$60 now. It went all the way to $147 a barrel. When the world economy started getting into trouble and they needed cash, they started bailing out of those futures accounts, so that brought the price of a barrel of oil down. While sure as shootin', if we do not impose some regulations on the commodity futures trading market, those speculators are going to take over in the future, the price of oil is going to go back up, and the price at the pump—which I just filled up my car for $2.12 a gallon back in Orlando, FL—is going to go back up.

We need to end our dangerous addiction to oil, and we need to find new and renewable sources of energy. American automobile makers ought to be leading the way instead of the opposite of what has happened over the last three decades.

Third, we must place limits on executive compensation and eliminate the executives' golden parachutes. Taxpayer money should not be used to reward individual executives until the taxpayers have been repaid.

Let me divert from the automobile industry for a minute. There is a similarity about executive compensation and golden parachutes and what we have done with the big economic bailout of Wall Street, which this Senator voted against. Well, lo and behold, over the course of the weekend, I happened to be talking to a major bank CEO. This banker told me his bank is in good shape; he doesn't need any of the bailout money. But because some of his competitors are in bad financial shape and need the money and are taking it from the Secretary of the Treasury, he needs to take it, too, because they would be at a competitive disadvantage against the ones that are hurting that need to take the money. He says: We don't want to take it, but we don't want to be at a competitive disadvantage. Because of that, whenever they do take it—remember, there are supposed to be some rules in there on executive compensation and golden parachutes. This CEO is retiring before the money comes in, so the bank still pays out the huge compensation. What we are dealing with, with the Wall Street $700 billion bailout, has to apply to automakers as well. We should not reward those executives until the taxpayers have been repaid.

Fourth, the automakers should not pay dividends to shareholders until they have returned to financial health. It is a simple, straightforward condition on us giving them taxpayer money in order to get them back to financial health.

Fifth, I wish I didn't have to say this, but there are no Lee Iacoccas now. The current senior management should be replaced. We need new leadership. We need fresh thinking. We need new people, new eyes, new ears to steer us out of this mess. We cannot reward those leaders whose poor decisions and poor judgment and sometimes selfishness got us to where we are now.

We are going to face difficult choices. There are going to be tough times. Again, to quote a phrase from the President-elect: We need to act with all deliberate haste but with an emphasis on deliberate. We cannot simply provide our automakers with enough cash to continue their current operations for another 3 months or even another 6. We must instead put them on a path that leads to global competitiveness.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DORGAN. 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. DORGAN. Mr. President, I ask unanimous consent to speak for 20 minutes as in morning business.

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

FINANCIAL CRISIS

Mr. DORGAN. Mr. President, I think it is obvious to all Americans that we face a very severe and difficult financial crisis. We have had an election. The American people have voted for change. We now face significant challenges. I was thinking, as I was walking over to the floor of the Senate, about a visit I had recently at a nursing home in North Dakota.

This financial crisis is probably the most significant financial crisis since the Great Depression. We don't know where this will go. We don't know how many will ultimately be unemployed. We don't know how long it will last. This is a recession. We hope it is not extraordinarily deep. We hope we can find the menu to overcome it and the kinds of policies to try to make certain we move from this position to a position of economic strength and economic growth, once again.

But I went to a nursing home in North Dakota because North Dakota's oldest citizen was there. She had a birthday. She is a 110-year-old woman; very lucid, very conversational. We talked about the Great Depression, as a matter of fact. We talked about the tough times in her life. She was born in 1898. By the way, her niece was there at the nursing home who had put on a birthday party for her in August. Her niece is 103 years old and her son, who is still farming, is 80 years old.

I had a chance to talk to them all about what life was like from 1898 to 2008. One of the significant things she remembered was the difficulty of the Great Depression in the 1930s, when it was hard to find jobs and people had soup lines in the major cities and people were struggling to try to make ends meet.

Well, I think a lot of folks from the 1930s forward felt we would never again see these days because we put in place economic stabilizers and we put in place provisions in law that prohibited the kind of activities in the roaring 1920s that led us to the 1930s and the excess, the unbelievable debt, the greed that resulted in the economic collapse of the 1930s. So we put in place things such as the Glass-Steagall Act and other provisions that prevented banks from being engaged in real estate and securities and things that were inherently risky that caused major problems and collapse in the 1930s.

It is easy to forget lessons. The Congress over the years, Presidents over the years, and certainly the financial services industry moved ahead. I harken back to 1999, when something called the Financial Modernization Act was passed by the Congress. I said then it was a terrible thing to have done. It stripped apart the Glass-Steagall Act and essentially said you can create big bank holding companies, you can put firewalls in, you can merge real estate and securities with banking; it will all be fine. That was in 1999.

