to say a few words. Here I got up and said it all over again. What I didn't do, I say to the Senator from Tennessee, I didn't use the metaphor about a superhighway.

Mr. KYL. I will use that.

Mr. DOMENICI. I dreamt it up with my staff, and it is pretty darn good. That is one where what you are going to say, if the American people are telling their Congressmen that this is a bailout, if they listen to you, they will find out there is no bailout. They will find out there are some broken down cars in the middle of the road, and they have to be moved.

In any event, let me say one other thing about your mentioning my activities and just say to you, a number of things I have done lately I could not have done without your help and your leadership. I want to tell you one of them because it is a good one—I will be gone, and you need to stand up for it; if you have to filibuster, you have to—that is opening all of the offshore of America for drilling for natural gas and crude oil.

If the new President or the majority tries to reinstate those moratoria, I am saying thanks for helping me who started that thing. I got it started with a little bill because my staff and I said: What is the biggest thing we need. And we needed that so we put it in. Then, thanks to this leader, we made the bill grow. Then it grew, and then the people bought it. That is how it happened. The people said: Drill, drill, drill.

Don't let it go away when I am gone. I am just asking you. You are a good filibusterer, so do it. The first time they want to close up some of that, and the first one will be California, you tell them to get an estimate of how many billions California will get if they start that. Then you ask that Governor: How would you like to have a gift for your people over the next 10 years, 15 years of, say, for California, maybe $12 billion. They may fall over out of a chair if you told them that, and that might be the case. I don't know the number. I am just telling you it is big.

With that, I say thanks. It is nice being here again with you.

RESERVATION OF LEADER TIME

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

FEDERAL RAILROAD SAFETY IMPROVEMENT ACT OF 2007

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of the House message to accompany H.R. 2095, which the clerk will report.

The assistant legislative clerk read as follows:

Message from the House of Representatives to accompany H.R. 2095, entitled an Act to amend title 49, United States Code, to prevent railroad fatalities, injuries, and hazardous materials releases, to authorize the Federal Railroad Safety Administration, and for other purposes.

Pending:

Reid amendment No. 5677 (to the motion to concur in the amendment of the House of Representatives to the amendment of the Senate to the bill), to establish the enactment date.

Reid amendment No. 5678 (to amendment No. 5677), of a perfecting nature.

The ACTING PRESIDENT pro tempore. The Senator from Arizona.

NOT A BAILOUT

Mr. KYL. Mr. President, I would like to continue the conversation Senator DOMENICI and I were engaged in. I assure him that Senator ALEXANDER and I came to the floor this morning to try to do exactly what he suggested; that is, to tell the stories of real Americans who are confronting the challenges of the market that need to be fixed. Senator ALEXANDER and I will do that for a few minutes to demonstrate that this is not a problem that requires a bailout of Wall Street. It is unfortunate that the media has spoken in those terms. We understand the media likes to use shorthand to describe problems, but it can do great damage. It is wrong to call this a bailout of Wall Street.

About 3 weeks ago, the Federal Reserve Board and the Department of Treasury did bail out some businesses and Fannie Mae and Freddie Mac. Those were bailouts. They acquired assets, took them over, and they restricted the compensation of the people running the companies and did all the rest.

This is something different. It addresses the problem that Senator DOMENICI has described akin to a big automobile accident in the middle of the freeway.

One of those great freeways in the State of the Acting President pro tempore can flow very nicely until there is an accident. Then when there is an accident, particularly involving four or five cars, it stops traffic for a long time, and unless somebody comes and unclogs it, it is stopped dead. That is the analogy he has used to describe the problem in our economy today.

I am going to indulge my colleagues for just a moment and go back in time. When my grandmother, who was an immigrant from Holland, was running their household with my grandfather, they never bought anything on credit. Everything was cash. They paid for their modest house when they had the cash to buy it and lived in it the entire time in a small community in Nebraska until they passed away. When they would buy a car, they would not buy it until they had the cash. That was the way a lot of people who lived through the Great Depression had to work because there was no credit during the Great Depression.

It is not a bad lesson for all of us to try to have a little more cash on hand when we enter into big financial transactions because America has gotten into a bit of a bad habit. It is the habit of leveraging everything, buying everything on credit and, in effect, creating a situation where you have so many loans, so many credit card debts. You bought your home on credit absolutely to the hilt. You have mortgaged it. Your car is on credit. And, by the way, the day after you drive your new car off the lot, it is worth less than the car loan you have to repay. That is now the situation with a lot of homes because home values have declined to the point that some of the mortgages exceed the real value of the homes.

So we found that in our society generally we have far too much debt. It is true, as Senator DOMENICI said, our country runs on debt. So what happens if all of a sudden the credit that is required to fuel this system dries up—nobody can get a loan anymore, there is not any credit available. Well, it is like the freeway accident that he describes. You have five or six cars in the middle of the freeway, and every car behind them is backed up and is going nowhere.

Now, in one car you have a doctor who has to get to the hospital or a nurse or a teacher who needs to get to the school to teach kids or a mom who needs to pick up her kids from school and they are waiting and she cannot get to them. You can just imagine all the other reasons people are in their car trying to get someplace. It is serious business. They need to get going, and they cannot. If they cannot, people are hurt.

Likewise, if you view those cars as the loans in our system, they were a nice shiny car until they got into the accident, and now they are not worth as much. They have been wrecked. Somebody has to come and haul those cars away and get rid of them.

Well, what if there was not anybody to haul them away? What if nobody could be paid to come to haul them away? Then nobody is going to come and clear the freeway. That is the analogy to our financial system today. People say: Well, we would love to come and haul them away, but we don't know—if we bought those cars, if we took them—that we could resell them for anything. They look kind of damaged to us. Nobody wants to buy this used car, so it is somebody else's problem.

None of us like Government involvement in our free market. We want to keep it to as low a level as possible. But in times of crisis, sometimes it is up to the Government to step in and lead the way so the private market can get unclogged and begin to work again. Just as with the freeway, we do call the public ambulance and the public highway patrol, and so on. This is a case where the public, represented by the Members of Congress and by the administration, need to come up with something to get that freeway cleared.

Secretary Paulson and President Bush and the administration, as well as the Chairman of the Federal Reserve Board, Ben Bernanke, came to us a week ago and said: We have a huge wreck in the freeway. It is not going to be cleared up by the private sector. The Government has to get involved and clear it or credit in this country will absolutely come to a halt and, as we said, since the country runs to a large extent on credit, everybody will gradually come to a grinding halt in their personal lives and in their businesses in terms of being able to function fiscally.

