

House with respect to H.R. 2638, the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act.

There being no objection, the Presiding Officer laid before the Senate the following message from the House of Representatives:

H.R. 2638

Resolved, That the House agree to the amendment of the Senate to the bill (H.R. 2638) entitled "An Act making appropriations for the Department of Homeland Security for the fiscal year ending September 30, 2008, and for other purposes," with an amendment to the Senate amendment.

AMENDMENT NO. 5660

Mr. REID. I move to concur in the amendment of the House to the Senate amendment to H.R. 2638 with an amendment at the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nevada [Mr. REID] moves to concur in the House amendment to the Senate amendment with an amendment numbered 5660.

Mr. REID. I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end, add the following: The provisions of this Act shall become effective 2 days after enactment.

Mr. REID. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 5661 TO AMENDMENT NO. 5660

Mr. REID. I have a second-degree amendment that I ask to be considered at this time.

The PRESIDING OFFICER. The clerk will report.

The Senator from Nevada [Mr. REID] proposes an amendment numbered 5661 to amendment No. 5660.

Mr. REID. I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

In the Amendment, strike "2" and insert "1".

CLOTURE MOTION

Mr. REID. I now send a cloture motion to the desk on the motion to concur.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the clerk will report the motion to invoke cloture.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the motion to concur in the House amendment with an amendment No. 5660 to H.R. 2638, the Depart-

ment of Homeland Security Appropriations Act/Continuing Resolution for fiscal year 2009.

Evan Bayh, Debbie Stabenow, Benjamin L. Cardin, Byron L. Dorgan, Barbara A. Mikulski, Jeff Bingaman, John F. Kerry, Herb Kohl, Sherrod Brown, Jon Tester, E. Benjamin Nelson, Richard Durbin, Patrick J. Leahy, Amy Klobuchar, Robert P. Casey, Jr., Claire McCaskill, Bernard Sanders.

Mr. REID. I now ask that no motion to refer be in order during the pendency of the message.

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

ORDER OF BUSINESS

Mr. REID. Mr. President, in the morning we will likely come in at 9:30, and we will have a half hour of debate prior to the vote at around 10 o'clock, and that will be in the wrap-up closing papers this evening.

I would also say to all Members, there are negotiations going on regarding the financial bailout. We are hopeful and confident something can be reached in this regard, but we will see. Now all parties are negotiating. We have had some concern today if that, in fact, was going to take place, and it has, and it is now going forward. So we would hope that if agreement can be reached, we will do it this weekend sometime. Therefore, we are going to have to be in session on Monday. If we have a vote on Monday, it will be very early, as early as possible. That is to complete whatever work the negotiators had done over the weekend.

We understand that at sunset on Monday night there is a Jewish holiday. We will honor that every way we possibly can. We would not consider being in session on Monday but for the fact that we have been told by Secretary Paulson and the Chairman of the Federal Reserve that there is a financial crisis out there, and that is what is being done in S-116 downstairs in the Foreign Relations Committee room today and will go on throughout the night.

We are going to complete, before we leave here, the Defense Department authorization bill. It is important we do that. We have that from the House. We are going to complete that. Rail safety, Amtrak—we will complete that before we leave. I have had a number of conversations with the White House. We are going to complete the India nuclear agreement before we leave.

Now, with all these things we are getting cooperation of Senators. If we do not get cooperation, we can get them done anyway, it just takes a lot longer—a lot longer. So I would hope the people who have objections to these pieces of legislation will be considerate, as I am sure they will be, to the schedules of other Senators. We have an election on November 4. We have tried mightily to finish our work on this Friday, today. But circumstances have weighed against us doing that with the financial problems we have had.

The largest bank failure in the history of our country was yesterday. The bank that failed had more than 2,000 separate branches. So we are going to have to continue our work here. We just cannot leave with all the work we have to do.

The vote in the morning is an important vote. I hope we will have good attendance at that vote. We will talk more in the morning to see if something has happened during the night that will change the statement I made today. That will be the only vote tomorrow, the one we will have at or around 10 o'clock in the morning. We hope we don't have to have a vote on Sunday. This is a cloture vote. There are 30 hours that runs, and we would hope that everyone would understand, if cloture is invoked, there is not much to be gained by waiting and making everybody come back and vote. But we will see what happens.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. COLEMAN. Thank you, Mr. President.