In fact, here is what I said during that debate on the floor of the Senate: I say, to people who own banks, if you want to gamble, go to Las Vegas. If you want to trade in derivatives, God bless you. Do it with your own money. Don't do it through deposits that are guaranteed by the American people.

When we passed the Financial Modernization Act—and I was one of eight Senators to vote no, I said this during debate: The bill will, in my judgment, raise the likelihood of future massive taxpayer bailouts. It will fuel the consolidation and mergers in the banking and financial services industry at the expense of customers, farm businesses, and others.

I regret I was right. Massive taxpayer bailouts. It didn't take quite a decade. It took 9 years. Now we see the largest proposed bailouts in the history of our country.

It was a time of self-regulation. Alan Greenspan, the head of the Federal Reserve Board, said the financial services industry will regulate itself. Well, not quite. Here is what Alan Greenspan said last month:

> I made a mistake in presuming that self interests of organizations, specifically banks and others, were best capable of protecting their own shareholders and their equity in the firms.

What an unbelievable mistake. Regulators that were willfully blind saying: You know what. We will pass the Financial Modernization Act allowing real estate, securities, and banking to come back together, forgetting the lessons of the Great Depression. Then, those who were hired to regulate decided self-regulation will work. We don't have to regulate. We will be willfully blind. So what happened? Well, the subprime loan scandal happened. The subprime loan scandal, of course, is at the root of this because it is most evident of the greed that exists in our economy in recent years. It resulted in bad mortgages spread all around this country and around the world. They were put into securities and sold up through banks into hedge funds, into investment banks, and then all of a sudden it all turned sour.

Here is what the subprime loan scandal is all about. The biggest mortgage bank in America, just to show you what they were saying: Do you have less than perfect credit?

Do you have less than perfect credit? Do you have late mortgage payments? If you have been denied by other lenders, well, call us.

It is a new business model, apparently.

Are you a bad credit risk? Call us.

Countrywide said that. The CEO of Countrywide was given the Horatio Alger award—until it all collapsed.

Millennium Mortgage said:

Twelve months, no mortgage payments. That's right, we'll give you the money to make your first 12 payments if you call us in the next 7 days. We pay it for you. Our loan program will reduce your current monthly payment by 50 percent and allow you no payments for the first 12 months.

Zoom Credit, another mortgage company, said this:

Credit approval is just seconds away. Get on the fast track at Zoom Credit. At the speed of light, Zoom Credit will preapprove you for a car loan, a home loan, or a credit card. Even if your credit is in the tank, Zoom Credit is like money in the bank. Zoom Credit specializes in credit repair and debt consolidation, too. Bankruptcy, slow credit, no credit—who cares?

That is the bottomless pit of greed that resulted in massive numbers of mortgages being put out there in this country. Then the brokers were making an enormous amount of money. The mortgage bankers were making money and business fees, and then they securitized it, like they put sawdust in sausage in the old days—good loans and bad loans. They wrapped them into securities and chopped them up and sold them upstream. By the way, what they did, when they locked people into that kind of credit, those loans, they put in resets of higher interest rates in 3 years, where they would have known the homeowner wasn't going to be able to pay the monthly mortgage, and they put in prepayment penalties so they could not pay it off if they wanted to. That is how they made these attractive investments with high rates of return.

So the subprime loan scandal made everybody rich, like hogs in a trough grunting and shoving and making lots of money. Then one day it collapsed like a house of cards. The hedge funds that were investing in these—the credit default swaps that surrounded them with massive amounts of leverage, it all collapsed. When you create a house of cards, it is destined to collapse.

I mentioned hedge funds. Some of you may have seen the hearing held in the House a few days ago. The highest income earner in the hedge fund industry last year earned $3.7 billion.

So we create this crisis, get rid of the protections that existed from the Great Depression, abolish Glass-Steagall, and create a Financial Modernization Act, and say everything will be great. Then the regulators turn into willfully blind public servants, and the Chairman of the Federal Reserve says let them regulate themselves, and it all turns sour and the house of cards collapses.

What is happening now is, the Treasury Secretary came to the Congress and said: We face very serious problems. I must have $700 billion in 3 days and, if not, I believe there is going to be a financial catastrophe of sorts. So the Congress didn't do it in 3 days, or with a three-page bill, as the Treasury Secretary suggested. But the Congress passed a $700 billion bailout proposal. The Treasury Secretary said he wanted to do that because he wanted to purchase toxic assets from the balance sheets of the firms that invested in all of this. So he got the $700 billion. Then he said: I have changed my mind. That is not what I am going to do with the $700 billion. I want to purchase capital from banks to extend their credit or lending opportunities because the credit markets are frozen. He took $125 billion of the $700 billion and gave it to nine banks, some of whom didn't want it. But he gave it to them with no strings attached, no requirement that they expand lending or not use it to pay substantial bonuses. We have seen examples of bonuses, with $33 billion in bonuses on Wall Street in 1 year. So no-strings-attached money was given to nine banks with no requirement to expand lending, no requirement to cut back on dividends, and no requirement that they not provide hefty bonuses.

