

auto industry. Although our friends on the other side have been talking about this issue with increasing frequency, they have yet to indicate how they plan to move forward. There is clearly a deep controversy about using funds designed to strengthen our credit markets to shore up distressed companies and other industries. We all understand that. It is one of the main reasons why there is still a significant lack of support from both sides of the aisle to that particular kind of approach.

It is an understatement to say there is deep concern about the impact of more than \$100 billion of new deficit spending in the bill that has been put forward. So let me suggest a bipartisan path forward that has not yet been offered by the majority. It is a compromise being worked on by Senators VOINOVICH and BOND which repropose funds already appropriated, money we have already appropriated to fund a \$25 billion loan program for auto makers to build advanced technology vehicles—coupled with new taxpayer protections and Federal oversight about how the money is spent. This is a proposal which I believe has support from both sides of the aisle and that actually has the potential to pass right now, not next year. There is a way forward that will help protect the jobs in the auto industry while also protecting the taxpayers. Senators VOINOVICH and BOND are working with colleagues across the aisle to protect taxpayers and our long-term economic health. Should this compromise approach be approved by the Congress, it is the only proposal now being considered that we believe President Bush will sign. It could actually become law and become law in the very near future.

As we move forward, we must do so in a bipartisan way on this and the myriad of other issues to come, and a good place to start would be right now.

I yield the floor.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will proceed to a period of morning business, with Senators permitted to speak up to 10 minutes each.

The Senator from Louisiana is recognized.

AUTO INDUSTRY BAILOUT PROPOSALS

Mr. VITTER. Mr. President, I rise to express my grave concerns about all of the auto industry bailout proposals. I do that for two fundamental reasons. First of all, I am very concerned of this ever-widening bailout fever, bailout mania. We are now going well beyond

the financial industry. We are crossing what was supposed to be a bright line and going to other sectors of major manufacturing, starting with the auto companies, but I am convinced it certainly will not end there.

The second reason I am very concerned is for the sake and future of the auto companies and those workers themselves, because I am convinced that if we pass this type of bailout proposal, it will not save the auto companies, it will absolutely ensure their demise. That is because it is a bailout that is not coupled in any way with fundamental restructuring and fundamental reform.

Let me go back to the original financial industry bailout proposal. On September 29, I announced my strong opposition to that, based on many reasons which I articulated here on the Senate floor. One of them was that I thought it would invite many more bailouts to come. As I said, it was “an unprecedented government bailout that will almost certainly pave the way for even more, maybe sooner rather than later.”

Even as I spoke then on September 29, quite frankly I never would have guessed that we would be at that point now, so soon, a few weeks later. But we are. Again, what started as an idea about the banking industry—don't let it fail; only about financial services industries—is now ever widening.

First of all, it has been widened within the TARP program itself, because while Treasury Secretary Paulson came to Congress, came to Capitol Hill with a very clear message of what that program was about—buying bad assets, taking them off the books of financial companies—even within that program we have already moved on to plan B, which is infusing money directly into banks. And now we are moving on to plan C, infusing money into other sectors such as consumer credit cards, student loans, and other ventures. So even within that TARP bailout structure we have expanded the bailouts and moved on from plan A, which was the entire premise on which Congress passed the legislation, to plan B and to plan C.

Now we are about to cross a much brighter line and we are potentially expanding this bailout fever much more by going well beyond the financial industry, by going well beyond the banking system, well beyond the promise we simply need to stabilize the banking system, to now saving companies because they are big, because they are, in a word, too big to allow to fail.

I think that is a fundamental mistake. But as I said, the other reason I think it is a fundamental mistake has to do with the companies' futures and the workers' futures themselves. I think this auto industry bailout proposal is a fundamental mistake because I believe it will not only not save those companies, but I believe it will absolutely doom them to eventual failure—yes, a few months later rather

than now, but will absolutely doom them to eventual failure.

Why do I say that? For a simple reason; because these proposals are not coupled in any way with the fundamental restructuring that the American auto companies need to become competitive and to survive.