FINANCIAL CRISIS

Mr. COLEMAN. Mr. President, a man well acquainted with crisis, Abraham Lincoln, said this:

I am a firm believer in the people. If given the truth, they can be depended upon to meet any national crisis. The great point is to bring them the real facts.

I rise to affirm this confidence and lay out some of the basic facts and principles we face in this unprecedented financial crisis.

Fact No. 1: We live in a world which is very different from the realities of a decade ago. The financial world is interconnected and reacts at the speed of digital transactions. There are no borders to hide behind or cooling off periods in which to contemplate at our leisure. Problems arise quickly and solutions must be found quickly yet responsibly.

Fact No. 2: This crisis we face today touches each and every American. As the recent market events have proven, the crisis has entered a new and critically dangerous phase in which our entire financial system and economy hangs in the balance. The crisis we face today is as serious as any I have faced in my 32 years of public service. When the Secretary of the Treasury talks about the possibility of a collapse of the American financial system, that gets your attention, as it should.

Money market accounts, retirement savings, college and small business loans, and home mortgages are all at stake. This is not about Wall Street but about Main Street. It is about every street on which American families live.

Just think of what you have to tell your son or daughter if they got accepted to some great school, and you are about to get that loan that you need to pay for that education, and then all of a sudden it is not there.

Credit has dried up. Capital is not available. You are going to have to say: By the way, you can't go there now. I am sorry. Mom and dad cannot afford it.

Small business owners depend on credit to stock their shelves, to supply the goods we buy. If this system collapses, freezes, how are they going to go about providing both goods and services to families, as well as the jobs of folks who work there? This is about every street on which American families live.

Fact No. 3: This crisis, not unlike energy or health care, is too big for one party to solve. We must work together—Democrats, Republicans, House and Senate, administration and Congress. There was a moment of opportunity yesterday with the White House, Senator OBAMA and Senator MCCAIN, and the leadership of both sides of the aisle from both Houses. After the debate tonight, we have to get back, as Americans, to figure out how we put this together to provide the stability this economy needs.

People have asked a lot of questions about how we got there. Outright greed and mismanagement, coupled with an outdated financial regulatory system, have all been part of bringing us to this point. People were sold loans they could not afford. In some instances, I heard of ninja mortgages: no income, jobs, or assets, and yet they got packaged and securitized and passed on and sold to investors throughout the country and the world. Now it seems these securities are not worth what was paid for them. It has not only put companies in dire straits but our entire financial system as well.

Our obligation now as Americans is to come together and do the right thing, and to do it now.

Fact No. 4: The American people are watching. I have already heard from over 11,000 Minnesotans who have called or written to my office who have expressed their deep concerns about what is happening and what is being proposed. They say: Don't bail out Wall Street. My calls are running 10,000 against and maybe 100-and-something for. They say: Don't bail out Wall Street. Unfortunately, the way this stabilization plan was presented was such in which the public watched and saw it that way.

Secretary Paulson proposed a \$700 billion plan to rescue our financial system. People are concerned the plan did not provide for clear transparency, it did not provide for clear oversight. The consensus is, it amounted to a bailout of Wall Street. This is not what the American people want nor should they have that.

While I share the administration's sense of urgency to act, I share the concerns of Minnesotans from all across the State and certainly Americans all cross the country. So I want to assure folks back home I am not going to move forward on a plan unless it puts taxpayers first and holds Wall

Street accountable. But I also want to tell my citizens that it is our obligation and responsibility, before we get out of here—before we get out of here this weekend—to in fact put in place a plan that puts taxpayers first and holds Wall Street accountable. We need to get there. We must get there. We need a plan that provides effective oversight and transparency. We are not going to give the Treasury Department a blank check.

There is talk about taking some of the options that have been put on the table and been discussed in the last days, that instead of \$700 billion as a blank check, that there are X dollars put up first, with the obligation to come back for further approval, with very clear and specific oversight, very clear and specific transparency. We must get there with a plan that holds Wall Street executives accountable for the terrible mistakes they made getting us into this mess—no golden parachutes. We are going to have to deal with executive compensation. If there is going to be Government assets involved, if they use the Government credit card, folks are going to have to comply with the terms and conditions.

