

drive down Camelback Road in Phoenix, where we have a lot of car dealerships, 6 months from now and some of those companies have asked for chapter 11 protection, I guarantee you, I will not know which ones. They will all have the same bright lights, the same eager salesmen ready to sell me something. With reorganization, you don't go out of business.

One of the myths is that this would put you out of business. If you take bankruptcy under chapter 7, you do go out of business. That is not what chapter 11 protection is at all. In fact, you are able to reorganize, and that is precisely why people would continue to buy the cars.

Not everybody is going to lose their job through reorganization. I doubt that it would be more than a fraction of the people who would lose their jobs. Doug Baird, a bankruptcy professor at the University of Chicago, recently said, in response to the number 3 million which people have been bandying about:

This three million figure is laughable . . . modern bankruptcy law is designed to protect against that.

The bottom line is, there is a law that provides protection, breathing room, and an ability to get rid of the kind of debts burdening these companies. If all we do instead is throw \$25 billion at the problem, none of this protection comes into play. None of the ability to renegotiate what is dragging them down now would occur. It would simply literally be throwing good money after bad without a justification of why these companies, as opposed to many other companies in the country, were to receive that help.

The money has to come from somewhere. It has to come from people who are working hard to make a go of it themselves. So we have to ask the kind of hard questions like this before we ask our fellow citizens to cough up the money for this kind of a bailout. I hope we will be able to do that during the debate on this legislation, which I hope we will see soon, assuming we are going to be deciding whether to vote on it this week.

Thank you, Mr. President.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

#### AMERICA: A WORK IN PROGRESS

Mr. SALAZAR. Mr. President, I rise today to celebrate this historic time in the history of the United States of America.

I give my accolades to President-elect Obama and to Vice President-elect BIDEN for their transformative and historic campaign and election.

I also recognize Senator JOHN MCCAIN as a friend and for his extraordinary contributions to our Nation. I am certain Senator MCCAIN will continue to serve as a force for good on the floor of this Chamber, as he has for so many years. I look forward to working with him.

Just a few short years ago, President-elect Barack Obama arrived in the Senate in the 109th Congress as an unlikely occupant from the Illinois State Senate.

President-elect Obama's story is an American story. The son of a mother from Kansas and a father from Kenya, he learned the values of hard work and service to others. He studied at some of our Nation's finest schools but chose to apply his immeasurable talents to serving the people: a community organizer, an Illinois State senator, a U.S. Senator, and soon to be the President of these United States of America.

President-elect Obama is, in fact, the personification of the American dream and the idea of what it is to be an American. His election is also a reminder of just how far our country has come.

America has always been a work in progress—an idea that generation after generation has worked to perfect. We must never forget that for over 250 years on this continent, and through the first century of this Nation, we lived in a society where slavery was allowed.

It took the bloodiest war of our country's history—the Civil War—where over a half million Americans were killed on our own soil, to bring about an end to slavery and to usher in the 13th, 14th, and 15th amendments of our Constitution. These three amendments, in my view, are a significant part of the bedrock proposition that all constitutional liberties are endowed upon all Americans without exception.

Unfortunately, neither the Civil War nor these amendments brought an end to the division or discrimination that were a part of our Nation's past.

In 1896, in *Plessy v. Ferguson*, our U.S. Supreme Court sanctioned a system of segregation under the law. The Court upheld an 1890 Louisiana law which mandated racially segregated but equal railroad carriages. It was a dark period in our Nation's history.

"Jim Crow" laws extended across the South. In the Southwest, Mexican Americans were also systematically denied access to "White Only" restrooms and other public places. In the South, the signs read: "No Blacks Allowed." In the Southwest in many places the signs read: "No Mexicans Allowed."

There were, however, many voices who knew that an America divided by race was an America which could not stand. In the now infamous *Plessy* case, Justice Harlan, in the dissent to that case that sanctioned segregation under the laws, said the following:

The destinies of the races, in this country, are indissolubly linked together and the interests of both require that the common government law shall not permit the seeds of race hate to be planted under the sanction of law.

