

into opposition. So the Appropriations Committee, on which I serve, had to sit down and try to craft nine separate spending bills and put them together into one. It was a long and involved and difficult process with the Financial Services Subcommittee which I chair.

Included in that committee jurisdiction are the Securities and Exchange Commission and the Commodity Futures Trading Commission. These are the two government agencies responsible for watching Wall Street and the major financial institutions markets across America. We are doing our best to not only restore America's confidence in some of these institutions that have been shaken by the recession but also to make certain it never happens again. There is resistance, primarily from the banking community and some financial institutions that don't want regulation even after the embarrassing failures of the last recession and the need for a Federal Government bailout.

We need to make certain that at the Securities and Exchange Commission and the Commodity Futures Trading Commission there are adequate funds for them to do the job. I will tell my colleagues honestly that the underfunding of the Commodity Futures Trading Commission is a serious mistake—serious. MFA Global has been the subject of repeated hearings on Capitol Hill as to what went wrong that led to the eighth largest bankruptcy in the history of the United States. Innocent people across America and the world have lost money. Some of them have lost their savings because of wrongdoing by someone—we still don't know who. But the agency responsible for monitoring this activity, the Commodity Futures Trading Commission, is facing a modest—almost immodest—increase in appropriations this year when they desperately need more.

This is an agency which had a budget of about \$200 million in the last year. The administration had asked for \$300 million for this year. We will be lucky to come up with anything in the range of \$215 million. That is a 7- or 8-percent increase in an agency which desperately needs more not just for personnel—and they need the best professionals—but also for computer technology to keep up with the volume of trades taking place and to monitor activity so as to avoid embarrassment and exploitation.

This notion by many on the other side of the aisle that we can starve these agencies and somehow end up with a stronger economy is completely upside down. The strength of the American economy, whether we are talking about Wall Street or the Chicago Mercantile Exchange or the Chicago Board of Options Exchange, is in the fact that we are guided by the rule of law. We encourage and put into law standards of transparency, and we have oversight that is adequate to the job. This year's appropriations bill falls short of that mark.

I am also troubled by other provisions in this bill again this year considered by my subcommittee. Too many Members of Congress, especially in the House of Representatives, clearly have missed their real calling in life. What they wanted to be was not a Member of Congress but a mayor. So in their frustration they decided they will be a Congressman from their district back home and a surrogate mayor for the District of Columbia.

Over 800,000 American citizens and taxpayers live in this great city. They have nominally had home rule for decades. Yet time and again, year after year, they are subjected to those would-be mayors from all around America who impose standards on this city that they would never suggest in their own hometowns. It becomes a social experiment, primarily for the rightwing.

One of the programs each year that becomes a source of controversy is the needle exchange program. This program of exchanging needles and syringes is the bridge to those who are addicted to bring them out of their addiction into a healthy situation. Why would we do this in the District of Columbia? Because the incidence of HIV/AIDS infection in this city is the highest in the United States of America. That is the reality of life on the streets of Washington—a reality which those who have opposed this program refuse to acknowledge.

The medical professionals step forward and say: Do this. We can help make this a cleaner, healthier, safer city if you do it. Time and time again, some folks stand in the House and say: Oh, we are just going to get rid of this and show that we are opposed to intravenous drug use.

Well, I am opposed to it too, but I know that in addition to strong laws we need thoughtful, commonsense solutions such as the needle exchange program that is supported by medical organizations. The fact that this is not taking place in the way it should is an embarrassment, and I am sorry this will be included in one part of this appropriations bill.

Before we leave, we need to do two things in addition to funding our government. We need to make certain the payroll tax cut which benefits 160 million Americans continues after December 31. This is a lifeline to many struggling families, and it is a way to insert into our economy the spending power of 160 million families buying goods and services that plays out into even more economic activity—more jobs and profitability. That is a must. The President insists on it. He has crossed America making that case. We cannot leave town without doing it. We are working on the final details today, and we should close that as quickly as possible to make certain there is no gap in this coverage of this payroll tax cut.

Secondly, the maintaining of unemployment insurance benefits is absolutely essential for millions of Americans who are out of work.