A few weeks ago when we talked about the financial crisis, we were focused on just that, a financial crisis within the banking industry, within financial institutions. That was about credit freezing up and impacting the economy in an overall way. But of course auto companies' problems and challenges predate that by years and years. Certainly the financial crisis made their immediate situation worse, made their immediate straits more challenging, but their ultimate challenge and their ultimate troubles have nothing to do with this immediate financial crisis. They have to do with the legacy costs and very high labor and other costs that those companies are burdened by, which makes them fundamentally uncompetitive with their worldwide competitors today.

What am I talking about? That extra burden brought on by legacy costs and union obligations is estimated to be about \$2,000 per car for the big three auto manufacturers—\$2,000 per car. What does that mean? What it means is Ford, for example, needs to cut \$2,000 worth of features out of its Taurus to compete with, say, Toyota's Avalon. It is no surprise that the Avalon feels like a better product. It is a better product. It has \$2,000 more features, in terms of comparable sales prices, when it goes to the lot. Of course it is going to be a better product.

Another example is the U.S. auto companies and their unions admit that union demands have driven up labor costs at the big three U.S. auto manufacturers to \$30 per hour more than their foreign-owned competitors, including competitors such as Toyota that employ Americans and produce cars in America right here and now.

How can the big three possibly remain competitive in a worldwide economy with that sort of disadvantage? And throw on top of that the fact that the CEO of GM managed to get a 64-percent pay raise recently despite his company's shares dropping more than 90 percent over the past 52 weeks. That is not a recipe to stay or become competitive, that is a recipe for failure.

The reason the auto companies will be doomed to that failure if we pass this bailout is because we are giving them plenty of taxpayer dollars without demanding the fundamental restructuring, the fundamental revisiting of those additional costs, these extraordinary labor costs, those burdensome legacy costs that it will take to make them competitive on a worldwide stage.

My argument is very simple: Let's not cross that bright line. Let's not expand in a fundamental way bailout fever for the good of our free market

system. But also, for the good of the auto industry in the United States, for the good of those workers, let's not doom them to failure. Let's demand, whatever we do, that they go into a period of fundamental restructuring—the type of fundamental restructuring that is necessary, for instance, in a bankruptcy. It does not have to be done in the context of an actual bankruptcy. Many people say that would kill auto sales; that it is not practical, they cannot survive that.

I do not particularly agree with that argument, but that same fundamental restructuring can be done in other ways without that bankruptcy title looming over the companies' heads. That is what they need to survive. That is what those workers need to keep their jobs. Let's not pass this auto industry bailout and deny them the possibility of a survivable and brighter future.

These remarks apply equally to not only the Democratic leader's proposal, under which the \$25 billion would come directly out of the TARP program, but my remarks and my concerns are fundamental. They apply equally to President Bush's proposal, which is essentially the same, simply taking the money out of a different pot, simply using the \$25 billion of low-interest loans we have already authorized, against my objections, to do the same thing.

Again, my concerns are not superficial—use this pot of money and not that pot—my concerns are much more fundamental. They go to the center of the future of our economy. But they also go to the core of what is needed for the U.S. auto industry to remain competitive, to become more competitive, and to save those American jobs.

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

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Ms. MIKULSKI. I ask unanimous consent that the order for the quorum call be rescinded.

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

COMMUNICATION FROM THE HONORABLE BARACK OBAMA

The ACTING PRESIDENT pro tempore. The Chair lays a communication before the Senate.

The legislative clerk read as follows:

U.S. SENATE,

Washington, DC, November 18, 2008.

Hon. RICHARD CHENEY,
Vice President of the United States of America,
President of the U.S. Senate, U.S. Capitol,
Washington, DC.

DEAR VICE PRESIDENT CHENEY, PRESIDENT OF THE U.S. SENATE: This letter is to inform you that I resigned from the United States Senate, effective November 16, 2008, in order to prepare for my duties as President of the United States.

Sincerely,

BARACK OBAMA,
U.S. Senator.

ORDER FOR RECESS

Ms. MIKULSKI. Mr. President, I ask unanimous consent that the Senate recess today from 2:30 until 4 to allow Senators to attend today's briefing with Secretary Gates, Secretary Rice, and the Vice Chairman of the Joint Chiefs.