We must look into other individuals who enrich themselves on mortgage-related assets while fully knowing of their dangers. There is going to be a lot of looking back. In the long run, shareholders have to have a greater say about executive pay. We must get there with a plan that gets taxpayers the best value for their dollar. If we, ultimately, go forward with the Treasury's plan—or a variation of the plan because we are not going to go forward with that plan—this will be a plan in which the concerns of my colleagues in the House—they have expressed concerns; my colleagues in the Senate have expressed concerns. We need to go forward in a way that assures that distressed assets are bought—and when I say “bought”—that distressed assets are acquired—I want to be clear about that—acquired at prices that are fair to the taxpayer and any returns that we get as assets come back into this fund after expended, that they have to go to debt reduction.

We are talking about increasing the national debt from over \$10.6 trillion to over \$11 trillion. As assets come back, as distressed assets regain value over time, as folks get back on their feet, we have to make sure those assets then are put into debt reduction, not more Government spending, not deepening the mess we are in already in this country.

Over the long term, we cannot go back to business as usual. We need to aggressively undertake fundamental financial regulatory reform. First and foremost, any reform must include stronger regulatory oversight over the entire financial system. The sad reality is that some of our current system goes back to the Civil War era. It is like trying to fight a fire today with a bucket brigade. It is marked by ineffective co-

ordination among regulators and redundant oversight in some areas and lack of oversight in others. Greater transparency and accountability must be factored in. We must ensure that market participants have a direct stake in their own actions so that taxpayers are not left holding the bag.

In many ways, it has been described to me as almost a 9/11 kind of moment—that before 9/11, in the area of security, we were not able to think the unthinkable, and we did not have in place a system that allowed us to see and understand that the unthinkable was about to happen. In the situation we face now with this economy, we did not have the regulatory oversight, the transparency to deal with the complex financial instruments that are being used today, so we both did not think the unthinkable and we had no capacity to know that the unthinkable was about to happen. The unthinkable now stands in the shadows, as we talk about the potential meltdown of the American economic system. That cannot happen, and we will not let that happen.

At the same time, we must put more cops on the beat to better detect possible threats to the financial system, such as conflicts of interest that could undermine the integrity of the system. And, finally, we must ensure greater regulatory flexibility in order to keep up with market innovations. Regulators should have the ability to intervene before a crisis reaches critical mass.

What happens after the opening bell rings on Wall Street every day affects the folks in Hibbing, MN, just as much as the people in New York City. Wall Street executives must shoulder a great deal of responsibility for this crisis. If taxpayers are being asked to sacrifice, Wall Street too must share in the cost of rescuing the financial system.

Hardworking Americans deserve to have the peace of mind that their stake in the financial system is appropriately safeguarded and that they are not put on the hook for the mistakes of corporate America.

Times are tough. Folks are having a hard enough time dealing with high energy costs and making ends meet. In the short term, we need to act for the sake of our economy. In the long term, we need major reform that protects the American taxpayer and works for our economy. Maintaining a viable and robust financial system is critical to each and every American's future.

We have to recognize there are a lot of questions out there, even at this hour on Friday night, as we are moving toward what I hope will be putting in place a system that protects the taxpayer, that holds Wall Street accountable. We are talking about assets, and there is a discussion about Government buying assets. At what price? If we buy it above market price, are taxpayers being ripped off to protect shareholders and bondholders? That should not be

allowed to happen. If we are to buy assets, then what kind of system do we need to have in place to evaluate and oversee those assets? Are we creating more bureaucracy, more cost, for which, in the end, the taxpayers will suffer? Could we avoid that, while looking at loans—secure loans, of course, being preferable—but even in cases where there are not enough assets to secure the loans, moving forward from a loan perspective?

These are the kinds of questions I know those at the table right now need to answer. They need to answer them with a first and foremost principle that the taxpayers must be protected.

Finally, I wish to say that even as we move forward—as we have to move forward to provide stability to the American economic system—we must understand that this is not getting us out of the woods; that, in fact, those challenges to our economy are still there, including the threat of the recession, or the reality of the recession, and I think the economic numbers from this quarter will demonstrate that it is, in fact, where we are today. But greater danger lies ahead in our financial system, so the expenditure of Government resources now must be done in a way that keeps in mind that there are going to be some major issues that are going to have to be confronted in the near future. There may have to be some further action by this Government to provide stability in order to keep this country moving forward. Those considerations cannot be blocked out as we look at the crisis of the moment. We need to recognize that there are challenges that still await us.

The American people throughout our history have come together at every crisis that has threatened our national or economic security. We, in Congress, working closely with the administration, must protect their interests by working quickly, in a bipartisan way, to help secure a better, safer, and sounder tomorrow. