three times the total income of the average middle-income household.

Taken together with prior research, this new data indicates that income is now more concentrated at the top of the income scale than at any time since 1929. I grew up in an era where we looked to the history of the lives of our parents who endured a depression in which the economy collapsed, and then through the policies of this Federal Government and State government, we saw a rising tide literally lift up every family in America. We saw a more equal distribution of wealth. In fact, many people prospered. Now we are seeing a reconcentration of wealth that has great consequences not only for our economy, but for our society.

We pride ourselves as Americans on having a country where anyone can rise to the top, where opportunity will propel you forward, take the chances that are available to you. But what we are seeing in other economic studies is, frankly, today we can predict the success of a child based on the income of the parent more than we could 20, 30, and 40 years ago. If your parents are wealthy, you are likely to stay wealthy. That was not the case 20, 30, and 40 years ago.

In his new book ''The Squandering of America,'' the economist Robert Kuttner writes:

> Between 2000 and 2006, the productivity of American workers increased by 19 percent. But the total increases in wages paid to all 124 million non-supervisory workers—

These are the blue-collar workers who come in every day, punch in, work hard, go home, and take care of their families.

> —was less than $200 million in 6 years—a raise of $1.60 per worker—not $1.60 per hour, but a grand total of one dollar and sixty cents in higher wages per worker over nearly six years . . . Compare this $200 million total for all nonsupervisory workers to the nearly $38 billion paid in bonuses alone by the top Wall Street firms during the same period.

That is $38 billion to those people who are extremely successful on Wall Street versus $200 million for every nonsupervisory worker in the country.

Since 1997, the pay of CEOs of large corporations has increased to an average of $10.5 billion per year, or about 369 times the average wages of a worker and 821 times the average wage of a minimum wage worker. Such facts make it clear that most Americans are working harder and more productively.

Yet these facts go against what many of us were taught in school about the tenets of economics. I am referring to the basic idea that as the economy becomes more productive, those productivity gains are shared, and as a result workers get more in their paychecks. That is not happening. It is not happening as it should.

Let me give another example. According to ''Alpha'' magazine and the New York Times, in 2006, the top 25 hedge fund managers combined earned $14 billion. That is enough to pay New York City's 80,000 public schoolteachers for nearly 3 years. Ask yourself: As a matter of social worth and value, should 80,000 public schoolteachers be paid for 3 years with what 25 individuals have earned?

I understand there is a risk premium for the pay that these financial managers earn. They are not only talented, dedicated people, but they are also going in there and taking chances and rolling the dice and creating innovation, entrepreneurship, and opportunities for others. But still I must ask: Is this distribution of wealth and reward commensurate with all the efforts of those teachers, men and women in urban school districts who are laboring to give kids a chance so they can seize opportunities? As Americans, we have to stop and ask ourselves why is this happening. Is there something we can and must do to make this country a little bit fairer?

Even some billionaires are concerned about this. Warren Buffett has criticized the U.S. tax system for allowing him to pay a lower rate than his secretary. Mr. Buffett paid 17.7 percent on the $46 million he made last year. He did not try to avoid paying higher taxes, he simply took the advantages that were in the tax code to which he—indeed, to which each of us—is entitled. Meanwhile his secretary, who earns $60,000, was taxed at 30 percent.

If you consider these inequities, these differences, it is hard to understand why the President is so adamant about protecting the tax rates for the top 1 percent of earners. The consequence of this is that we also have fiscal complications. We have the most rapid deterioration of our Nation's fiscal health in the history of this country. In this administration, we have swung from a projected surplus to a projected deficit dramatically.

When the President took office, we had a surplus. Yet he has run a budget deficit every year for the past 6 years. Over that period of time, Bush's deficit spending has increased our national debt to nearly $9 trillion, which is virtually $30,000 for every man, woman, and child in America. He has pushed this country into record levels of debt to finance tax cuts for individuals who, frankly, are earning at a level at which they do not need additional tax cuts.

Not only does it give more to those who already have a great deal, it also starves the Government from funds to use for investing in the future productivity and prosperity of this country.