So the question is, is that going to inspire confidence out there someplace? Now we discover there has been no expansion of credit as a result of $125 billion of taxpayer money being put into those nine banks because it was no strings attached.

So the next piece that occurs is unemployment. We hear constantly—nearly 24 hours a day—about the financial sector. I agree the financial sector is unbelievably important to an economy such as ours, no question about that. How about the manufacturing sector, the working folks? Is that important?

About a week ago there was almost an apoplectic seizure over the notion that consumption was down. Consumers weren't consuming. It is not a surprise when there are more people out of work and people have less money that they are going to consume less. Does it concern anybody out there as they listen to Mr. Paulson say the $700 billion that Congress gave him is destined only to be used for the financial industry? Does it concern anybody out there that the consumers losing their jobs are not going to be able to consume? That is part of this economy as well.

Here is what we see on unemployment. The U.S. employment ranks have shrunk by 1.2 million in the first 10 months of this year—more than half of those jobs lost in the past 3 months alone. Last month, 240,000 jobs gone. About 800,000 workers exhausted their extended unemployment benefits, and more than 350,000 will exhaust theirs in November and December.

This chart shows what is happening in the industry in 2008. Manufacturing, down nearly a half million jobs. Construction, nearly 400,000 jobs. Business services, 361,000 jobs gone, vanished. These are hundreds of thousands. Behind every one is somebody coming home at night to his or her family and saying: Honey, I have lost my job. I don't know why. I did a good job. I worked there for 10 years, but I was told the job doesn't exist anymore.

This is about heartache by a lot of families. We experienced this before. Will Rogers, one of the interesting commentators on American life in the Great Depression, said:

The unemployed here ain't eating regular, but we'll get around to them as soon as everybody else gets fixed up OK.

I wanted to visit a moment about these issues and ask the question, is there going to be a laser-like focus on working people just as there has been on the financial services sector? There are a good many in the financial services sector that caused this wreck. They are the ones who steered this country into the ditch with all kinds of financial engineering and exotic new products that turned out to create a house of cards.

It seems to me that one of the things we ought to look at is creating protection with respect to these new exotic financial products that turned out to be enormously risky and dangerous to our economy. Some have talked about creating a financial products safety commission. We have a Consumer Product Safety Commission to worry about unsafe products. That turned out to have been a commission without much teeth because of the person who currently runs it. Perhaps we can have a financial products safety commission that would take a look at derivatives, credit default swaps, and the kind of sophisticated engineering going on on Wall Street which might produce a lot of money for some in the short term but pose a great deal of danger for this economy in the intermediate and long term. That all makes a lot of sense.

I just described the Treasury Secretary talking about the $700 billion he has now been provided, and that it is going to go to the financial service industry exclusively, he says. So it is not available to those who might be creating jobs out there or trying to avoid losing jobs. At the same time, the Treasury Secretary is saying: I have this pot of money, and we are going to use it to try to unfreeze the credit markets. The Treasury Department is saying they favor new bank mergers, which is exactly the last thing this country needs. We already have big banks that are too big to fail, which means if they are set to fail, we have to rescue them. Now the Treasury Department says the solution is bigger banks; let's have more mergers.

It is unbelievable to me that the Treasury Department would not have learned a lesson. Instead, they are out there promoting more mergers. I guess those mergers will be promoted with the very money appropriated by the Congress.

Mr. President, the action we have to take now, it seems to me, is to try to find ways to establish some confidence in this country. I have said often that I used to teach a bit of economics in college, briefly. I was able to overcome it. Economics is not a science; it is psychology pumped up with helium, and you can call yourself an economist, but nobody really knows.

The economy in this country is not about dials, gauges, knobs, levers, and all of the things like investment tax credit, depreciation, M–1B, and all those things economists study. It is about confidence. When people are confident in the future, they do things that manifest that confidence. They buy a car, buy a new suit of clothes, take a trip, or maybe buy a house. They do the things that you do when you are confident about your future and your job. That is called economic expansion. It is not sophisticated. It is about how people view the future.

When they view the future with great alarm and less confidence, they do exactly the opposite. They defer the purchase or decide not to buy that suit of clothes or buy that car until next year, or we will not move into that other home or take that trip. That is the way an economy contracts. It is all about confidence.