It took more than a half century of an America in progress to revisit its decision in *Plessy v. Ferguson* and to begin achieving the vision of Justice

Harlan. It was not until 1920 that our Constitution guaranteed the right to vote to women. In fact, for the first several hundred years women were not entitled to vote in the United States of America. It was not until 1954, in *Brown v. Board of Education*, that the Supreme Court, under the able leadership of Chief Justice Earl Warren, struck down the "separate but equal" doctrine as unconstitutional under the 14th amendment. Thurgood Marshall, another American hero of ours who gave his life for equal opportunity for all Americans, argued that case before the U.S. Supreme Court.

But even after the 1954 decision in *Brown v. Board of Education*, there was much more work to do. The 15th amendment, ratified in 1870, guaranteed all citizens the right to vote regardless of race. But almost a century later—in 1965—only a very small percentage of African Americans were registered to vote in States such as Mississippi and Alabama.

In 1965, for example, in Mississippi, only 6.7 percent—6.7 percent—of African Americans were registered to vote. In Alabama, less than 20 percent of African Americans were registered to vote.

To prevent people from voting, there were literacy tests, poll taxes, and language barriers, not to mention voter intimidation and harassment, which occurred in those days in the 1960s.

But the 1960s also brought change to America and ensured that we continued as an America in progress. In 1964, President Lyndon Johnson signed the Civil Rights Act. In signing that law, he said:

We believe that all men are created equal, yet many are denied equal treatment. We believe that all men have certain unalienable rights, yet many Americans do not enjoy those rights. We believe that all men are entitled to the blessings of liberty, yet millions are being deprived of those blessings, not because of their own failures, but because of color of the skin.

Our work, President Johnson said that day, was not done. He was right.

In early 1965, Jimmy Lee Jackson was shot by a State trooper during a civil rights demonstration.

On March 7, in Selma, AL, more than 500 nonviolent civil rights marchers attempting a 54-mile march to the State capital to call for voting rights were confronted by an aggressive assault by authorities. That day, still known and remembered as Bloody Sunday, stirred a nation to do what it knew was right.

President Johnson, in those days, called for the country to summon its better angels. He said:

At times history and fate meet at a single time in a single place to shape a turning point in man's unending search for freedom. So it was at Lexington and Concord. So it was a century ago at Appomattox. So it was last week in Selma, Alabama.

President Johnson continued:

This time, on this issue, there must be no delay, no hesitation and no compromise with our purpose. We cannot, we must not, refuse to protect the right of every American to

vote in every election that he may desire to participate in.

On August 6, 1965, President Lyndon Johnson signed the landmark legislation—the Voting Rights Act—that opened the doors of democracy to all Americans.

In our country's history, yes, we have stumbled. But yet at each stumble, leaders such as Dr. Martin Luther King, Rosa Parks, and Cesar Chavez, and many others, have encouraged us to get up, to stand up, to move America forward.

We, like them, believe America truly is an America in progress. Today, thanks in large measure to their work, we are at the dawn of a new America, an era in which doors of democracy and opportunity are open to all Americans.

We are waiting today for the inauguration of the first African-American President in the history of the United States. That in itself is history. But what is also historic about this reality is that as President he will be President for all 325 million people of America.

In his election, I think you see the statement that is truly the American ideal: that no matter who you are, no matter where you are from, anything is possible in this America of ours. That is what makes us a great nation. That is what we have seen as an America in progress which has brought us to this point in our Nation's history.

We have much work to do ahead. But I am very confident that America's best days are still ahead, as we continue to be the beacon of hope and opportunity and human possibilities for the entire globe.

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

The PRESIDING OFFICER. The Senator from Maine is recognized.

#### THANKING THE PEOPLE OF MAINE

Ms. COLLINS. Mr. President, since this is the first time I have spoken on the Senate floor since the elections have been completed, let me say I am very honored the people of Maine have chosen me to represent them in the Senate for another 6 years. It is a great honor and privilege to represent the great State of Maine, and I want to begin my remarks this afternoon by acknowledging that.

#### FINANCIAL REGULATION REFORM ACT OF 2008

Ms. COLLINS. Mr. President, throughout the past few months, I have had the opportunity to talk to literally thousands of Mainers, and the No. 1 issue that has been on their mind is the financial crisis, the poor state of the economy.

Public confidence in our Nation's financial system has been shaken badly by the extent, the scope, and the rapidity of the financial meltdown. As a former financial regulator in the State of Maine, a position I held for 5 years,

I have become convinced that significant regulatory reforms are required to restore public confidence and to ensure that the absence of regulation does not allow a crisis like the one we are engulfed in now to happen ever again.