So the plan was to clear the freeway by having the Government come in and buy those cars that are clogging the freeway, buy the assets that do not have full value. We do not know what they are worth, so nobody in the private sector wants to buy them. But the Government could buy them with up to $700 billion in cash, in money to buy them, and we will try to buy them at a price the owner of that car or the owner of this mortgaged-backed security—maybe it is not as much as he would have liked to have gotten for it, but he is willing to take it in order to get some cash out of it and have cash to continue to operate—but at a value that is not so high that when the Government decides to then fix up that car that was in the accident or take this mortgage-backed security—these loans we are talking about—to take them back to the market and sell them, that the Government will not have paid such a high price that it is not getting the money back for the taxpayers.

So that is what Secretary Paulson proposed. We will buy those assets at a reduced price, and then we will sell them, hopefully getting our money back, so the American taxpayer will have all the return on that $700 billion. They talk about a $700 billion bailout as if that money is all gone. Well, the idea, if it works, is to get all that money back.

One of the good things about the legislation that was drafted is that it all goes to reduce the Federal debt. That is great for the taxpayers.

So the legislation was drafted. Everybody realizes now that the House of Representatives failed to pass it yesterday. One of the things Senator ALEXANDER and Senator MCCONNELL and I and Senator GREGG from New Hampshire, who was so involved in the drafting of this plan, spoke to yesterday was the fact that this cannot fail. We have to put Humpty Dumpty back together again and get it passed in the House and the Senate. There seems to be a great deal of goodwill on both sides of the aisle and in both the House and the Senate to get this done and get it done before the end of the week.

People are talking about the specific ways in which that might be done. They do not do any damage to the basic idea the Congress and Secretary Paulson worked on and, in fact, I think improve it a little bit.

But now, what Senator ALEXANDER and I want to do is talk about a few examples of why this is not about some bank on Wall Street. This is about folks back home. Let me give three examples of correspondence I have gotten in the last few days from people who wrote about their real-life problems. And we could repeat this story over and over with phone calls we have gotten. I have talked to so many people in Arizona who said: You have to do something about this because it is affecting me, it is affecting my family, and we are not going to be able to operate our business, or we are not going to be able to send our child to school or whatever the situation might have been. But let me recount three specific situations.

I am going to quote from the correspondence I received. One is from a small businessperson in Arizona, and I am not going to put the names in, but you will get the gist. He said, Senator:

> I wanted to write to you to provide a real life example of the impact this issue has caused to my business and personal life. We need to be assured you are remembering and representing the foundation of America, the small business owner.
>
> We opened our first store in March 2006 and now have 8 stores operating, four in AZ two in TX and two in FL. Two of these stores are corporate stores and 6 are franchise locations. Collectively the operations generate over $3.5M in annual sales and employs 40 people.

It is a typical small business in America. He goes on:

> I hear politicians talking about what could happen if the bailout is not finalized, I want to tell you it has already had significant, negative impact to our business and only getting worst.
>
> Let me provide you with a real life example of the issue I am discussing.
>
> As with many small businesses we used equity in our home to provide lines of business credit. We conservatively used the credit to address cash flow issues or make investments in goods or capital to expand the business.
>
> We were notified about two weeks ago that our credit line has been closed due to the drop in house prices. This has created some manageable challenges but the after effects were more severe.
>
> With the credit line capped to our current balance, our debt to available credit percentages went from 30% to 100%. This in turn reduced our credit score from 750 to 680. This has put us under the 720 requirements for prime loans and has disqualified us from certain loans options as a business and on a personal level.
>
> We have not missed a payment, our business has not changed, but due to this action we have had a significant drop in our credit score. In fact the business is very healthily as we have realized a 40% increase over last year.
>
> We want to expand, hire more employees and create jobs. Without the flow of capital the people that can actually help the economy recover are being left out while the banks use our money to shore up their business. We are told just wait in line, when we are solid we will see if we can help you.

Just to interject, that is the message a lot of banks are sending to people, and I do not blame them because they need to hold their cash because of the requirements the law requires. So he concludes:

> As individual businesses we are nothing in the grand scheme—

By the way, I would choose to disagree. These are the backbone of what makes our country work. But he goes on:

> but, as a group, we are the most rapid and viable solution to job creation and economic recovery. We want to expand, we want to create jobs and do our part. Help us help you.

Well, that is an eloquent statement from an Arizona businessman who appreciates how this crisis can affect everybody else and tells us how it is affecting him.

Let me cite one other businessperson in Arizona. I am quoting again:

> My wife and I live in Arizona, and I want to let you know I support the emergency bailout now in review. I would like to bring one thing to your attention though. Something I have not heard mentioned at all in the media, and I believe is being played out across the Nation.
>
> My wife owns a small business in Tucson. Her business is actually up 5 percent from last year. She was unable to get a loan for opening the store 3 years ago and thus we put a Home Equity Line of Credit on our house, and she opened several credit cards who claimed they specialized in small businesses.
>
> She has not been late with payments, has not been over limit on the cards, nothing. A decent model of paying your bills on time in line with the card's terms. Yet both the cards have raised her interest rate to 36 percent merely because she is a small business. This in effect doubles her minimum payment, and pushes her business from being able to maintain economic health, to stressed. With the additional stress from the unjustly raised interest rates, she has had to let employees go from the store, adding to the unemployment problem in Arizona today.

Now, the third and last example I want to cite is the State of Arizona itself and its municipal and other political subdivisions because governments are hurt by this just as the private sector. The Arizona State treasurer invests the State's and most of the individual localities of the State's day-to-day operating funds in commercial paper. A lot of these are called overnight funds. They get cash in during the day, and they have to have a place to put it overnight before they then use it the next day to disburse it or do whatever they need. They can make a fraction of a percent by putting it in Government commercial paper. Sometimes they put it with a brokerage house or an investment bank, and in Arizona's case some of this fund was put with Lehman Brothers, the entity that collapsed a couple weeks ago.