The amount of money they receive in UI benefits will allow them to keep their families together not just during this holiday season but for the months to come, so that while they are searching for a job they are able to make basic payments so they do not lose their homes—at least have a roof over their heads—and provide for the basic necessities of life for their struggling families.

I cannot believe this has become a political football. I can still recall a time—not that long ago—when Republican and Democratic Presidents would renew unemployment benefits without question, without demand that it be paid for, because they knew it was essential. It was as caring and needy as disaster aid is, and now it has become a political football.

We need to extend these unemployment benefits before we leave town. We have to get that done. The President has insisted on it, and he is right. We know now, with our high unemployment rate coming down slowly, that we still need to provide this assistance to families. Were we to cut off these unemployment benefits, in my home State of Illinois, 148,000 people would lose their benefits—148,000 people. What a happy holiday they would have, knowing that on January 1, the benefits would no longer continue.

Let's get this job done. Let's go home at least with the clear mind that we have met our obligation to this economy and to the unemployed people across America, that we have funded our government, and that we will return next year and, I hope, find a more congenial and bipartisan environment to work in.

I yield the floor.

The PRESIDING OFFICER (Mr. TESTER). The Senator from Virginia.

Mr. WARNER. Mr. President, first of all, I thank the Presiding Officer for taking a few moments so I can make my statement. I also thank my friend, the Senator from Illinois, for his comments.

TRIBUTE TO FEDERAL WORKERS

JOHN MERLINO

Mr. WARNER. Mr. President, I was heartened to hear the comments the majority leader made, that we are close to an agreement to make sure we do not put the American people or the great Federal workers through another one of these eleventh-hour fire drills, where we get to the brink of the precipice of shutting down our Federal Government.

It is in that spirit that I rise because, as many know, over the last year and a half or so I have come regularly to the floor of the Senate to continue a tradition that was started by Senator Kaufman from Delaware, where we recognize the contributions of great Federal employees.

Today, I am pleased to honor another exceptional—exceptional—Federal worker, Mr. John Merlino.

Mr. Merlino is the Senate assistant legislative clerk, working on the legislative team of the Office of the Secretary of the Senate.

Mr. Merlino began his Senate career in 1994 as a Senate doorkeeper. He then joined the Secretary's legislative staff and has performed many of its functions, including the constitutional task—the constitutional task—of maintaining the Senate Journal.

Another of Mr. Merlino's main responsibilities is to call the roll during votes and quorum calls. More important, he is also one of those special workers on the dais who have been known at times to actually keep new Members, as they preside over the Senate, awake during long stretches in the chair.

He is always ready with a good sports quip and is known as a person who goes above and beyond the call of duty. As a matter of fact, I know it was his birthday yesterday and I have been planning this speech for some time and I wanted to make sure it coincided with that important date for him.

The Secretary of the Senate, Nancy Erickson, noted that in addition to his hard work and attention to detail—this is a quote—“It is his great sense of humor that helps many of us keep smiling, especially during the Senate's late [night] legislative sessions.”

A small cog in the greater legislative process, Mr. Merlino is a member of an often unrecognized but dedicated team that keeps the Senate running smoothly and one that is charged with ensuring continuity of operations no matter what the situation.

In fact, Mr. Merlino recently entered the history books. During a pro forma session held at the Postal Square Building immediately following the earthquake in August, Mr. Merlino, unknowingly, became one of only two people, along with Senator COONS, to have spoken during the only official session of the Senate convened outside the Capitol Building since 1814. The last time the Senate met outside the Capitol Building for such a session was when the British troops burned the Capitol during the War of 1812. So again, Mr. Merlino took his role in the history books of this great institution.

I hope my colleagues—and I know the Presiding Officer, again, by expelling me from the chair this morning to allow me to make this statement—will join me in honoring Mr. Merlino, a fellow Virginian, for the excellent work he and the legislative team do each and every day and for their commitment to public service.

It is in that sense of Mr. Merlino's commitment to public service that I know the Presiding Officer joins me in this and that we get our work done today, so we can give this team—and the literally couple other million Federal workers across the country—the sense that we are not going to shut down the government, that they are going to be able to go into the holiday season with the recognition that the

government will continue operating, but, more important, that so many of us recognize the great work they do to keep this country moving forward.

