

sawdust. They would use the sawdust as filler back in the old days.

Well, during unregulated times, just like packing sawdust into sausages, what these folks did is, they took good loans and bad loans, packaged them up. They sliced them up, then they securitized them, and sent them out, sold them, and everybody was happy and everybody was fat and everybody was making a lot of money, until it all came home to roost. A whole lot of folks could not make housing payments.

So what we found with the subprime loan scandal is 2.2 million families with subprime loans will lose their homes to foreclosure; 7.2 million with subprime mortgages have an outstanding mortgage value of \$1.3 trillion. And when those interest rates reset, a whole lot of them will not be able to pay the bills to keep their homes.

All of this happened under the nose of regulators who came to Government not wanting to regulate. And it caused severe damage to our country. Now, add to that a reckless fiscal policy, a trade deficit in which we are hemorrhaging in red ink and shipping jobs overseas and a scandal in the home mortgage industry that caused enormous damage to our country, made a lot of folks rich in the short term, and victimized a lot of others. Add to that the unbelievable speculation that is going on in hedge funds, most all of it outside of the view of regulators.

Hedge funds are about \$1.2 to \$1.5 trillion in value; but that does not describe their importance to the economy. They are heavily leveraged. That \$1.2 to \$1.5 trillion of hedge funds is engaged in one-half of all of the trades every day on the New York Stock Exchange. They are engaged in, among other things, credit default swaps.

There is something called credit default swaps, derivatives, with notional values of \$43 trillion. There is so much unbelievable speculation with dramatic amounts of leverage in hedge funds and derivatives that it is scary. Nobody knows what is going on because it is outside the view of regulators. That is the way they want to keep it.

We will talk about stimulus; we will talk about short-term measures. But if we do not deal with this issue of a fiscal policy that is way off track, a trade policy that is an abject failure, regulators who have no interest in regulating, scandals will develop and mature right under their noses, this country is not going to recover. Our economy is not going to thrive and grow. It is fine to do a stimulus package of 1 percent of GDP, I do not object to that. We will borrow the money from China, likely, to do it; perhaps put some money in the hands of people who will go to Wal-Mart and buy goods from China, for all I know.

But, psychologically, I think it is fine to create a fiscal policy initiative that compliments what they are doing at the Fed with monetary policy. But

that will not solve the underlying problems in our economy. We have deep abiding problems in fiscal policy, trade policy, and regulatory failures.

This Congress and this President have a responsibility to address them. Talking about stimulus, and just talking about stimulus, means we have not addressed that which moves this ship of state forward in the future, creating expansion opportunities and jobs and economic health. The only way we do that is to stare truth in the eye and understand what is causing the problems in the country and how to fix it.

There is an old saying on Wall Street I was told by a friend: You cannot tell who is swimming naked until the tide goes out. Well, the tide has gone out, and now we are going to see some sights that are not very pretty. It has to do with speculation and a whole series of things that we have to correct. And my hope is, starting this evening at the State of the Union Address and following that, at last long last, we might see a President and a Congress work together to face the truth about fiscal policy, trade policy, and inept regulation that has put this country in significant difficulty and trouble.

We need not have a future that manifests that trouble forever. If we take bold action and courageous action to understand what is wrong and what the menu of items are that we need to go to fix it, I think we can have a much better and brighter economic future in this country. I want to be a part of that work, and I know many of my colleagues do as well. So let's hope the first step to do that begins this evening at the joint session of the Congress at the State of the Union Address.

#### EXECUTIVE SESSION

##### NOMINATION DISCHARGED

Mr. DORGAN. Mr. President, I ask unanimous consent that the Senate proceed to executive session, that the Agriculture Committee be discharged of PN 1112, the nomination of Ed Schafer, to be Secretary of Agriculture; that the Senate proceed to the nomination, that the nomination be confirmed, and the motion to reconsider be laid upon the table; that any statements relating to the nomination be printed in the RECORD, the President be immediately notified of the Senate's action, and the Senate return to legislative session.

My understanding is this was cleared on both sides. I am particularly proud to make this request. Former Governor Schafer is a distinguished former Governor from our State. It is a great honor for our State to have him nominated.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. BOND. Reserving the right to object, and I will not object, I wish to join with the Senator from North Dakota, who is doing a fine thing. We ap-

preciate the support on both sides of the aisle. We obviously need a good and strong Secretary of Agriculture, and we are pleased to see this body move forward. I do not object. I thank the sponsors.

Mr. DORGAN. Mr. President, might I also say as we ask for the consent that my colleague, Senator CONRAD, worked very hard to accomplish this in the Agriculture Committee. He joins me as well.

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

The nomination considered and confirmed is as follows:

##### DEPARTMENT OF AGRICULTURE

Ed Schafer, of North Dakota, to be Secretary of Agriculture.

#### LEGISLATIVE SESSION

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now return to legislative session.

#### CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Morning business is closed.

#### FISA AMENDMENTS ACT OF 2007

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of S. 2248, which the clerk will report by title.

The bill clerk read as follows:

A bill (S. 2448) to amend the Foreign Intelligence Surveillance Act of 1978, to modernize and streamline the provisions of that Act, and for other purposes.

Pending:

Rockefeller/Bond amendment No. 3911, in the nature of a substitute.

Feingold/Dodd amendment No. 3909 (to amendment No. 3911), to require that certain records be submitted to Congress.

Bond amendment No. 3916 (to amendment No. 3909), of a perfecting nature.

Reid amendment No. 3918 (to the language proposed to be stricken by Rockefeller/Bond amendment No. 3911), relative to the extension of the Protect America Act of 2007.

The ACTING PRESIDENT pro tempore. Under the previous order, the time until 4:40 shall be equally divided and controlled between the two leaders or their designees with the final 20 minutes equally divided between the two leaders, with the majority leader controlling the final 10 minutes.

Mr. HATCH. Mr. President, I ask unanimous consent that I have at least 10 minutes to give my remarks on FISA.

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

Mr. HATCH. Mr. President, I have been to this floor on numerous occasions to aggressively support the immunity provisions of the FISA modernization bill. I cannot understate my