

problems and lack of resources. Clearly, a more aggressive, comprehensive, and smarter approach to the foreclosure crisis must be taken if we are to recover from the recession.

The housing crisis has now spread from subprime mortgages to prime mortgages as economic factors impact borrowers' ability to pay their mortgages. Due to expansion of the mortgage crisis, it is critical that we find measures to protect and create jobs. The importance of jobs and its impact on the housing crisis further raises the importance of devising a responsible rescue package for the auto industry since millions of jobs are at risk—over 3 million jobs in the Nation, 220,000 jobs in Missouri.

TARP has also disappointed me by the ad hoc implementation of the program. Prior to the creation of TARP, the Department seemed to be improvising on a daily basis its intervention with financial markets. One of our intents in creating TARP was to provide a structure and coherency to the Government's approach to the financial crisis. That we have not seen. Before this and the next administration submit a request for the remaining TARP funds, we expect to have answers to the questions and issues raised by the GAO and others. The Government needs to provide more certainty on how it will address the financial and economic crisis and provide answers to taxpayers on how it has spent taxpayers funds already provided.

These are very serious times. I want to see action by this Congress. I want to see us move quickly. But I also want to see action by the auto industry to advise the czar or the Secretary of Commerce, and I want to see action by the Treasury to give us a better idea of how TARP funds are being used, how they will be accounted for, how they are going to be implemented, and how they are going to be used. If they don't have an approach, I will come forward with a suggestion on how we restructure those home loans that are in crisis.

I ask unanimous consent that Senator BROWNBACK be added as a cosponsor to S. 3715, the Auto Industry Emergency Bridge Loan Act.

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

Mr. BOND. I yield the floor and 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. SPECTER. 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 President, I ask unanimous consent that the order for the quorum call be rescinded.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. SPECTER. Mr. President, I arrived at the same time as the distinguished Senator from North Dakota, and I ask unanimous consent that he be recognized following my brief presentation.

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

ECONOMIC AID TO AUTO INDUSTRY

Mr. SPECTER. Mr. President, I have sought recognition to discuss the issue as to what Congress should do, if anything, with respect to economic aid to General Motors, Ford, and Chrysler. This is an issue which has been very much in the news, with the prospect that one or more of these companies might not survive—probably would not survive—in the absence of some aid from the U.S. Government.

Last Tuesday, I convened a meeting in Philadelphia attended by key executives from each of the Big Three, labor leaders, the head of the Pennsylvania AFL-CIO, the head of the Pennsylvania United Auto Workers Community Action Program, and the head of the Philadelphia Labor Council. Also in attendance were dealers, suppliers, and economists to review the situation, to get a background, to understand it better, to provide for the consideration this week of the issue which will be before the Senate.

At that meeting, the Big Three painted a very gloomy picture. Ford was in the best position of the three, having arranged credit some time ago, and they had a request pending for some \$9 billion in standby aid. They were not asking for it, but only want it available in case their situation came to the point where they actively needed it in order to survive. The CEO of Ford said that if the \$9 billion was requested and received, he would then serve for a dollar a year.

The projections from General Motors and Chrysler were considerably gloomier than Ford, with the statements made that if they did not get aid by the end of the year, they might have to go into bankruptcy, or to Chapter 11 bankruptcy proceedings. The suppliers were very concerned about the impact on their situation. The auto dealers were similarly concerned. Labor is very worried about the loss of jobs. So it was a very gloomy meeting overall.

On Thursday, I convened a meeting in the Lehigh Valley. We did not have representatives of the Big Three, but we did have labor locally, dealers, bankers, economists who evaluated that situation. I joined with Senators LEVIN, STABENOW, BOND, VOINOVICH, and BROWN on November 20 in endorsing legislation to assist the Big Three, to say that it is something I would be willing to consider in light of the projected difficulties and the ripple effect it could have on the economy.

My statement in the news conference which we held and a statement on the Senate floor was that my view was limited to consideration of such economic aid conditioned on the Big Three having plans to move forward which would present the realistic likelihood that they would be able to succeed. Consid-

erable attention was given in the meetings which I held last week in Pennsylvania to the alternative of bankruptcy, and there have been many who have said bankruptcy would be the appropriate course as bankruptcy proceedings were held with the steel industry and the airlines, and that was the way to resolve the issue if the Big Three could not survive. One point which all of the Big Three agreed upon was that if one failed, they were all going to fail.

The considerations with respect to bankruptcy which were considered at the two meetings I held were the contention that bankruptcy would be unacceptable to have the survival or having the Big Three come out of bankruptcy because of the difference between the automobile manufacturer situation contrasted with the steel industry or with the airlines. When buyers are looking for a car or looking for a warranty, they expect the companies to be in existence for protracted periods of time, so that the argument was made that Chapter 11 proceedings or bankruptcy generally would not be acceptable.

I commented at these meetings, as I did on the Senate floor and in the news conference which the six Senators had on November 20, that the public sentiment is very much opposed to bailouts. After the \$700 billion legislation was passed on October 3, I traveled the State of Pennsylvania and had town meetings. I found the temperature of my constituents was at the boiling point, 212 Fahrenheit, and, in fact, the thermometers were broken. I commented to the town meeting attendees that the vote which was taken in the Senate was a strong vote—74 to 25—which was a very strong vote, because of the potentially catastrophic consequences of what would happen to the economy. We didn't like the bailout of Bear Stearns or the bailout of AIG, and Lehman Brothers was not bailed out, and there were major regulatory problems which would be addressed by the Congress. Those who had made false representations on the balance sheets saying that the companies were worth falsified figures, knowing them to be false—that is fraud—and there were investigations, criminal investigations underway, and that as in the Enron situation, people could go to jail for making those false representations. But I make that comment because of the public view which is opposed to the so-called bailouts; that it ought not to be the Government which picks winners and losers, but it ought to be the market which picks winners and losers. I repeat what I have said in prior floor statements which is that the Big Three have a very steep burden of proof and that the Big Three will have to come up with a plan which is reasonably and realistically calculated to succeed. We are now talking about various oversight provisions, talking about limited compensation, golden parachute plans which will make the Big Three competitive in a very difficult market, and

taking a look at the drastic reduction of automobile sales. But one factor came through loudly and clearly, and that was the potential consequences if the automotive industry—the Big Three—collapse, that we would be without the major portion of the industrial base in the United States, which as we all know in time of national emergency, in time of war, is indispensable for the defense of our country.

So my staff and I and my colleagues are all taking a very close look at the proposals which the Big Three have made. I had a request to meet with General Motors and we will be doing that tomorrow. We are talking to a lot of people who were totally opposed to economic aid from the Federal Government. So we have to weigh the consequences as to what happens if economic aid is not given. It is hard to calculate what the consequences will be on the economy, but some of the predictions are virtually catastrophic. We must weigh that against the likelihood of the success of the plans, and it all depends on the quality of those plans.

I thank the Chair. I know Senator DORGAN is close at hand, but in the absence of any other Senator seeking recognition, I suggest the absence of a quorum.

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

The assistant legislative clerk proceeded to call the roll.

Mr. DORGAN. 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. DORGAN. Mr. President, I ask unanimous consent that the Senator from New Mexico be recognized for 1 minute, I believe, and following which I would be recognized.

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

The Senator from New Mexico is recognized.

Mr. BINGAMAN. Mr. President, I thank my colleague.

REMEMBERING ALICE MARTIN KING

Mr. BINGAMAN. Last night, Alice King, one of New Mexico's most respected and best loved citizens, died as a result of a stroke. This is a tremendous loss to our State, and certainly to her husband, former Governor Bruce King, and her sons Bill and Gary and all of the family.

Anyone who has lived in New Mexico for any amount of time in recent decades has actually felt they were a part of the King family in a way. Republicans and Democrats alike, ranchers or lawyers or pipefitters or schoolchildren, the Kings knew virtually everyone in our State, and nearly everyone in the State felt they knew the Kings. Certainly our State has bene-

fited from the decades of public service the many members of the family have given, led by Bruce and Alice. He was the Governor of our State three times in three different decades and by his side always was his partner Alice. He was at her side last night.

She was always more than just the Governor's wife. She was a leader in our State on children's issues. She was the force behind the creation of a cabinet level department, the Department of Children, Youth and Families. A vigorous, tireless, undaunted advocate for children, she lifted them and their issues to the top of our State's list of priorities, and she was their champion.

New Mexico has lost an invaluable citizen, one whose accomplishments are part of our history and part of our future. She was a great person, a great friend to many people, including my wife Anne and me. We join the King family in grieving the loss of this wonderful woman and remembering her with appreciation and love.

Mr. President, I yield the floor.

EXTENSION OF MORNING BUSINESS

Mr. DORGAN. Mr. President, I ask unanimous consent that morning business be extended for 1 hour, with Senators permitted to speak for up to 10 minutes each.

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

Mr. DORGAN. I ask unanimous consent to be recognized as in morning business for 20 minutes.

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

AUTOMOBILE INDUSTRY LOAN BAILOUT

Mr. DORGAN. Mr. President, this week there will be a lot of discussion on the floor of the Senate about a bridge loan to the automobile industry in this country. I wish to speak about a bit of it here. It is quite clear that this country faces very serious financial problems—perhaps the most serious in my lifetime. We know that thoughtful leadership can help move this country past these problems and to address these problems, but they indeed are very serious.

Here is a description of the jobs that have been lost since the first of this year. Nearly 2 million private sector jobs have been lost this year.

This is kind of sanitary and doesn't mean so much in terms of numbers. But every one of those nearly 2 million people had to go home this year to tell a loved one or their family that they didn't have a job any longer. A job is what makes much of the other things that are good in our life possible. Nearly 2 million have lost jobs.

Most Americans who have some sort of retirement savings, whether it is a 401(k) or an IRA, if they have looked—

and some have not—they have discovered that 30 to 40 percent of that is now gone, washed away by a serious financial crisis. Millions of people have lost their homes and millions more will unless something is done. It is one thing to lose a home, it is another thing to lose a job; but to lose a job and a home is a devastating blow to the American family. This is more than some sort of normal contraction of the business cycle.

I have said before that I taught economics in college. When you teach economics, you teach about the business cycle. There is a contraction phase and an expansion phase of the business cycle.

This is not a recession that is a result of a contraction phase of the business cycle. This is something very different. This is a financial collapse, a financial crisis. This is manmade. This is not some force of nature that is visited upon a population. This is a result of reckless business practices by some of the largest financial firms in this country.

Unfortunately, instead of dealing with the cause, there is much effort now to throw money at the biggest firms in the country that helped steer our economy into the ditch. I am not suggesting there is not a requirement to make a very significant investment in portions of the economy to try to provide buoyancy and some lift to steer this country out of the recession. But there is an old country saying that the water won't clear up until you get the hogs out of the creek. What I see day after day is the movement of money to the very interests that steered this country into the ditch and caused the wreck in the first place.

This morning, I read in the Wall Street Journal about the CEO of Merrill Lynch, who is suggesting to the directors that he get a 2008 bonus of as much as \$10 million. Merrill Lynch is one of the companies that has been in some difficulty. In fact, Merrill Lynch has been purchased and, as you will note from this chart, the top five banks that received taxpayer funds—I have not only listed them, but I talked about the amount of derivatives holdings they have. A substantial part of this recklessness has been hedge fund and CDOs and credit default swaps. J.P. Morgan got \$25 billion in bailout funds, with \$91.3 trillion in notional value as their derivatives holdings. Citigroup got \$45 billion in bailout funds, plus we have guaranteed \$306 billion of their toxic assets as well; and they have \$37 trillion in derivatives holdings. The list goes on.

Bank of America got \$15 billion, and they have \$39 trillion in notional value of derivatives. This is what I call "dark money." Nobody knows where it is; nobody knows who is liable for it; nobody knows what kind of exposure this rancid, reckless dark money imposes on the balance sheets of America's financial institutions.

We are discovering that some of the largest financial institutions in the