The State, as a result, is going to need to sell as much as $250 million in funds at a loss. This directly affects taxpayers. Here is one of the excerpts from what the State treasurer said:

> However, with the current headline risk and market uncertainty, they [local governments] will likely flock to insured accounts if they are available. Without the same insurance, state backed investment pools may face a multi-billion dollar run on the bank. Both State and local governments will realize losses.
>
> A run on the bank would force assets and holdings to be sold at below par in order to meet redemptions as local governments transfer their investments from state-operated pools . . .

The result is taxpayers at all levels would then be liable for losses on investments that are subject to force selling due to redemptions by investors transferring their funds, and losses on yields gained on their local investment dollars since private sector funds generally charge more for managing those investments than state-operated pools on top of the losses incurred at the federal level in the guarantee program.

But in regular English, it means they are going to have to sell at a loss. The State will take a loss, these local governments will take a loss, and that will replicate itself throughout both the public sector and the private sector the more this goes on.

These are just three examples of why it is important to do something now. It is up to leaders, people such as Senator DOMENICI, who was speaking earlier, to explain that it is not a bailout; that the legislation that has been put together has numerous taxpayer protections in it; that we would hope to be able to get the taxpayer investment back; that in those situations where there is direct involvement by the Federal Government in the business, they will totally control executive compensation and everything else relating to the executives; that even when they buy assets, if there are significant assets, those corporate executives' salaries will be subject to taxation rules, which will, in effect, remove both their ability and their corporation's ability to deduct these salaries from taxes.

The bottom line is, all of the things our constituents have been asking us to do, through painstaking, bipartisan negotiations, have been put into this legislation. What I hope is that whatever modest change, if any, is needed to cause the support for this legislation to be manifested in a positive vote in the House and in the Senate will occur quickly; that we can reassure both the markets, which, as everyone knows, lost over $1 trillion yesterday, and our constituents so that before the end of this week we can pass the legislation through both Houses of Congress and get it to the President.

I don't blame anyone in the House of Representatives who voted the other way. The time for blame is gone. We need to fix the problem, not the blame, as the Senator from Tennessee has said. For those who believe there are one or two changes that would cause them to support the legislation, I welcome that, if that is what it takes to get this done.

When we talk about over $1 trillion lost in the market yesterday, that is really not the right way to put it. Our constituents—the person who is retired and has money in the stock market, you and me, all of us; over 50 percent of Americans own stock—all of us lost a lot of money yesterday. It is on paper, but, after all, that is where the value is. Thousands and thousands of dollars. Everyone in the gallery who has an investment lost money. All of us here. All of our staff who are participants in the Federal retirement program lost money. This is real money for people in America. We can stop it if we provide the assurance that we are going to address the problem in a sensible way to restore the confidence in the market and the confidence of the American people. If we do not do this, then the warnings of these people from Arizona whom I quoted will surely come to pass. Small businesses will fail, families will be hurt, and America will be on a downturn that could be very difficult to stop at that point.

So I wish to thank my colleagues who have worked on this problem in a bipartisan way. They have spent a lot of time and effort. The time to point blame fingers is over. We have proven we can get together and work together as House and Senate Democrats and Republicans and work with an administration that is desperately trying to work on the problem as well. We can get this done before the end of the week. I urge my colleagues to continue their efforts so that we can do our job in representing the people of America who, after all, are counting on us to do what they cannot do but what we are in a position to do.

I will close with a comment I am fond of quoting from Theodore Roosevelt, who, as everyone knows, liked to get in and solve problems. I can't think of a more apropos time to cite this quotation where he said that he appreciated the opportunity to work on work worth doing. Well, if this isn't work worth doing, I don't know what is. It is worth it for America, it is worth it for our constituents, and it is worth it for our children and grandchildren for the future. I appreciate the opportunity to be here working on that work, and I compliment all of my colleagues who have done the same.

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

Mr. ALEXANDER. Mr. President, I ask unanimous consent to speak as in morning business.

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

Mr. ALEXANDER. I wish to congratulate the Senator from Arizona on his usual clear exposition on what is happening here and to thank the majority leader, Senator REID, and Senator MCCONNELL, the Republican leader, and the assistant Republican leader, Senator KYL, all for making it clear that the Senate has not finished its work on the economic recovery plan and we plan to continue our work and discuss it today and tomorrow and to complete our work on that by the end of the week. That is our intention. We believe that will happen. We are united in that purpose in a bipartisan way. We have been for the last week. We are disappointed by what happened yesterday in the House of Representatives. However, photographs of legislation are best taken sometimes at the beginning and at the end but not in the middle, and we are in the middle right now.

Senator KYL and I have been giving Senator DOMENICI credit for an idea he had about how to explain what we are about in trying to deal with the financial crisis. He uses the analogy of a wreck on a highway.

The Presiding Officer is a good Scotch Irishman from Virginia. He may have heard Roy Acuff's song "Wreck on the Highway," which was a big song back in the 1940s and the 1950s and the 1960s. That is what we have here. We have had someone who should have known better empty a big pile of cars—or bad mortgage loans, based on the securities on these loans—right in the middle of the interstate, and it slowed down all the economic traffic. One lane might be your auto loan, the other lane might be your mortgage loan, another lane might be a student loan, in another one might be the trucks carrying your paycheck, or another lane might be the money for your farm credit loan, and you can't get anywhere because there is this pile of junk in the middle of the road. It happens to be an eight-lane road, so the cars and the vehicles—the economic traffic—are backed up for 20 or 30 or 40 miles.

I was thinking as we were talking about this of another aspect of American life that all of us are familiar with—not just the backups on the interstate highways caused by wrecks, but what do we do when there is a wreck and we are nearby? We have to go look at the wreck. So everybody stops what they are doing and starts arguing about the wreck, and that slows everything down even more.

That seems to be what we are doing in the Congress. It is the equivalent of somebody saying, well, they needed a stop light; or, he should have made a left turn; or, she was driving too fast. The crowd might get bigger around the wreck and say, well, it is a stolen car; or, he didn't have insurance; or, one was driving too close to the other. Someone might have noticed that the wreck happened because this person was on the cell phone or this one wasn't wearing a seatbelt. Someone might say, we need to get some legislators in here and build a wider road or another exit ramp. Someone else might say, let's have a piece of legislation that would lower the speed limit or increase the speed limit. A lawyer might show up and say, well, let's sue the manufacturer and start interviewing witnesses. So we would all be standing around just looking at the wreck. That is kind of what we are doing today in the Congress. We are just standing around looking at the wreck when somebody ought to be moving the wreck off the highway so the economic traffic can proceed. There is going to be plenty of time to talk about who caused the wreck and where the blame lies. There will be plenty of time to do that. But today we should fix the problem. Next week or the next week we should fix the blame.

