

inherited a \$1.3 trillion deficit. That is a fact. That doesn't come from me; that comes from the Congressional Budget Office. I understand, at least in part, why that happened. Some of us on the floor of the Senate did not support giving away tax revenues we didn't have. Some of us didn't support going to war without paying for it. I had that discussion. How about paying for some of this? The previous President said: You try to pay for it, I will veto the bill. Is it surprising, then, that we are deep in debt? Not particularly surprising to me. Those are not very thoughtful decisions.

FINANCIAL REFORM

Mr. DORGAN. Mr. President, 16 years ago I wrote a cover article for the Washington Monthly magazine. The title was "Very Risky Business," the subtitle, "If we don't watch out, a new kind of Wall Street gambling—exotic derivatives trading—could shake the market and put taxpayers on the line for another bailout." I talked about \$35 trillion in derivatives. That is now a fraction of what is out there. I talked about banks that were trading on derivatives on their own proprietary accounts. I said they might just as well have a roulette wheel or a craps table in their lobby. It is just flatout gambling, and it ought to be stopped.

It is not surprising to me because I made the same point 5 years after that, when they tried to repeal Glass-Steagall—and did successfully—in order for us to compete with the Europeans. That took apart the protections that existed after the Great Depression. It was decided that we don't need those protections anymore. They took it apart. I was one of eight Senators to vote no. I warned on the floor then that another taxpayer bailout would come within a decade. It did, regrettably.

Now the question is, as we put together a piece of legislation to address these issues, what do we do that doesn't have us just having a press conference to say: Look at what we did. What is it we have to do to make sure this doesn't happen again? Have we really tightened the regulations?

Let me go through a couple things. Will we have dealt with too big to fail? The answer is no, not really. Too big to fail means there are some businesses in this country in the financial services industry, some of the biggest financial institutions, that are determined "too big to fail," and their failure would cause grievous harm to the economy, perhaps bring the entire economy down. Therefore, if they are too big to fail, they are, by definition, going to be bailed out.

I happen to believe that if you are too big to fail, you are simply too big. You ought to be pared back, trimmed down until you are not too big to fail. That is not what is happening here. We are going to pass a piece of legislation in which the biggest financial institutions are bigger than they were before

we got into this mess. Too big to fail doesn't mean you are too big. In fact, you can get bigger with the kind of legislation that is being considered in conference.

Proprietary trading. Will they still allow banks to trade on their own proprietary accounts? Will they put a restriction, finally, on banks' ability to make speculative bets using their own capital in their own lobby? We will see. It doesn't look like it.

What about the issue of naked credit default swaps, CDSs? They have no insurable interest on any side of them, just flatout betting. No, this isn't going on in Atlantic City or Las Vegas; it is going on across the country with financial institutions. Will this be trimmed down? It doesn't look like it.

How about the ratings agencies, the agencies that gave AAA ratings to fundamentally worthless securities, had a bunch of people left with bad securities in the bowels of financial balance sheets? What about that? There was an amendment on the floor of the Senate to deal with that. That has now been watered down. Or capital standards.

I won't go on except to say that I hope the sum total of this conference between the House and Senate on financial reform is about working for the American people and not the interests that helped create this mess. I hope this is a time to suck it up and do the right thing. I hope the conferees understand that if this bill is excessively weakened—and it wasn't strong leaving here—they should not assume they will have the votes to automatically pass that kind of legislation back in the Senate and perhaps the House.

This is very important. This is not some other issue. This is about whether the economy will continue to provide strength and expand and promote hiring. It will be what our children and grandchildren experience in terms of opportunities for the future in our great country.

It is a conference that is pushed by all sides to do various things for various interests. I hope they understand that this is something that will revisit us again in 2 years, 5 years, 10 years from now unless we do the right thing and make certain we address the key issues.

ENERGY POLICY

Mr. DORGAN. Mr. President, I wish to talk about energy legislation. I have been reading today all the stories in the newspapers about the caucus we had last week in which we described energy legislation and climate change legislation and what we should or should not do.

There are two challenges for this country at this point: No. 1, we are far too dependent on foreign oil. Over 60 percent of the oil we receive comes from outside of our country; 70 percent of the oil we use goes into the transportation sector. We are far too dependent on foreign oil. If something

should happen to shut off the supply of foreign oil to our country, our economy will be flat on its back for a long while. We need to be less dependent on foreign oil. No. 2, there is something happening to our climate. We are not completely sure what that is, but I don't think there is any question that there is a wide scientific consensus that something is happening to the global climate.

We should work on both, no question about that. But there is a practical limitation of what we will be able to consider and do between now and the end of this year. I have said previously that I support a cap on carbon. I support pricing carbon. I have said I will not support what is called classic cap and trade, which would serve the interests of Wall Street by creating a \$1 trillion carbon securities market so they can trade carbon securities on Monday and Tuesday and tell us what the cost of our energy is going to be on Thursday and Friday. I have no interest in doing that, nor would I support it. But there are ways for us to price carbon and to restrict carbon. I understand that.

The question has lingered now about a piece of legislation that came out of the Energy Committee 1 year ago this month. We had 12 weeks of markup. It was a very difficult markup. We passed, at the conclusion of the markup, a bipartisan piece of energy legislation that advances our country's energy interests and will make us less dependent on foreign oil. It will substantially reduce carbon emissions because it will dramatically change the amount of production that comes from renewable energy, wind, solar, biomass, and so on.

For a year we have now waited for that legislation to come to the floor. It has not come to the floor because some say: If we can't do comprehensive climate change legislation, then we don't want to do any legislation. Even that which would reduce carbon, even that which would substantially increase production from sources of energy where the wind blows and the Sun shines so we can collect this energy and put it on a grid.

It does not make any sense, that we would not consider a bipartisan energy bill and end this year having failed to address something that, A, was bipartisan, and B, will in fact reduce carbon and will give us an opportunity to be less dependent on foreign oil. That makes no sense, not to be able to take advantage of that kind of success.

It seems to me there are not 60 votes in the Senate to bring up a comprehensive climate change bill in June or July of this year. I know some people will have heartburn when I say that. I just think that is the case. If that is the case, let's not block a bipartisan energy bill that does address production, efficiency, and a lower carbon future.

We need to produce more in this country. We need to save more, that is, conserve more. Even as we do that, we