The only areas where the President has consistently supported more money have been for his tax cuts and for unlimited spending on his policy in Iraq. With these items, there is no limit to what he will accept. A recent report released by the Joint Economic Committee estimates that the total economic cost of the war in Iraq has been approximately double the direct budgetary costs. We have been spending billions, but the costs are much more than that. As we look to a drawdown of our troops going forward, the JEC estimates that the total economic cost of the war will reach $2.8 trillion for the entire 2003-to-2007 period, when you factor in veterans health care, the cost of equipping and replacing the materiel we have consumed in this war, and the reinvestments we will need to make in our military. It is a huge amount of money.

We are spending $10 billion per month on Iraq. Just 2 months of the cost of that war is roughly the same amount that was at issue between the President and the Congress in our debate about the budget this year. The President refused to spend $22 billion more than his limit on domestic spending, but in 2 months, we will consume at least that much in Iraq without any revenue offsets, without any qualms, and without any additional considerations. Unconditional spending was the message he sent to us last evening when he demanded that this Congress send him money for Iraq.

The President's policy seems to be not guns and butter but guns and caviar—money for Iraq, money for Afghanistan without limit, without end, it appears, and benefits through the tax system for the very wealthiest Americans, not the rich, but the super-rich.

This year, the Government is effectively spending $49 billion to provide tax breaks averaging $130,000 for those with incomes greater than $1 million. And we are seeing the impact throughout this country. We particularly see it as we go back to what has to be, I believe, the reference point for what we all do, and that is, what is happening to families across this country.

In Rhode Island, the cost of health care premiums is rising twice as fast as wages and inflation. Premiums in Rhode Island increased 67 percent between 2001 and 2006. Wages did not increase that fast, I can tell you that. The number of people without insurance increased 50 percent in that same period. They cannot afford to pay for the cost of insurance.

Gas prices have more than doubled in Rhode Island. The price of regular gas has jumped 95 percent from $1.52 when President Bush took office to about $2.97 in June of 2007. People are spending more and more money on getting to work, getting the kids to the Little League games.

College education costs are rising in Rhode Island and across the country. Average tuition fees in Rhode Island have increased 6 percent for our 4-year public colleges and 5 percent for our private colleges.

At the same time, the value of a home has been decreasing, and people are beginning to sense that decrease. A home used to be the great source of economic security, economic wealth, economic flexibility, and a hedge against the uncertainty of the economy, but now we are seeing in Rhode Island, and indeed across America, an explosion in foreclosures.

And we can also factor in the uncertainty of pensions. The fact is that more and more of my constituents are being pushed from a defined benefit to a defined contribution plan or in some cases to no pension at all. The erosion of traditional pensions is adding to this uncertainty.

The net effect of all of this is that many Rhode Islanders are working longer hours but are barely able to maintain the same standard of living.

What we have to do is respond to these issues. We have taken some steps. We have passed, in terms of education, the College Cost Reduction Act. This $20 billion increase in student aid is the result of this Democratic Congress and our priorities, but we have to do much more.

We have moved forward with respect to some issues on housing, but progress has come much too late and is still too little. We finally cleared the Federal Housing Administration Modernization Act, the FHA Act, which is going to increase the amount of loans the FHA can guarantee. That is going to get them back into the lending business. But this action has come months after we should have moved more promptly, more efficiently, more effectively to do that.

We have to respond to this growing crisis now in terms of foreclosures. Secretary Paulson announced his plans recently and I think the plans are important because at least they signal some action. However, I suspect they are probably inadequate for the scope of the problem that is developing. We have legislation that is pending that has to be moved that I think will be much more effective going forward.

On energy, this week, the President is signing an energy bill which is long overdue. It increases gas mileage, or CAFE, standards. But we have to do more there, too. The tax provisions which are so essential, I think, to ensuring that there are incentives for alternate fuels, incentives in the marketplace so investors will put in money with the confidence that they will be repaid, those tax incentives are still languishing. They have to be passed. Again, we have made progress, but it has not been adequate progress to date.

We have to deal with the broader sense of our dependency on oil. Again, this energy bill is a very good step forward. It has to be supported. It has to be advanced. It has to be extended.

When we look at the economy from the standpoint not of the macroeconomic statistics of gross domestic product, when we look at the economy not simply in the context of financial markets, when we look at the economy from the standpoint of people who live in Harrisville, RI, or Harrisburg, PA, it is a tough economy. People at home are asking us to stand up and do something, to give them again the sense that when they work and their productivity goes up, their wages will go up as well; to give them the sense that they can actually provide for their family, maybe even put a little bit aside. Very few middle-income people are putting anything aside these days. That is our challenge.