There is a lot of blame we need to talk about, apparently. The New York Times reported yesterday—well, we know this, to begin with: The Federal Government's compassion got way out ahead of its common sense, going all the way back to the 1970s, by encouraging some people to buy homes who couldn't afford to pay for the homes. Then clever financiers created exotic instruments, and these were based on some of the loans that turned out not to be so good, and some of these exotic instruments turned out to be worth less than the loans. Then, people who should have known better, who should have known what was going on in their own financial institutions or in their own companies, didn't understand what was going on, or they misled people, or they turned a blind eye to it. We need to find out about that.

As the New York Times described it 2 days ago in an article, what apparently has happened is that mortgage foreclosures set off questions about the quality of debts across the entire credit spectrum. These questions set off a spiral of claims against insufficient insurance, as in the case of AIG, and of insufficient capital in the case of banks. So we end up with this massive wreck in the middle of the highway, and all of the vehicles carrying our auto loans, our student loans, and our paychecks are stopped while we in Congress stand around looking at the wreck instead of trying to get somebody to get it off the road.

So we will have to turn to the Secretary of the Treasury. We could maybe find some other people to get it off the road as well. Senator DOMENICI, who first suggested that we think of this metaphor of the wreck on the highway, and Senator KYL, who talked about it a little bit, pointed out that the citizens aren't going to go get the wreck off the highway. They are either going to go call the sheriff or the wrecker or somebody else to come get it. In Tennessee, we call the guy with the salvage company who has a wrecker, and he comes to get it. In our case, I guess what we have to do is call the Secretary of the Treasury. We have to give him enough money, enough authority to be able to buy all the junk in the middle of the highway, get it off the road, and hope he is able to sell it for about what he paid for it—or at least to minimize our losses.

That is why it is wrong to call it a $700 billion bailout, because he may need up to $700 billion to buy all of this stuff in the middle of the highway. But he is going to buy it, and then he is going to sell it. We put in some taxpayer protections to try to make sure that we have clear oversight, and that people don't get golden parachutes as a result of this, and that the Congress is involved, and that there is a board of directors to whom the Secretary must report—all of these are taxpayer protections. We want to make sure this Secretary, whose job it is to get everything out of the middle of the road, keeps us informed about what is happening. We don't want to be guilty of having turned our backs and not paying attention to dealing with taxpayers' money on this.

I think the conclusion we have to come to by the end of the week is that we are not just going to sit around and look at the wreck. We are going to get it off the road. We are going to get it off the highway. We have to find the right way to do it. I believe most of the American people will understand that, agree with that, and be glad we did it. Most of my calls are like most of the other telephone calls that are coming in. People don't like this. They are angry about it. If you have a wreck, you are mad about that as well. Somebody might have run into you, or you took your eye off the road. Of course we are mad about it. I am angry about it. But I am not just going to sit there and look at the wreck; I am going to try to solve the problem and then fix the blame next week.

The good news is that is the attitude of Senator REID, the Democratic majority leader. That is the attitude of Senator MCCONNELL, the Republican leader. As I hear the House speaking, the Speaker of the House, a Democrat, the Republican leader, they say we are going to go back to work and see what we can do to fix this problem. We understand it is a big problem.

Well, the stock market yesterday went way down, 777 points. That used to be something that people could say: Oh, that is a few rich tycoons on Wall Street, but we know better than that today. It was already down, and more than 50 percent of Americans own stocks. So as the Senator from Arizona said, that affects our pension funds, and that affects our IRAs and retirement accounts all across America. And that affects our individual accounts—so that is real money. That is $1.2 trillion yesterday.

We are talking about an economic recovery plan that would have the authority to spend up to $700 billion, but our hope would be that it wouldn't spend very much in the end because we are going to buy and sell assets.

Now, the stock market—and this is good news—is back up some today, a couple hundred points up. It was down yesterday, it went 777 points down, and is back up a little bit today. The focus is on the stock market, but where the focus ought to be is not on the stock market, but on the credit market. Some things we take for granted: that the Sun will come up, that our breathing will be automatic, and that we will be able to get an auto loan or a student loan or a mortgage loan or farm credit loan, or that when we take our paycheck in and give it to the bank, that represents money. But what if that didn't happen? That is what we are talking about.

In the case of offshore drilling, we had to wait until the price of gasoline got up to $4 before we could get rid of the ban on offshore drilling so we could produce more American energy. That was legitimate debate here in the Senate. I hope we don't have to wait for dozens and dozens of banks to fail, for payroll checks to bounce, and for auto loans to dry up before the Congress decides we need to act.

What we are trying to do is prevent a more serious problem by taking a measured response, which will cost the taxpayers the least amount of money and clear up the economic traffic so we can start moving again, and so housing can gradually begin to come back. When housing gradually begins to come back, the economy will begin to come back.

This is still a great big economy. Even in this slowdown, we will produce about a third of all the money in the world this year, just for the 5 percent of us who live here. So we are perfectly capable, with our great universities, with our energy laboratories, with our great corporations, with our terrific workforce, and with our system of education, of coming back—and we will come back—and we will lead the world in a great many areas. But we don't want to cause unnecessary trouble for ourselves by leaving a big wreck sitting in the middle of the economic highway while standing around gawking about it and arguing about whether to change the size of the exit ramp when we can have all those debates next week. Fix the problem this week; fix the blame next week.

''Credit markets'' is a short word, but a big-sounding word. The Wall Street Journal reported this morning people are so cautious about their money that yields—the amount of money you make in the credit market—had sunk so far that most investors will accept almost no return on their money as long as they believe their money is safe. In other words, bury it in a hole or put it under a mattress. You don't make any interest on it, but at least you think it is safe.

I think in a country such as ours, if everybody puts their money under the mattress or invests it somewhere where money is safe but produces almost no return, what that will mean is that many of the big boys and the big girls will be all right. A lot of the big corporations have a lot of cash. They don't need to borrow very much money. What it will mean, though, is they will not be expanding. If they are a restaurant company, they will not be building new restaurants and hiring more people. They may even close a few restaurants. But the small business owners, the State and local governments that represent taxpayers, as we do, the one Senator KYL of Arizona talked about, they are going to be hurt.