Therefore, today I will introduce a bill that would close two dangerous gaps in the Government's system for overseeing financial markets. The bill would also establish a formal process for developing additional, comprehensive reforms of our financial regulatory system.

Our economy has struggled with a credit crisis spawned by mortgage defaults in the subprime mortgage market and their ripple effects throughout markets for mortgage-backed securities. Complex financial instruments that were poorly understood, not transparent, and, in many cases, not regulated have exacerbated the crisis.

What was once thought of as America's mortgage crisis has metastasized into a nightmare of converging forces that could lead to a deep and global recession. As we have so painfully learned, financial markets are truly global, and the hopes and fears that affect these markets move with the speed of light through electronic communications and electronic trading.

The consequences in our country have been dire: falling home prices, rising foreclosure rates, plunging consumer sales, increased unemployment, a tremendous erosion of retirement savings, and billions of dollars for emergency stabilization programs. We are even looking at a Federal deficit that could reach the extraordinary figure of \$1 trillion.

The Maine lobster industry, the paradigm of hardy, small town entrepreneurship, has also felt the blows of the crisis in high finance and a terrible economy. It is not only that consumers have reacted by reducing their purchases of lobsters—although that is one factor—it is also that the lobster industry is an innocent victim of the global financial crisis.

It is extraordinary that the global financial crisis is putting the very existence of Maine's centuries-old lobster industry in jeopardy.

Here is what happened. In addition to plunging demand, many lobstermen in Maine send their lobsters to Canadian processors. Well, it turns out that those Canadian processors are, in turn, financed largely by financial institutions in Iceland—in Iceland.

When the Iceland financial system collapsed, credit was terminated to the Canadian processors, which, in turn, stopped processing Maine lobster. Who would have guessed that the failures of banks in Iceland would claim as victims the lobstermen in the State of Maine? But that shows how integrated our financial system is worldwide. A lobster dealer in my State said:

This is as devastating to the State of Maine as Hurricane Katrina washing away all the boats and blowing down all the wharves.

Nor is the fallout from the financial crisis confined to our shores. This past weekend, leaders of the G-20 nations who represent 85 percent of the world's economic activity met in Washington to address this crisis. Clearly, we need a coordinated global response to the downturn, but we also must take action to right our own ship. As we close out the 110th Congress and prepare to reconvene for the 111th, we must consider how to protect our financial system from the shortfalls in regulation, reporting, and transparency that helped lay the groundwork for a sudden and traumatic onslaught of bad economic news.

Consider that less than a year ago, the American financial system boasted five huge investment bank holding companies: Bear Stearns, Lehman Brothers, Merrill Lynch, Goldman Sachs, and Morgan Stanley. Today, those institutions no longer exist as we had long known them. They have failed or are being acquired or, as Goldman Sachs and Morgan Stanley demonstrate, have converted themselves to bank holding companies subject to Federal Reserve supervision. What is astonishing, however, is that current Federal law assigns no agency responsibility for supervising these enormous institutions, even though experience has shown their safety and soundness could have vast implications for the financial system and the broader economy. Think about that. Your local credit union, your small community bank is subject to safety and soundness regulations, but these enormous Wall Street financial institutions that arguably have a far greater impact on our economy have not been subject to safety and soundness regulations. Instead, they participated in a completely voluntary program of the Securities and Exchange Commission—a program that was later deemed as inadequate by the SEC Chairman as he canceled it this fall.

My legislation would apply safety and soundness regulation to investment bank holding companies by assigning the Federal Reserve this responsibility. Although the five big firms have left the field, this is a necessary step. Any new investment bank holding company that might be organized would fall into the same regulatory void as its predecessors. The SEC would be able to regulate its broker-dealer operations, but no Federal agency would have the explicit authority to examine its operations for safety and soundness or for systemic risk. The collapses at Bear Stearns and Lehman Brothers illustrate the tremendous hardship that can result under the recent voluntary system.

Federal financial officials have also pointed to a "massive hole" in their ability to monitor and manage systemic risk. That is the rapidly expanded markets in private, over-the-counter contracts known as "credit default swaps." These are contracts that involve paying for protection against