

I hope the two Presidential candidates will go to the debate tonight and leave us alone to get our work done here. It would be a great aid to what we are trying to do.

We are going to come in about 9:30 Saturday morning. We are going to vote an hour after that time on the CR. There is other business we can do tomorrow. We will try.

It is quite evident we will be in session next week. We have a lot of business to do that has not been done. I will mention a couple. We have the DOD authorization, which is very important, rail safety, Amtrak. Of course, I have already talked about the financial crisis legislation. We have the Indian nuclear agreement. I have had a number of conversations with Secretary Rice and President Bush on this issue. We have another bunch of bills a Republican Senator has held up, and we probably will have to file cloture on those before we leave.

There are a number of moving parts. We are going to try to put them together. We are going to do our very best to keep Senators advised as to what is going to happen chronologically. As everyone who serves in the Senate knows, we cannot be specific at any given time. We will do our best so people have an idea of what the weekend holds and what next week holds.

Next week, as I indicated before, is a little bit more complicated because we have a Jewish holiday starting at sundown on Monday, ending sundown on Tuesday. So we will not be working that period of time, that is for sure.

RESERVATION OF LEADER TIME

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

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business, with Senators permitted to speak for up to 10 minutes each.

The senior Senator from New York is recognized.

FINANCIAL CRISIS

Mr. SCHUMER. Mr. President, of course, we live in very perilous times. Our economy, particularly our debt markets and our credit markets, is in very serious shape. To paraphrase Chairman Bernanke, the arteries of the patient—our financial system—are clogged and the patient will have a heart attack. We don't know if it will be tomorrow or 6 months from now or a year from now but, unfortunately, if we don't unclog those arteries, a heart attack will occur. So we must act.

I know there are some—particularly some very ideological people on the

hard right—who say do nothing and let everyone learn their lesson; there are a lot of people, particularly at the high end of the economic spectrum, who should learn their lesson. But there are millions of innocent people who will be hurt if we do nothing: the auto worker who will be laid off because we sell fewer cars; the small businesswoman who has struggled to build her business over 15 or 20 years and can't get a loan; the waitress at a restaurant of a chain that has to shut down because it can't get credit. Average people get hurt when our financial arteries are clogged, even though they are blameless. That is the difficulty of our world. It is not fair, it is not right, but it is how it is.

We must come together and work in a bipartisan way to unclog those arteries, and we must do it soon. We should not leave here until we have a plan, whether it takes a day, several days, 1 week, or even more. We cannot abandon our responsibilities, and we should work. I believe we will stay here and work until a plan is agreed upon and we see some light at the end of this rapidly darkening tunnel. That is the first point I wanted to make.

Second, we need to pass a good plan. The President's initial offering was received with, let's say, lack of popularity, to put it kindly, by both Democrats and Republicans in this Chamber and people out in America. It is because it was a \$700 billion blank check. There was no help for taxpayers' protection so they got paid back first. There was no help for homeowners.

Chairman Bernanke tells us that housing is the root cause of the problem and if we don't find a floor to the housing markets, we may need bailout after bailout, unfortunately. This bill had no protection for homeowners.

I know Secretary Paulson said the Government owns a large share of the bonds, that they will have more ability to renegotiate mortgages and avoid foreclosures but, frankly, that is hope over reality because the bonds are now broken up in 40 tranches. If the Government owns 10, 15, 20, 25, or even 30 of them, if 1 tranche holder objects to refinancing, it won't happen.

We need help for homeowners beyond what is in the legislation. We need oversight, tough oversight. This is a democracy. We are known for our checks and balances. It has served America well for over 200 years. And all of a sudden, in an unprecedented taking of power, to give so much power to the Treasury Secretary with no one looking over his shoulder would be, frankly, not the American way. So we need tough and strong oversight.

Point 1, we will work until we get this done, even if it means staying past recess. We must. We have an obligation.

Point 2, we will pass a better plan than the President's plan. We will work with the President, but we need protection for homeowners, taxpayers, and oversight.

The third point I wish to make is this: This cannot pass without strong

bipartisan support. There will be some in both parties who will not vote for any plan. So neither party has a majority, neither the Democrats—we are a majority by a small margin—nor the Republicans, who are close to a majority. But we will need strong bipartisan support as many on each side of the aisle will not vote for a plan, and that is their prerogative.