The State of Tennessee is in the same shape as the State of Arizona. The State of Tennessee has a triple A bond rating and very little debt. But it has to go on the market every now and then to borrow some money. Its short-term borrowing was twice as much last week. It cost twice as much as it did the week before. That cost is passed directly on to the taxpayers of the State of Tennessee.

Half our college students in America have a Federal grant or a loan to help pay for college. I used to be president of the University of Tennessee. I know how important that is.

We made some unwise decisions in Congress earlier this year, in my opinion, that limits the amount of student loans that are available to students. But if banks are not lending to each other at night because they are hoarding their money, and if you and I with cash are investing in Treasury bills instead of money markets or other investments that then, in turn, can be loaned to other people, there is not going to be any money for student loans. And lots of people of all ages are going to have a harder time going to college. Or if there is money, they are going to have to pay a much higher interest rate because there is a shortage of money to lend. We know how that works. If there is a small supply, the price goes up. If there is a small supply of money for credit, then your student loan is going to cost more. If you go to the University of Tennessee, Virginia, Notre Dame—wherever you go—you are going to pay a lot more and you are paying a lot today.

I was at the Volkswagen headquarters' opening in Virginia two weeks ago. The head of Volkswagen Credit told me Volkswagen—which is the largest European car maker and is also opening a new car plant in Chattanooga, which we are very excited about—goes to the market every month to get about $300 million. Where do they get that money? They get that probably from people who put money into banks, into money markets. It is our money, upon which they pay some interest. What do they do? They turn around and loan it to you and me so we can buy a Volkswagen.

I said something about this a week ago, and some people thought I meant the Volkswagen plant in Tennessee wasn't going to be built. They are going to build the Tennessee Volkswagen plant. In our State, about a third of our manufacturing jobs are auto-related jobs. We have a big Nissan plant, we have a big General Motors plant, and we have 4,000 Toyota jobs and suppliers. So if the big credit companies for automobile manufacturers cannot easily get money or have to pay a lot for the money they get, what do you suppose happens to us? When we go to get a car loan, either we can't get it or the price of it is too high and we don't buy the car. If we don't buy the car, then Volkswagen in Chattanooga or Nissan in Smyrna or General Motors, the Saturn plant, in Spring Hill, or the Toyota suppliers that are all over the State, they don't make as many cars, they don't build as many supplies, and they don't have as many jobs. That is what happens when the credit squeeze comes.

Those are some of the personal examples that are happening in Tennessee. We can see them all over the country.

On PBS's ''Nightly Business Report,'' September 26, which was Friday, Darren Gersh, Washington bureau chief, reported:

You know, Susie, we just heard a lot from Washington, but I want to tell you something I heard from Ohio today. When I was there for the primaries, I met a machinist named Ron Gewax. Well, I talked to Ron this morning and he told me that his boss came to him in tears and said: ''Look, Ron, you know, our customers' loans have dried up, we can't—we're not getting business and we have to let you go.'' So this credit crunch is now hitting home. That's evidence of how it's hitting home on Main Street.

This is a Main Street problem. I know we have been getting a lot of telephone calls saying don't do this, but a lot of my telephone calls are changing. We are elected to come here and understand the problem and act before there is a crisis, not after there is a crisis.

When I was Governor of Tennessee in the 1980s, because of some problems with east Tennessee banks that represented illegal activity, we had about 40–50 bank failures, one after another. I don't want to go through that again because what that does is cause the stockholders to lose all their money.

You say: Well, the FDIC comes in and buys the assets, straightens it out, and banks pay for it through their insurance program. They do, and they have done it in the last couple weeks a couple or three times, but it completely tears up the community when the bank fails. It disrupts relationships. It means individuals and small businesses that have depended on loans have a harder time getting them. It means there are individual bankruptcies as a result of it.

If we had 50 bank failures in Tennessee, as we did 20 years ago, that would be a thousand across this country. We don't want to go through that. We don't want to have banks, insurance companies, individuals, small businesses, auto dealerships close. An auto dealership in Tennessee, one of the largest in the country, closed the other day. It was one of 13 dealerships for this particular Chevrolet company. The company had some other problems, but one reason it closed was because it could not get credit for its floor plan for its ability to finance its cars, and it is out of business, all 13 of those locations, and 7,200 employees in those 13 locations are out of a job.

Senator REID, Senator MCCONNELL, Senator DOMENICI, Senator KYL, and I wish to say to the American people and the American markets and the world markets that we intend to do our job in the Congress. We are not going to sit around and look at the wreck and argue about who is to blame. We can do that next week and the next week and the next week, and we should do that.

We obviously need different kinds of regulations. No one seems to have understood what these exotic instruments based on mortgages were, or how they were sold, or whether they are properly valued. We need to figure that out. We need to deal with that. Maybe the Securities and Exchange Commission, the Federal Reserve, and other agencies need to do more.

These rules and regulations we have today are primarily a result of the calamities in the 1930s—the Great Depression. I am sure many of them need to be changed.

Next week, we need to fix the blame and find a long term fix for the problem. Today, tomorrow, and the rest of this week, we need to continue our discussion of the Paulson plan, which has been significantly amended by the congressional negotiators over the last week to protect the taxpayers. Then we need to act on it before the end of the week. The majority leader has very wisely given Members of the Senate—many of whom are here and some have gone back to their States these extra days to read the legislation, to consider it, to come to the floor, to debate the legislation, and to make up our minds whether we like this Paulson plan, as significantly amended to protect the taxpayers.

I am going to vote for it, even if the stock market continues to go up today and tomorrow, which I hope it does. I do not want to see a credit freeze come. I want to get the wreck off the highway. I want to get the vehicles carrying the auto loans, and the mortgage loans, and the farm credit loans, and the money for payroll checks, moving again. We can get that moving again. It is a small step we will have to take. Then we will have the time to have aggressive supervision of the Secretary of Treasury, who will then have all the authority he needs to get the wreck off the highway and get things moving. And we can set about making sure we create a proper regulatory system for the kind of world in which we live.

I am greatly encouraged by the tone and the words and the actions of the Democratic leader and the Republican leader in the Senate. I look forward to working with them over the next three days. We intend to finish our job before we go home this week. We intend to get that wreck off the highway so the economic traffic can start flowing again.

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. ALEXANDER. 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.

Mr. ALEXANDER. Mr. President, I would like to add to my remarks, briefly, these opinions and these examples about the credit crunch.

