

the District of Columbia residents have their second amendment rights. That is our highest calling. It is our highest responsibility. It is not usurping anyone's right in the District of Columbia City Council. It is standing for the rights of the people of the District of Columbia, which is our responsibility to do.

Secondly, I want the record to be very clear that every gun dealer in the District of Columbia—there is one—in the State of Virginia, and in the State of Maryland all have the same requirements that are Federal law that would have to be adhered to that would require a record check by the National Instant Criminal Background Check System. There would be no exceptions to that. Having the background check would be essential for anyone to purchase a gun under our law or any law of the United States.

I yield the floor.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. ISAKSON. Mr. President, I ask unanimous consent to be recognized as in morning business.

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

FINANCIAL CRISIS

Mr. ISAKSON. Mr. President, in the next 48 to 96 hours, Members of this Senate and Members of the House of Representatives will be called upon to make what may very well be the most important decision any of us have been asked to make, certainly domestically.

There have been a lot of reckless comments, a lot of sobering comments, a lot of speeches made on this floor, a lot of accusations made regarding the recovery or rescue supposedly by Secretary Paulson. But it is very important for Members of this body to, first of all, make sure that facts are reported accurately and, second of all, that we give ourselves a chance to get this action right because there will be no second chance.

Yesterday, two Senators—Senator COBURN from Oklahoma and Senator GREGG from New Hampshire—made very eloquent, accurate, and sobering speeches about the gravity of the economic situation we face but also correcting some of the accusations that have been made by some about the recovery that has been proposed.

This morning, I was heartened to see two people in the media make comments early on the morning news, which gave me hope that we are finally coming to a point where people are going to report facts rather than fantasy.

Ali Velshi, who is the economic reporter on CNN, in fielding a question from a listener who blamed the rescue we are talking about to be a rescue of Wall Street, pointed out to that person that this is not a rescue of Wall Street. We are giving a chance to provide liquidity to banks, savings and loans, credit unions, and financial institu-

tions of the United States of America, not Wall Street.

And Boone Pickens, who was interviewed because ostensibly he has lost millions of dollars of his multibillion assets in recent days, when asked about the consequences of us doing nothing, said very simply: "You must trust Mr. Paulson."

I trust him. We must do what is right. Those are sobering comments. I thought what I would do for a little bit is set the record straight, or at least accurately, of some of the things that have gone on, some of the things that are going on, and what the Paulson proposal can do when it is perfected to help us in a very difficult period of time.

As I said on the floor of this Senate on many occasions, the villain in this situation is very essentially Wall Street's investment banking community and Moody's and Standard & Poor's, the rating agencies. They created subprime securities. Moody's and Standard & Poor's wrote them as investment grade. They sold them around the world. When those high-risk, poorly qualified, high-yielding loans were made and began to be defaulted on, the securities started losing their value, and they lost them at a rapid rate. They became known as subprime securities or, as some have called them, toxic assets.

The problem that faces the country today is the uncertainty of the value of those assets has plummeted their value to virtually zero. There is no market. The American people yesterday, in looking for a place to invest their money, were willing to take zero interest to buy Treasury bills, meaning they were looking for a place to park their money.

We are not in a time where there is any confidence in the investment community and everybody is worried and concerned. Secretary Paulson's proposal is to spend up to—and I would use the word "invest" up to rather than "spend"—\$700 billion to purchase from financial institutions these mortgage-backed securities at a discounted price established by the Secretary. Assuming for a second the discounted price is 50 percent, that \$700 billion would actually take off the shelves \$1.4 trillion in mortgage-backed security assets held currently by financial institutions—a significant amount of money. The minute the Treasury begins to buy these entities and these securities, there are going to be people coming back to the market to buy them as well.

Think about this, Mr. President: If you buy a security at 50 cents on the dollar, then you are reducing what the company paid for it—their investment—by 50 percent. If the default rate on mortgages—on subprime loans—in the country is 12 or 15 percent, which in some cases it is, that is only 85 percent of 100, which means there is a 35-percent spread on those mortgages that are paid to maturity.

So with the strength of the country being able to buy those securities, hold those securities to maturity, there very possibly is a significant margin for the Treasury of the United States. The amount of the investment made by this country will never be \$700 billion. It will be somewhere between \$700 billion and whatever we recover from those securities upon their maturity, which could well be \$500 billion, \$600 billion, \$700 billion, even maybe possibly a margin above that.

So this is not an investment to save Wall Street. This is an investment to provide liquidity to the lending institutions that service my citizens in Georgia and yours in Ohio and my colleague's in Oklahoma, the people who now are struggling to be able to get credit for their small business or for their car loan or for a mortgage.

I think it is also important to recognize that some of the actions taken by the Fed and the Treasury in the weeks leading up to this decision, which have been referred to also as Wall Street bailouts, have been, in some cases, misreported. The Bear Stearns investment of \$29 billion helped a transaction to be made that caused Bear Stearns to lose 90 percent of its value. That is not a bailout. AIG is paying the taxpayers of the United States 8½ percent on a loan we made to AIG to allow it to liquidate itself—a loan, by the way, that the U.S. Treasury will make money on.

The proposal being made on those two is off the balance sheet for the United States. The \$700 billion proposal is on the balance sheet, and it will create a liability, and during its maximum time it will raise the debt. But as the securities are held to maturity, as they are sold at a price between the discount they are purchased for and the value they ultimately are redeemed for, the Treasury will have a reduced and diminished liability.

I am not here to sell the Secretary's proposal, and I am anxious to wait for the meeting this afternoon to see the final details, but I am saying that words are important and loose lips at a time such as this in our country are very dangerous. For us to castigate a recommendation to save our economy—which, in fact, is a rescue and not a bailout—is wrong, and it is wrong for elected officials, such as myself or anyone else, to take fast-and-loose facts and apply them to a situation that is the gravest we have faced in this country in a long time.

So I take the word of Boone Pickens to place confidence in those we have entrusted to represent us—in this case, Secretary Paulson. I take solace in the words of the President last night and the sobering comments of Senator JUDD GREGG on the floor of this Senate when he explained accurately and correctly the financial effects of doing nothing in this situation.

Mr. President, we have 48 to 96 hours to make a decision. Let's make it on the facts. Let's make it in the best interests of the American people. Let's

make it in the best interests of Main Street because, after all, those are the people we serve—the ones who go to our banks, our savings and loans, who run our small businesses, and who are our next-door neighbors. They are the Americans we represent. They are the Georgians I represent. When I make a decision this weekend, it will be in their best interest, their children's, and their lives.

I yield the floor.

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

THE ENVIRONMENTAL MOVEMENT

Mr. INHOFE. Mr. President, let me first say that this has been a very difficult subject, and I have the utmost respect for the Senator from Georgia. As he said, I am looking forward to waiting and seeing a final product. I look at what is there right now, and I do have concerns. I have concerns as to who the asset managers will be, what institutions will be involved, and what types of assets. It would seem to me, as I read it, that as the \$700 billion is paid down, other assets could be purchased, and I just wonder where it would end. I believe some new heads will come in and kind of look at these proposals and perhaps come up with something that will resolve a looming problem we all are concerned about.

Today, my concern is on a different subject and one that is very important to me as an American citizen and as the ranking member of the Environment and Public Works Committee. The situation I am about to discuss reminds me of an old saying: Beware of wolves dressed in sheep's clothing. Today's so-called environmental movement can be described in much the same way.

Campaigns to "save a cuddly animal" or "protect the ancient forests" are really disguised efforts to raise money for Democratic political campaigns. Take this ad, for example, displayed on the League of Conservation Voters—or the LCV's—Web site. This is LCV's standard text used to raise money for a nonprofit organization. In turn, the LCV takes these donations, given to "save the environment," and then uses them to fund ads for Democratic candidates, such as Ben Lujan from New Mexico. LCV, similar to other groups I will highlight later, disguises itself as an environmental group dedicated to saving the environment. Yet, as shown by this political ad, it is simply an extension of the Democratic political party.

In the fall of 2004, I came to the Senate floor to discuss this very topic. This report and my remarks today are an update of the 2004 report. Over the last several months, my staff has put considerable time and effort into examining this deception. This examination has uncovered the tangled web of charitable and environmental organizations, political campaigns, and large founda-

tions. Environmental groups are tax-exempt, IRS-registered, 501(c)(3) charitable organizations, meaning that contributions to these groups are tax deductible. I think it is very important that people understand, because there is always confusion here, that a 501(c)(3) is not supposed to be a political organization. It is a charitable organization. And there are many legitimate ones out there that deserve the tax-exempt status they have.