We need the President to get the Republican house in order. Even if we were to want to pass a bill with just Democratic votes, we could not. It is obvious. Look at the math. We need to have this bipartisan support.

We began it yesterday under Chairman DODD and Chairman FRANK's leadership when we met in this building and crafted a very good compromise that was a basis to take to Secretary Paulson. It did far more for taxpayers, for homeowners, for oversight than the existing bill.

Unfortunately, however, we needed a four-legged stool, and one leg just vanished—the House Republicans—in a way that none of us still understand. In addition, Senator MCCAIN's desire, even though he had not been involved in this legislation at all, to fly in put another fly in the ointment and created more trouble. I have not heard Senator MCCAIN offer one constructive remark. We don't know what he supports. Does he support the House plan? Does he support the President's plan? Does he have his own plan? By all reports, he hardly spoke at the meeting, which was his opportunity to try and do something. He spoke at the end and didn't say what his views were as to whether he supported each plan.

So we need two things on the Republican side: We need President Bush to take leadership. We need President Bush, first and foremost, to get the Republican House Members to support his plan or modify it in some way to bring them on board yet keep the Democratic House Members, the Republican Members of the Senate, and the Democratic Members of the Senate on board. Second, we need the President to respectfully tell Senator MCCAIN to get out of town. He is not helping. He is harming.

When you inject Presidential politics into some of the most difficult negotiations, under normal circumstances, it is fraught with difficulty. Before McCain made his announcement, we were making great progress. Now, after his announcement, we are behind the eight ball and we have to put things back together again.

So this is a plea to President Bush, for the sake of America: Please get your party in line. Get the House Republicans to be more constructive. Get Senator MCCAIN to leave town and not feed the flames and maybe we can get something done. In fact, not maybe, we have no choice but to get something done.

So, again, to reiterate my three points: No. 1, we will work until we have a product. The perilous state of

our financial markets and our national economy, the danger to average Americans, now unforeseen but real and lurking behind the shadows, says we can do nothing else. No. 2, we will continue to work for a better plan than the one the President proposed, with protection for taxpayers, homeowners, and real oversight. No. 3, the President must get his Republican House in order by getting the House Republicans in line and asking Senator McCain, respectfully, to leave town. Because without Republican cooperation, we cannot pass this bill.

I yield the floor.

The ACTING PRESIDENT pro tempore. The assistant majority leader is recognized.

Mr. DURBIN. Mr. President, I know there is an order for Senator HARKIN to speak next and I saw him in the cloakroom and told him I would speak for a moment until he is prepared to come to the floor. So I ask unanimous consent to speak next in order.

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

Mr. DURBIN. Mr. President, I thank the Senator from New York for his comments. Of course, being from the State of New York, he feels intensely and personally what is happening with many of these economic decisions on Wall Street. This involves not only the savings of millions of Americans but the jobs and careers of many people who are working hard in the financial sector.

I am sorry we have reached this point, and I am also sorry that of all the things being proposed so far there are two glaring omissions. I understand time is a constraint on our activities, but we have to come to grips with the fundamental issue that is at stake. What we have done on Wall Street over the years is create a shadow credit industry with no oversight and little regulation. As a result, this has been an anything-goes-capitalism on Wall Street, which, sadly, has led to the demise of major investment banks and brokerage houses. It isn't just their misfortune, it is the misfortune of their employees and investors, savers and retirees who counted on them for their future.

Well, the idea that we would step aside and let the magic of capitalism work its will has shown us we should have thought more about this. It wasn't that many years ago on the Senate Floor that I was debating Senator Phil Gramm of Texas. He was high priest of this theory of fundamentalism—free-market fundamentalism. He would argue we needed to get Government out of the way; that all Government can do is get in the way by creating red tape and slowing things down and diminish profit taking and wealth creation. Well, he carried the day for a long period of time. He had this Svengali influence on many Senators, including the Republican nominee for President, JOHN MCCAIN.