In the Washington Post this morning there is an article by Michael A. Fletcher and V. Dion Haynes, in which they say the following:

Meanwhile, tightening credit has made it harder and more expensive for many small businesses to borrow money, a process that many analysts say could accelerate with the turmoil on Wall Street.

Dee Smith, who runs a small contracting firm that renovates and sells homes in Charlotte, Mich., said a bank he has dealt with for more than a decade has decided to finance a smaller share of his projects. While the bank would once give him construction loans for 80 percent of a property's appraised value, it now will pony up only 75 percent. That might seem like small change, but Smith said it has shaken up his entire business.

Because he cannot afford to put out the extra cash, he said, he has laid off four of his six workers. Meanwhile, because of the slowdown in the housing market, he's been unable to sell three houses he has renovated. . . .

Laura Richards said sales are down 10 percent at her two California Tortilla restaurants in Bowie and Annapolis. . . .

That is in Maryland.

She said she's trying to attract customers with promotions.

Worse still, with banks tightening credit, she's been forced to put off expansion plans. ''Any plans of opening new restaurants are on the back burner until we see what's going on on Wall Street,'' she said. ''Originally, I said that five locations was a goal. Now I'm trying to manage my down side. It will take two or three years to get back to where I was a year ago.''

Although some corporations are sitting on large sums of cash—and those with top bond ratings are enjoying favorable access to credit markets—others are paying much more for short-term loans, if they can get them at all.

And on the front page in, the main article in the Washington Post business section, Tuesday, September 30, Heather Landy and Renae Merle write:

Underlying the panic is a seizing-up of the credit markets that provide companies with financing for expenses such as payroll and inventory. Analysts said banks are lending less as they try to conserve cash for their own balance sheets, while nervous investors are forcing companies to pay higher interest rates to borrow in the debt markets.

The article quotes someone as saying:

The credit markets are kind of like the oil for an engine that allows companies to buy something and finance it. And if they don't have the ability to finance that at a reasonable cost, then all of the sudden their profit margins are going to get squeezed and they're perhaps not going to be able to hold as much inventory, and this is happening around the globe.

The article continues quoting:

You need to be able to have credit, and it needs to be at a reasonable price for the economy to function.

Mr. President, I ask unanimous consent to have this article printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Sept. 30, 2008]

THEY JUST DON'T GET IT

(By Steven Pearlstein)

Oy vey.

That is the technical economic term that best sums up a day in which the House of Representatives refuses to pass a $700 billion rescue plan pushed by the White House and congressional leaders from both parties, Wachovia is taken over in a deal that will have the government potentially owning 10 percent of Citigroup, a few European banks fail, the Federal Reserve and other central banks are forced to inject an additional $300 billion into the global banking system, the Dow Jones industrial average plunges 778 points, and investors everywhere rush to the safety of gold and short-term Treasury bills.

The basic problem here is that too many people don't understand the seriousness of the situation.

Americans fail to understand that they are facing the real prospect of a decade of little or no economic growth because of the bursting of a credit bubble that they helped create and that now threatens to bring down the global financial system.

Politicians worry less about preventing a financial meltdown than about ideology, partisan posturing and teaching people a lesson. Financiers have yet to own up publicly to their own greed, arrogance and incompetence. And leaders of foreign governments still think that this is an American problem and that they have no need to mount similar rescue efforts in their countries.

In the coming weeks and months, all of these people will come to understand how deep the hole really is and how we're all in it together.

They'll come to understand that the giant sucking sound they hear is of a massive deleveraging of the global economy and the global financial system as households, governments, businesses and investment funds adjust to living in a world with less debt and more inflation.

And they will come around, reluctantly to the understanding that the only way to get out of these situations is to have governments all around the world borrow gobs of money and effectively nationalize large swaths of the financial system so it can be restructured, recapitalized, reformed and returned to private ownership once the crisis has passed and the economy has gotten back on its feet.

In the next few weeks, the center of attention here in the United States will shift from the Congress and an exhausted Treasury to the Federal Deposit Insurance Corp., which will now have to rescue any number of failing banks, either by taking them over directly or managing their transfer into stronger hands. It will also shift back to the Federal Reserve and other central banks, which will have to step up their efforts to maintain liquidity in money markets and prevent the credit crunch from taking down hedge funds businesses, and state and local governments.

These will, alas, be only holding actions. Restoring real stability to financial markets will require the kind of systemic approach and extraordinary government interventions that the public has refused to authorize and finance. In better times the public might have put aside its reluctance in response to the strong and unified recommendation of political and business leaders. But it is a measure of how little trust remains in both Washington and Wall Street that voters are willing to risk a serious hit to their wealth and income rather than follow their lead.

Mr. ALEXANDER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SALAZAR). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GREGG. Mr. President, I wanted to speak a little about where we stand. I know everybody is concerned about this relative to our efforts to provide for the economy and free up the credit markets and make sure Main Street continues to function and jobs are created and economic activity is pursued.

Obviously, the House vote on Monday was disappointing, to be kind, and it had an immediate effect on America, with $1.2 trillion in wealth taken out of the American system almost instantly—a 770-point drop in value in the exchange. Those dollars are real. That is pension fund value. Most people who work have pension funds. It is IRAs and 401(k)s all losing value very quickly. People who are right on the cusp of retiring are especially impacted by that. Today, it is up a little bit, which is good. I am glad calmer heads have prevailed in the markets and that fear is not driving the markets today. That is good. But the problem that drove that hasn't gone away.

The problem that created that event—and that is that the credit markets, not the equity markets—and this is important for people to understand; the stock market is different from the credit market—the credit markets are moving toward the point of freezing up. What does that mean? That means the local employer who maybe has to finance his or her payroll, the small restaurant or the small seasonal business that one week doesn't make enough to cover that payroll but the next week makes more than the payroll, in the week they have to borrow the money to make the payroll from the bank, they are not going to be able to do it or it will be less than what the total payroll is. The person who buys inventory—a restaurant has to buy food, a small business has to buy materials, a store has to buy its inventory and the things it puts on its shelves. That is all done through credit on Main Street. That credit won't be available. The family who sends their child to college—that is an event that energizes a debt and creates credit. The family who uses a credit card—that again energizes a debt and creates credit. All these Main Street activities are freezing up.