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

WORKING TOGETHER

Ms. MIKULSKI. Mr. President, that was quite a letter. I must say, to be here for this historic moment, my heart is racing. We heard the letter from the President-elect resigning from the Senate. This is, indeed, a moment of passage in the Senate and for the country. By Senator Obama's resignation from the duty and responsibility the people of Illinois gave him, it is one more step for him to pick up the responsibilities of the Presidency of the United States. I will cherish this moment because it will be a historic moment, from "We need change" and "Yes, we can" on the long campaign trail to election night, to a charismatic speech calling us to act like an American community, not only a country of which we are proud, a nation we hold dear, but an American community. That is the Obama message which I hope will be the Obama effect. As our President-elect lays down these duties and takes up others, we need to realize and respond to his call and a new American mandate. Because on November 4, we who hold Federal office received a new American mandate to change the tone, to change the direction, to change the priorities, and to be able to move on and get our economy rolling and bring our troops back home and restore our national honor in the world.

Sign me up. Sign me up as an enthusiastic member of this effort. I accept that mandate. I accept it. I call upon all my colleagues to do the same, to embrace the message Senator Obama has set, not only in terms of a dynamic, robust agenda but how we will work with each other. I thought it was grand that he sat down with our colleague from Arizona, Senator MCCAIN, to talk about how they could work together, how they could find that common ground, how we could find that sensible center between what we want to do and what we can afford to do. That is the tone Obama set with MCCAIN. Let's set it now with REID and MCCONNELL. Let's try to find common ground, that sensible center, pragmatic, affordable solutions we can do now. We have a window. We have a time. As President-elect Obama said: This is our time. Our time doesn't begin January 20. Our time doesn't begin January 6. This is our time now to lay the groundwork for the transition of power, to work together. I ask us now, as we look at the stimulus

package, as we look at solutions for our manufacturing area, how to extend the safety net for those people who are already hurting: Let's do that.

Right now, once again, back to business as usual, entangled in a parliamentary quagmire, digging in our heels, based on rigid ideology. That is not what the people said on November 4. They said they wanted change, and they want it now. Let it begin with us, civilized debate, the clash of ideas to find that sensible center. By the way, that phrase is not mine. That phrase is Colin Powell's, a great American.

There it is, right there is the center. I am ready to walk over to it. Come on over, I say to the other side.

STIMULUS PACKAGE

Ms. MIKULSKI. Mr. President, today I am standing here asking for help on the stimulus package. I know that part of the stimulus package is to extend unemployment insurance. I absolutely support that. But what I also wish to do is not only extend unemployment insurance for those who are hurting. I am with the parts of the stimulus package that will extend employment, where we will do what we need to do to create the safety net, but we need to have a launching pad to keep jobs in this country. I wish to vote to extend unemployment help, but I wish to also vote to extend employment help. Hello. Let's find that sensible center.

I am for saving and creating jobs, and I am also saying: Congress must act now. In the next 48 to 72 hours, we have our own rendezvous. If we do not act, we will create an economic framework that means the recession will be longer and deeper. The cost of doing nothing is more than we can afford to pay.

I support the safety net in the economic recovery package—help with unemployment, energy assistance, help on Medicaid for the children and the elderly. Medicaid is a children's and elderly program, for children who need health care and elderly who need to be in nursing homes.

I also support the part of the stimulus that creates jobs. I salute our leadership team for coming up with the framework to create jobs by making important investments in physical infrastructure—desperately needed. We need to make public investments that generate private sector jobs. Note what Senator Barb is saying: I am not for make work. I am not for a WPA. I am for public investments that create private sector jobs. By doing it in building and rebuilding America's infrastructure, we will be safer, and we will have a stronger economy—repairing bridges, building highways, mass transit that we need to move people and improve the environment, also to build water and sewer treatment plants to fix aging sewer systems. In my hometown of Baltimore, our mayor is under an EPA court order to rebuild the Baltimore sewer system. I am for that. My great-grandfather, who came to this country