With that, Mr. President, I yield the floor and again thank my good friend, Mr. Merlino, for his good work.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk (Mr. Merlino) proceeded to call the roll.

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

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

The ACTING PRESIDENT pro tempore. The majority leader.

Mr. REID. Could I ask my friend to yield for a colloquy between the Republican leader and myself?

Mr. GRASSLEY. I will yield and ask unanimous consent that I reclaim the floor when the leader is done.

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

The majority leader.

GOOD PROGRESS

Mr. REID. Mr. President, Senator MCCONNELL and I have just finished a meeting. We are making good progress on being able to handle the issues that everyone knows are outstanding. We are not there yet, but we are very close.

There will be votes tomorrow. There could be votes this afternoon also. I would also say, because this is a question that people will ask, the House is going to pass their bill around 3 o'clock—that is the omnibus, around 3 o'clock. Time is not always exact. There is a ruling from this White House and its predecessors that if one House passes a spending bill, as we are doing here, and there is a presumption that it will pass in the other body, the time is extended for 24 hours. So everyone does not have the worry about the government closing tonight.

The ACTING PRESIDENT pro tempore. The Republican leader.

Mr. MCCONNELL. Mr. President, let me echo the remarks of the majority leader. As he has indicated, the administration takes a view that if the final appropriations bills pass one House this afternoon—we could have that vote today or it could be tomorrow—but the administration, I am told by the majority leader, takes the view that it has passed one House, there would not be a government shutdown. So I think everybody should be reassured that that is not going to happen. The conference report has been signed and we are moving toward completing the basic work of government through next September 30 very shortly.

On the second issue, the majority leader and I are making significant progress in reaching an agreement on a package that will have bipartisan sup-

port, I hope. I think we are going to get to that place. And I share his view that good progress is being made.

The ACTING PRESIDENT pro tempore. The Senator from Iowa.

CHAPTER 12 BANKRUPTCIES

Mr. GRASSLEY. Mr. President, I wish to take a few minutes to discuss a case that was argued a few weeks ago before the Supreme Court, *Hall v. the United States*. This case involves a specific provision that I authored which is contained in the 2005 bankruptcy reform law. Throughout the litigation in this case, my statements supporting the provision—in other words, the statements that were said here on the floor of the Senate and in committee report were discussed in these cases at length.

I want to take a few minutes and walk through the history and intent of this provision so people hear it straight from this author's mouth, meaning from this Senator.

At its core, the case *Hall v. the United States* is about statutory interpretation. The statute at issue is 11 U.S.C. (a)(2)(A), which was a farm bankruptcy provision added to the Bankruptcy Code in 2005.

Before I get into the discussion about the case, I wish to explain what this particular provision does and why it needed to be added to the Bankruptcy Code. Congress enacted Chapter 12 of the Bankruptcy Code in 1986, which was subsequently made permanent in 2005. Chapter 12 allows family farmers to use a bankruptcy process to reorganize their finances and operations. It is a proven success as a leverage tool for farmers and their lenders. It helps a farmer and the banker sit down and work out alternatives for debt repayment. Not long after it became law in 1986, we began to hear about what worked and what did not work for farmers who were reorganizing in bankruptcy.

One problem we learned arose when a debtor farmer needed to sell assets in order to generate cash for reorganization. A farmer may need to sell portions of the farm to raise cash to fund a plan and pay off his creditors. However, in this situation, we are usually dealing with land that has been in the family's hands for a long time. This means the cost basis is probably very low. So once a farmer filed bankruptcy and then tried to sell a portion or all of the land, he would be hit with a substantial capital gains tax. This creates problems, because as originally drafted, Chapter 12 required full payment of all priority claims under Section 507 of the Bankruptcy Code. The only way to avoid this requirement was if the holder of the claim agreed that its claim could be treated differently.

Thus, when a farmer sold his land which resulted in large capital gains, the IRS would have a priority claim against the bankruptcy estate. I wish to take a moment to explain the concept of bankrupt estates, which may be