What does that lead to? It leads to a loss of jobs, a loss of economic activity, the loss of savings, the loss of the basic character of America to be a place of commerce and economic well-being. Unfortunately, whether we like it or not, we are on the cusp of that event, and it is severe and it is serious and it is real.

So what did we suggest as a proposal? Well, the Treasury came to us and said the way to free up these markets, the way to get credit moving again—or part of the way to get credit moving again—is to buy off the books of a large number of the financial entities in this country what are known as nonperforming loans—loans which are based on mortgages, mortgages on homes where the value has dropped so precipitously that the mortgage actually exceeds the value of the home or, alternatively, or in combination, the mortgage reset because it was a subprime mortgage and the payer of the mortgage can't afford to pay the mortgage anymore because interest rates went up so much on it. Those nonperforming loans are sitting on the books of a lot of lending institutions, and there is no way to value them because the value of those underlying assets has dropped so much. The practical effect of that is those institutions can't lend against those assets.

So what we were going to do was to step in and buy those assets, those nonperforming loans, so that those lending institutions could start to lend against real assets—valued assets—and thus create credit. Then we were going to take those assets which we purchased and we were going to hold them while the market started to settle down and the economy, hopefully, would improve, and then we would resell them into the market and we would get money back to the taxpayer.

So even though $700 billion is the number we hear—and it has been, in the most inappropriate way, hyperbolized and demagogued, that we are taking $700 billion and throwing it at Wall Street, and that is not what is happening. We are taking $700 billion and with that taxpayer money we are buying assets which the taxpayer will own, and then later on we are going to sell those assets. We may sell them for what we paid for them, we may sell them for less than we paid for them, or we may actually sell them for more than we paid for them—in fact, a lot of people think we will. So the cost to the taxpayer is not going to be great, and it is not going to be anywhere near $700 billion. There is a chance—an outside chance—the taxpayer may make some money. That is not our goal, but that is an opportunity that lies here.

Let me describe it this way, to put it in simpler terms and more vivid terms, hopefully. If you had an eight-lane highway in your town or in your city—most people don't, but let's say there was one—and you had a crash on that highway that blocked the entire highway, and backed up behind that crash might be trucks carrying the payrolls for people who are working, carrying the money that made the hospital work, carrying the money to make the school system work, carrying the money that let the garbage get picked up, carrying the money that allowed the kids to go to college, all those trucks carrying that money are backed up behind this accident and they can't get to the places they need to get to. So what we want to do as a government is to come in and take that accident off the highway and let the commerce flow again. Then we would take the cars that were in the accident, those cars that are all mangled, and we are going to repair them a little bit and resell them, hopefully for more than what we paid for them, but we are certainly going to resell them for a value which is considerable. That is what we are doing here.

We need to act. This is not a theoretical or a virtual event. The market showed us yesterday just how worried people are and how important it is that we proceed. So what should we do now, now that the House has acted in this way and basically suspended the effort here? Well, we need to return to the issue. We need to, in a conscientious and constructive way, get this matter back up and get it moving in the right direction.

I hope the Senate will act. I think we should act. We are obviously here at the Jewish holiday, so we are unable to take action today and maybe not until late tomorrow night because of that recognition and because we want to be appreciative of those sacred days. But the fact is, we need to act soon.

This is not a situation which is going to get any better with time. It is going to get significantly worse, and at some point it is like the snowball rolling down the hill: It is going to get going so fast that our ability to stop the damage that is going to be caused is going to be dramatically lessened.

Is this proposal we came forward with perfect? No, but it has a lot of safeguards in it. Taxpayers were safeguarded. This was all added on through the negotiation—at which negotiation, by the way, were representatives of all the players: the House Members, House Republicans and Democrats; the Senate Members, Senate Democrats and Republicans; and Treasury. We put in very strict, very aggressive taxpayer protection. For example, all the dollars which we get from selling these assets are going to go to reduce the debt. We limit executive compensation so people cannot take advantage of the situation. We limit golden parachutes. We put in place language which says that if we get these assets and they are mortgages of people who are in their home, we want to try to keep them in their home, and so we will try to reorient that mortgage so they can afford it. We have aggressive oversight, which is extremely important. So we have done a series of moves to make this work better and work to the benefit of the American taxpayers and the people who live in their homes.

But it is critical that we do it. Now, does it solve the problem? No, it doesn't solve the problem completely or even totally in any way. But here is what it does do. Think of it is as a person who has received a severe wound, and I mean a life-threatening wound. We are putting a tourniquet on that wound and stabilizing that person so we can take them to the hospital and hopefully get them cured and get them on the road again to a prosperous life. That is what we are doing with the economy. We are putting a tourniquet on the economy to stabilize it so it can stand back up on its own two feet and get going again.

If we don't go forward, there are going to be severe events, and most of the burden of the severe events is going to be borne by Main Street. Ordinary Americans are going to bear the burden. They are going to be the ones whose jobs are affected because payrolls can't be made, and so they will lose their jobs. They are going to be the ones who can't borrow money to buy a car, who can't borrow money to buy a house or borrow money to send their kids to school. It is their hospitals that are not going to be able to roll over their revenue bonds. It is their industrial parks, where their jobs are located, that won't be able to roll over their bonds to do the improvements that create the entities that expand the economy. Those are all the things that are going to be impacted here—on Main Street America.

So I think our responsibility as a government is to take action. But in this instance, people have been misrepresenting what is happening. They have been hyperbolizing, and there has been a lot of theater in the marketplace by some people who basically are being irresponsible and demagogic, in my opinion, about what we were doing, and so the general public has been misinformed and really grossly misinformed. Of course, they naturally mistrust the Government, and they probably should. We should all be a little suspicious of the Government, to say the least. But as a very practical matter, in this instance, there has been a tremendous amount of misinformation, especially about the immediate impact this will have on people on Main Street if we don't act.

So we have this situation, and I think what we need to do is to step back, calm these waters, and act in a responsible way and move forward in a way that allows us to take this opportunity to try to settle out the markets, free up the markets, get credit flowing again, and hopefully relieve some of the pressure every American is going to be facing from what is a very severe economic situation.

I hope we will vote soon. I would like the Senate to vote as soon as we can—and not in any way impinge on the Jewish holiday—because I believe we need to do that. We need to pass this legislation because the consequences of not passing it are so extraordinary and will be so detrimental to our country and to our people that it would be totally irresponsible of us to not take this action.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. WEBB. Mr. President, what is the business of the Senate?