These groups profess to be stewards of the environment and solicit contributions from a variety of sources using these claims, but they demonstrate more interest in hyping the extreme environmental scenarios to raise money for raw political purposes than working toward actual real-world environmental change for the benefit of all Americans. Not surprisingly, given these deceptions, these nonprofit groups are tightly affiliated with and fund the 501(c)(4) lobbying organizations and 527 organizations. And we all know that 501(c)(4) organizations and 527 organizations are lobbying organizations that get involved in political campaigns.

With these intertwined organizations, it is extremely difficult to differentiate the source of funds and track their use. This problem is highlighted in a report prepared by my staff which provides preliminary examples based on the five most politically active environmental groups. The report describes their activities, the foundations that provide their financial support, and the interconnected web among these organizations.

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks the staff report to which I just referred.

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

(See exhibit 1.)

Mr. INHOFE. Mr. President, my staff is not the first to uncover this sham. A December 19, 2007, article in the Wall Street Journal highlighted the very same problem, stating:

Because the IRS doesn't require 501(c) organizations to detail election spending or to list contributors, it is difficult to track their political activity.

The Journal analyzed data on 30 separate 501(c) groups active in elections from 2000 to 2006, culled from a variety of sources. The data—this again is from the Wall Street Journal—showed that the 30 organizations spent at least \$155 million on the 2006 elections, nearly twice what they spent in 2000.

Environmental groups have become experts at duplicitous activity, skirting laws up to the edge of illegality and burying their political activities under the guise of nonprofit environmental improvement. This chart demonstrates this interconnected "enviro-family affair" of nonprofits and their benefactors. As you can see, the six organizations at the bottom of this chart are all either 527 groups or political 501(c)(4)s.

Let's take a look at the League of Conservation Voters, which is a poster child for this deceit. The LCV is an IRS-registered 501(c)3. Contributions to the organization are tax deductible. However, contributors should understand that LCV is a political organization affiliated with a 501(c)(4) organization, a political action committee, and a 527 organization. All three of these are political.

LCV represents itself as "turning environmental values into national priorities," and much of its funds, even from its 501(c)(3) organization, goes to fund voter mobilization and education drives.

In each election cycle, LCV endorses political candidates. Since 1996, LCV has published a "Dirty Dozen" list and bragged about its effectiveness in ousting candidates on the list. Not surprisingly, the list singles out all Republican candidates, but they almost always throw in one Democratic candidate—just one—to make it appear as if it is technically bipartisan. To date, 83 names have been placed on the LCV's "Dirty Dozen," 74 of which are Republicans. By their bipartisan claims, it would be expected that the LCV's support would be split evenly. The publishers of the "Dirty Dozen" list have yet to name even a dozen Democrats to their list in the last 12 years.

In 2006, LCV had two 527 groups, the League of Conservation Voters SSF and the League of Conservation Voters, Inc., SSF-527 II. These 527 groups were fined by the Federal Election Commission for three violations of Federal election law. One of the violations was that LCV knowingly accepted individual donations in excess of \$5,000. LCV collected over \$6 million in donations during 2004 that violated the \$5,000 individual maximum amount restriction, and the ultimate fine was a total of \$180,000 by the FEC.

According to an FEC press release, LCV received this fine for acting as a clear political committee and violating Federal election law. The Wall Street Journal highlighted these violations in an article published in December 2007. Following this incident, the LCV restructured its organization into a 501(c)(4), which allows the organization to run with fewer disclosure restrictions.

LCV has a long history of direct involvement in political campaigns. In 1996, LCV spent nearly \$1.5 million in ads focused on defeating its "Dirty Dozen" list targets of 11 Republicans and, oh yes, 1 Democrat. In 1988, the LCV spent \$2.3 million targeting its "Dirty Dozen" list of 12 Republicans and, oh yes, 1 Democratic candidate. In 2000, the LCV spent nearly \$4 million, again targeting 11 Republicans and 1 Democrat on its "Dirty Dozen" list. And I can't forget that in 2000, the LCV also endorsed Al Gore for President—clearly a political endorsement. In 2002, LCV once again targeted 11 Republican