The question is, what can provide that confidence now? One of the concerns I had about the original bailout was that it did nothing to provide a set of regulations that stops the very behavior that caused all of this. You have to learn from it. It seems to me you have to provide the regulation and say to the American people that we will not let this happen ever again.

So there are a number of things we have to do. Any recovery plan—and I think we need a recovery plan, and some call it a stimulus. I think we need a recovery plan that gives people a sense that we care about whether they have a job. For example, there is discussion about the automobile industry. I don't view this as three companies or one industry. I view it in the context of what do we do to deal with this economy, especially as it relates to jobs. We are told that industry relates to about 3 million to 5 million jobs. That is the connector all the way through the industry. If that is the case, what would it mean if 3 million to 5 million jobs are lost in the next few months, coming from America's manufacturing base? It seems to me it would be devastating to an economy already at great risk.

So the question is, when will we also ask whether we will be willing to support, through a recovery program, the kinds of jobs that we need in this country and willing to support a world-class manufacturing base without seeing that base decimated as the economy gets weaker? I don't think you will long remain a world economic power unless you have world-class manufacturing capabilities.

When we look at those sectors of the economy that have that capability and then decide, as some suggest, that it doesn't matter who loses their job or gets laid off, well, it sure does matter. It matters to me. If there is all this concern about the financial sector, what about the concern about the job-creating sector in the manufacturing area? I think we need to do a number of things. No. 1, I think we need a stimulus or a recovery plan that would make significant investments. I don't think you do that by just giving people checks. That is not the way forward, in my judgment. I think you do it by putting people to work on public works projects, by investing in roads, bridges, schools, and libraries—the infrastructure needs that have been so long deferred in this country.

All of those projects are ready across this country to be done. It will put people back to work, and give people confidence about the future.

Second, we ought to take action this week so that we say to the Treasury Secretary: If you are going to continue to move money out of that $700 billion pot, you have to put conditions on it. We don't want the American people to have to read that they are anteing up money so the Treasury Secretary can move it to Wall Street and Wall Street can then pay bonuses in December and January and they can use that in any way they want without conditions that require them to expand lending or any other conditions that ought to be attached to that money. We ought to insist those conditions exist.

Third, we ought to require regulations be put in place as soon as possible to prevent the kind of things that we have seen happen that caused this financial wreck in the first place. Those regulations do not now exist. I know the former Fed Chairman Greenspan said he believed in self-regulation. He sure got a bellyful of self-regulation, and it completely collapsed this economy. We need to put in place a regulatory approach that gives people confidence that this kind of thing is not going to happen again.

We also ought to say to the Treasury Department: Stop the nonsense about more bank mergers. It is the last thing we need. Nor should we want the public money to be used to accommodate more bank mergers. I know some have celebrated the news of bank mergers. Not me. I think it weakens this country, not strengthen it.

I also believe we ought to create immediately an investigative task force of sorts that will begin to investigate and prosecute, if necessary, criminal behavior that was engaged in some of the practices that I described earlier.

All of that, I think, is necessary. I believe if and when we begin doing those kinds of things, we will give, once again, the American people the confidence about the future that they must have in order for this economy to get back on track.

There is, I know, a lot of discussion about what went wrong, and some might say: You know what, that is pretty irrelevant. It is not irrelevant at all. We are destined to repeat mistakes unless we understand the mistakes we have made. The route out of this circumstance where there is great economic peril to this country and its future, the route ahead, in my judgment, must be an active, aggressive set of actions by the Congress, working with this President and the new President, to understand the urgency of the things I have described.

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

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

ECONOMIC CRISIS

Mr. INHOFE. Mr. President, given the recent news about Secretary Paulson's execution of the TARP program, I firmly believe action is required by Congress. This morning, I introduced S. 3683. That is legislation that would do two things. It would freeze remaining money of the first $300 billion that has not already been expended and, secondly, it would change the process by which Secretary Paulson would access the second $350 billion.

When Secretary Paulson first came to the Senate and explained his plan, it was on a conference call. I happened to be in on that conference call. It was September 19. At that time, he was talking about the crisis that is upon us, that we have to do something, we have to do something big. It has to be $700 billion. It has to be done right now. The only way to do it is to buy troubled assets.

At that time, I asked some questions. One question was: If there are assets that are going to be bought, what is the criteria that will be used to determine which assets should be bought? There was not an answer to that question.

The second question was: Which institutions that are holding these assets would be the ones that would be eligible for this buyout? There were no answers to that question either.

That was on a Friday. Then as the next few days went by, we had several conversations. I didn't have any personal conversation with him except in one conference lunch, and that is, Is this the only way to do it? Yes, it is going to be buying out troubled assets. Still the answers were not there to those questions.

In my statement opposing—I voted against the Paulson plan last month—