The PRESIDING OFFICER. The Senate is under cloture on the motion to concur.

Mr. WEBB. I ask unanimous consent to speak as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WEBB. Mr. President, I would like to add my voice to a number of other people who have spoken today about this economic bailout situation and, perhaps from a bit different perspective, suggest that people need to calm down a little, that all of us are arguing responsibly with different approaches, but serious approaches, to try to resolve the issue.

There is a lot of commentary out there today alleging that people in the Congress, a lot of people in the Congress are simply playing politics with this volatile issue. There is commentary about how the average American does not understand the problem and, as a result, has objected to the approach that has been taken. There are accusations that the Congress is not doing its job because of the approach that was taken in the vote in the House yesterday.

I would suggest there are a lot of people who are not playing politics, who do understand the problem, who are doing their job, and yet, who still have grave concerns about the approach that has been taken with this proposed solution.

Let's take a minute and review what has been going on. Only 11 days ago, Secretary Paulson, on behalf of the Bush administration, came forward with a proposal, a three-page proposal, saying the Congress needed, within a couple days, to give him $700 billion or the authority to invest $700 billion, with very little supervision or oversight, in a very dramatic transfer of power to one individual.

Then we started having this great discussion in the media and on the floor about us not acting quickly. Let me, first, say I was one of the first Members of this body to speak on this floor on September 22, on that Monday, questioning publicly the approach that had been suggested in this Bush-Paulson proposal to address our crisis.

Also, last Friday, was joined by eight other Members of the Senate, urging that any bipartisan compromise addressing this crisis contain several important principles. I would say, with due respect to the Senator from New Hampshire and others, that there has been tremendous effort over this week to try to take a three-page proposal and make it into a piece of legislation we can all live with and that addresses the problems. They all have my appreciation and my admiration for that effort. But at the same time, we can do more. I hope, as they reconsider the vote yesterday, the drafters can take a hard look at some of these areas and tighten these provisions so some, myself included, can feel more comfortable in supporting it.

Firstly, we need to recognize that we have, in this legislation, taken into consideration the idea that we are going to transfer a massive amount of power to the executive branch of this Government. This, at a time when the executive branch, over the past 8 years, has accumulated more power, than perhaps at any time in our history, as a result of 9/11, the war powers, and regarding the privacy of individuals, et cetera.

We are not only transferring that power to the executive branch, we are giving the authority to one person, the Secretary of Treasury, who, as Senator FEINSTEIN had pointed out, may have a conflict of interest. This is an individual who has made hundreds of millions of dollars working on Wall Street. I respect his confidence and I respect his career.

But at the same time, as a matter of policy, is this the best place or best way for us to transfer the money that would be invested in order to save our economy? In the past, when these situations have arisen, money has been transferred to entities such as the RTC. There were proposals brought forward, noting perhaps the necessity for a board of people, honest brokers, wise men and women who would make these determinations rather than simply one individual.

I know in this process we have left oversight to individual discretion, but perhaps we ought to think about a panel of three or some other form where we can reassure ourselves that there would not be a conflict of interest on the other side.

A number of us in this body and the other body have said, we need to proceed forward with an appropriate regulatory structure. There is language in the bill that was voted on yesterday that had a commitment to move forward, to looking at the problem but no specificity from the Congress saying we need to fix the problem, or that we need to reinstate regulations.

There was an article in the Wall Street Journal today written by Robert Morgenthau, the Manhattan district attorney. In this article he points out:

> There is $1.9 trillion, almost all of it run out of the New York metropolitan area, that sits in the Cayman Islands, a secrecy jurisdiction. Another $1.5 trillion is lodged in four other secrecy jurisdictions.

And Morgenthau adds:

> Any significant infusion to the financial system must carry assurances that it will not add to the pool of money beyond the safety net and supervisory authority of the United States. Moreover, the trillions of dollars currently offshore and invested in funds that can impact the American economy must be brought under appropriate supervision.

This is a point that has been made many times on the Senate floor by other Members, particularly Senator DORGAN of North Dakota. This is a moment in which we can have a commitment by the Congress that regulatory structures will be put in place in order to properly protect our economy.

Another area where you see the abandonment of regulatory structure, to the detriment of our economy, is in the commodities market. We had debates during the consideration of the Energy bill in August where many Senators came to the floor speaking relative to what happened when we took regulation out of the oil futures market. A barrel of oil cost $24 in 2002, when this Congress voted to go to war in Iraq. Since then the price has gone all the way up to $147. When you see the fluctuation in the oil markets that has attended this crisis, you see this is not an old-style commodities market, where people who are using the product are the ones who were purchasing the futures. This is now a speculative market. Just like a regular stock market, commodities should have a similar regulatory structure.

We need, and I have pointed out, along with other Members of this body, the need to provide clear caps on executive compensation. The bill that was voted on yesterday has significant improvements over the Paulson bill which was totally lacking in this area. It could be tightened further. I would recount a conversation I had with an individual who had a long respected career on Wall Street, is one of the most brilliant Wall Street analysts, and now retired. When I called—I was calling around to as many people from different professional environments as I could to try and understand this crisis.

This is someone who made good money on Wall Street and is very well respected. I asked him about the issue of executive compensation. His comment to me was, "The people who perpetrated this situation ought to be punished."

That was his word, "punished." I do not believe specifically in punishing them, but I certainly believe strongly, as do most Americans, that the people who have gotten us into this situation should not be unjustly enriched as we fix it.

Finally, we need to give the American taxpayer a clear up side in this process, as the securities and assets are bought and sold by whichever entity ends up doing that. An "up side" in the sense of returning money back to the Treasury and, an up side in the sense that our legislation should do something that directly helps the people who are at the bottom in this crisis, the people who want to stay in their homes.

Again, there has been movement in that direction in the last week, but this area is where better assurances, clearer assurances could bring more people over to the side of passing this legislation. We want a solution. We all recognize there is a problem. My reaction, quite frankly, to the situation from yesterday, is that it brings me back to a saying from when I was in the Marine Corps that sometimes you have an opportunity that is masking itself as a disaster.

Perhaps we can tighten this proposal, get the right kind of formula—it will not take a great deal of change—and bring the Congress to supporting provisions and move into the future with a strengthened economy, a better regulatory process, and an environment that truly takes care of the interests of the taxpayers who are going to have to foot the bill.