This Congress has taken some steps to meet that challenge in terms of education policy, in terms of energy policy, in terms of at least beginning to deal with the housing issue. We have a lot more to do, and we need the cooperation of the administration.

I think this is a historic moment. Are we going to abandon our sense that this country is based on opportunity for all of our citizens? Are we going to abandon the sense that our economy works for all of its citizens; that those who are creative and clever and take risks will get great rewards but that no one is going to be left behind, no one is going to be left without anything to show for working hard, working smarter, and working better? I hope not.

I think that will be one of the ultimate judgments not just on this Congress and this administration but on our tenure as Members of the Senate as we go forth.

Mr. President, I thank the Chair for his consideration in allowing me to speak beyond the recess time, and I yield the floor.

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

Thereupon, the Senate, at 12:46 p.m., recessed until 2:15 p.m. and reassembled when called to order by the presiding officer (Mr. CARDIN).

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

CONSUMER EDUCATION

Mrs. DOLE. Mr. President, ever since my days as Deputy Special Assistant to the President for Consumer Affairs in the Nixon administration, followed by 5 years on the Federal Trade Commission, consumer education has been a top priority, especially with regard to helping individuals protect their credit and improve their financial literacy.

In fact, back in my days with the White House Consumer Office, we prepared an extensive manual called ''Consumer Education K through 12.'' I traveled the country and encouraged schools to use this material so that students could learn the importance of financial literacy at an early age. So this is truly an issue that is near and dear to my heart, and I am pleased that the Senate Banking Committee held a hearing just last week entitled, ''Shopping Smart and Avoiding Scams: Financial Literacy During the Holiday Season.'' As I said at that hearing, it is unfortunate that today there is a particularly harmful practice called identity theft, an all too prevalent problem we must continue to deal with. Identity thieves constantly create new scams to rob hard-working, law-abiding citizens of their good names, their credit and their security. The stakes could not be higher for the families involved.

As you may remember, after last year's holiday shopping season, TJX, the parent company of TJ Maxx and Marshalls, disclosed that it had experienced a massive data breach, where the security of its customers' financial information was compromised. According to a filing with the Securities and Exchange Commission, beginning in July 2005, and continuing over an 18 month period, at least 45.7 million credit cards were exposed to possible fraud. As this example illustrates, identity theft is often cited as one of the fastest growing crimes in the Nation. According to a study conducted for the Federal Trade Commission, approximately 8.3 million Americans were victims of identity theft in 2005, losing an average of $1,882 dollars each. In my home State alone, an estimated 300,000 North Carolinians are victims of identity theft and fraud each year. Without a doubt, this is an issue that continually needs to be front and center on our radar screens, and we need to do our part to educate people on ways to prevent identity theft and inform them of what to do if, heaven forbid, they become a victim. For example, the North Carolina Department of Justice site called ''NoScamNC.gov'' and the Federal Trade Commission's Web site, www.ftc.gov, both provide useful information and tools to help consumers protect themselves and take action if their personal information has been compromised or misused.

With regard to financial literacy, I believe clarification of credit card agreements is high on the list to benefit consumers. There are many well-intentioned laws that require credit card companies to fully disclose their policies on rates, payments and terms of use. But unfortunately, the tangible effect of these laws is often multiple pages of single-spaced typing in small font lettering, filled with sophisticated legal terminology. Who are they trying to fool? For gosh sakes, you shouldn't have to have a lawyer and a magnifying glass to understand a credit card user agreement. Some lending companies are now providing consumers with a one-page summary of their disclosure information in a format similar to the nutrition information displayed on products in your local grocery store. In fact, I'm proud that working to get that clear, concise nutritional labeling was a top priority during my early days in the White House Consumer Office.

We must also continue to require that credit card companies provide full disclosure regarding fees, interest rates, minimum payments and privacy statements. It is imperative that this information be presented in the most consumer-friendly manner possible. This will benefit not only the consumers, but also the credit card companies. By providing more easily understood applications and monthly statements, card issuers can reduce losses due to defaults and also lessen the demand for customer service to guide consumers through problems. It's a win-win situation or, as they say, a no-brainer.

During this busy shopping season, and all year-round, we can each benefit from sharpening our financial literacy and protecting our personal information and credit.

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.