from placing bets against the securities it created. The amendment would have also imposed new limitations on proprietary trading, limitations which are also critical to repairing financial markets and which are contained in more limited form in the Dodd bill.

The Senate Parliamentarian ruled that the Merkley-Levin proprietary trading and conflicts of interest provisions were germane to the Dodd bill. That is because the Merkley-Levin conflicts provision targets the same problem as the Dodd proprietary trading section—stopping financial firms from putting their own interests ahead of their clients. Our proprietary trading provision and our ban on conflicts of interest are essential to restoring client confidence in U.S. markets. They are within the scope of the conference and ought to be included in the conference report.

The financial landscape today is littered with the damage done by financial firms which pursued short-term profit at the expense of their clients, U.S. taxpayers, and the economy as a whole. Those financial firms cannot be allowed to continue to sell securities to clients and then bet against them. It is essential to remove these schemes that have undermined U.S. financial markets. I urge my colleagues in both Chambers, as they discuss final Wall Street reform legislation, to keep in mind how damaging these schemes have been, to strengthen the Dodd proprietary trading provisions, and to include a ban on conflicts of interest.

I thank the Presiding Officer.

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.

Mr. SESSIONS. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

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

DISCRETIONARY SPENDING CAPS

Mr. SESSIONS. Mr. President, when our colleagues arrive, I will be pleased to yield the floor to them, but I will be offering, after 3 o'clock, along with Senator CLAIRE MCCASKILL, my Democratic colleague from Missouri, an amendment we voted on before in the Senate. It is an amendment that would establish 3-year discretionary spending caps, limits on how much we can spend, how much debt we can run up. To violate those limits, it would take a two-thirds vote of the Senate and the House to pass. So this is a spending limitation amendment that will have some teeth to it.

It will allow us to have in effect a budget because it looks like, even in light of the incredibly disastrous financial crisis we are in, we will not pass a budget this year. We need to do that. But the House has not even moved one. One has been moved out of committee on a straight party-line vote, but there are indications we may not move it in the Senate, and if the House does not move, we will not have a budget.

What our amendment would do is help fill that gap. That is another reason for it. It would set spending limits for 3 years. The limits we would set are the limits President Obama submitted as spending limits last time. I recall, of my colleagues, 59 Senators voted for it, 1 short of moving through the Senate, a few weeks ago. I will talk about that at 3.

I see my colleague is here, Senator JOHANNS. I will be pleased to yield the floor. We will talk about this amendment later.

The ACTING PRESIDENT pro tempore. The Senator from Nebraska is recognized.

THE HEALTH CARE PLAN

Mr. JOHANNS. Mr. President, I rise to speak a little bit about the health care plan that was passed now a few months ago. Of course, there was a lot of buildup to that plan. One of the things that was said over and over again by President Obama was: ''If you like your health care plan, you can keep your health care plan.''

The White House, of course, has very vigorously defended that promise. In fact, the White House responded to an op-ed that was entitled ''No, you can't keep your health care plan.'' That is what that op-ed was titled. The White House responded last week on the White House blog and they said this:

> The 150 million Americans with employer-sponsored health insurance—who make up the vast majority of those with health insurance today—will not see major changes to their coverage.

The White House's Stephanie Cutter went on to say:

> At the end of the day, employer-sponsored insurance will be improved but will look much the same as it does now.

The administration is continuing to try to convince the American people that, in fact, that is going to be the case. However, no matter how many times they say it, study after study tells us the opposite. Less than 2 months ago, after the bill became law, clear evidence is now emerging that the promises are impossible to keep. Recently, certain companies were required by securities law to report the impact of the new health care law on those companies. The company reports so concerned supporters of the health care law that they said we are going to bring these companies in. We are going to do an investigation. We will have a hearing on this. However, when they reviewed these companies' internal documents, the supporters of the health care law, those demanding the hearing, immediately backed off. You see, they saw in black and white why so many Americans are going to lose the health care coverage they like under this legislation.

Companies with longstanding employer-sponsored health plans were legitimately, lawfully, legally contemplating just paying the fine instead of continuing the more expensive employee insurance programs. Yes, all of a sudden the hearing was canceled. There was no interest in the hearing. One can speculate it was canceled because the findings would have exposed a very serious policy flaw of the health care law.

Headlines are hard to defend when they shout: ''Companies contemplate dropping employer-sponsored health insurance plans.''

This is very worrisome, but it is not unexpected. Last July I spoke about this on the Senate floor, right at this spot. I and many others warned that the proposed penalties for businesses would create a very perverse incentive. I said this:

> When you do all the math, this is no penalty at all compared to the cost of private insurance. It would encourage employers to dump their employees from their health insurance.

That is what I said a year ago. But supporters of health care reform denied it. They provided assurance to the American workers that they, in fact, would be able to keep their health insurance plan. Now, 10 months later, what is happening? Companies are, in fact, contemplating dropping their plans. Why? Because that perverse incentive is there.

To do so would significantly lower their costs and increase the costs for taxpayers and Medicare beneficiaries. Let's look at AT&T, for example. You see, for them, paying the Government fine instead of providing employee insurance would cut their annual health care expenses from $2.4 billion annual expenses to $600 million. That is a 75-percent savings.

Other companies, though, have sent similar signals. An official with John Deere has indicated they should look into, ''just paying the fine.'' Caterpillar said this: They are giving this ''serious consideration.''

Another survey showed that these are not isolated cases. A Washington State University survey, published in the Puget Sound Business Journal, concluded this:

> [A]bout a third of Seattle area executives said it may be cheaper for their businesses to stop offering health care benefits and pay fines.

If a major employer discontinues health insurance for its employees, brace yourself, because its competitors will do the same. The savings are just too dramatic, and that is not the only problem out there. The Congressional Budget Office cost estimate assumed that companies would be covering more employees in 10 years, not less. This optimistic view may have led to a very optimistic cost projection. If employees lose their employer-sponsored insurance plans, then they are going to be forced to get their health insurance elsewhere, likely through the health