Look what we have reaped from this. We have now an economic crisis—to quote the Secretary of the Treasury and the Chairman of the Federal Reserve—that has been generated by this market philosophy. So at the end of the day, we need to put in place sensible regulation so the taxpayers are protected and the people who count on these investment houses can have some assurance their money will be returned. That is the bottom line, and we will not have time to do that before the end of this year. It will take time to do it carefully. It must be part of it.

The second point I will make is this—and I see Senator HARKIN has come to the floor: There is a great deal of empathy and concern for those on Wall Street whose businesses are facing failure. I have some concern too. But I have more concern for the homeowners across America who are losing literally thousands of homes to foreclosure because of the tricks and traps which these same entities put in their mortgage instruments.

I think of people I have met in Chicago—retirees living on Social Security lured into these rotten mortgage arrangements, about to lose their homes because of someone who brought them into a room and had them sign a stack of papers with a reset that took the home away when the monthly costs went beyond their Social Security check. That is an outrage. How many tears have been shed on the floor of the Senate or in Washington for these people? None.

What we hear from this administration is it is their misfortune; they made bad decisions. We have to honor the sanctity of the contract. Sanctity is a word that, in my religion, connotes holiness—a sacred quality. What in the world is holy or sacred about these subprime mortgages, which were brokered for the purpose of making a fast buck and getting out of town, leaving victims behind who are about to see their homes foreclosed. I would like to see at least a modicum of sympathy for some of the people facing foreclosure. But when we bring this up in the negotiations over this bailout plan, we are told absolutely, no. We can do nothing for the homeowners at the end of the day.

Well, I will tell you, it isn't just a matter of sympathy or a matter of taking a moral position, it is good economics. If we don't stem the tide of foreclosures among homeowners at the base of our economy, then these mortgage instruments will continue to decline in value and there will be further instability in the credit markets. It is not just a matter of doing the right thing, it is the proper thing economically to get us back on track. But I can't sell that. You know why. Because the banks and the mortgage lenders, the same people who authored this mess, oppose it.

The sanctity of the contract. Well, I wish to tell you something: If we were dealing with the sanctity of the con-

tract, we wouldn't be talking about bailout, we wouldn't be talking about \$700 billion from hard-working taxpayers in Iowa or Illinois coming to the rescue of a lot of people who have been reaping multimillion dollar annual bonuses from the mess they have created on Wall Street. The sanctity of a contract. Give me a break.

Let's have some respect for the people across America—the families who are the strength of this Nation; those middle-income and hard-working Americans who get up and go to work every day and struggle with this economy and who may have been lured into a bad mortgage and now face the greatest economic catastrophe of their lives. How much help will they get from this bailout? Exactly nothing. Nothing. There is nothing on the table to help them. That, to me, is unconscionable and unacceptable.

I think we should have a balanced approach. Yes, take this economic crisis seriously at the top, but don't forget that at the bottom of the pyramid are the hard-working families of America that have been exploited by these people on Wall Street and deserve a break as part of our conversation.

The final point I will make is I am glad JOHN MCCAIN is back on the Presidential trail. His visit to Washington didn't help a bit. It hurt. It riled up and roiled up all the political forces in this town because he summoned the Presidential campaign to Capitol Hill. That didn't help one bit. He needs to get back running for President. He needs to show up in Mississippi tonight for this critical Presidential debate. We need to roll up our sleeves, on a bipartisan basis, and find a good solution to this crisis we face.

I yield the floor.

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

Mr. HARKIN. Mr. President, first, I wish to thank Senator DURBIN for what he said because I have come to the floor to talk about that bottom of the pyramid; to talk about a vote we will be having in another hour and a half or so on a stimulus package that goes directly to the kind of people Senator DURBIN is talking about, the people at the bottom. They are unemployed. They need help—they need food stamps, they need unemployment benefits extended, and they need infrastructure jobs to rebuild our economy. Yet we are not talking about that.

So I wish to thank Senator DURBIN so much for pointing that out because I wish to talk about that for awhile.

Before I do that, I ask unanimous consent that following my remarks Senator GRASSLEY be recognized to speak for up to 30 minutes.

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

ECONOMIC RECOVERY PACKAGE

Mr. HARKIN. Mr. President, following on what Senator DURBIN was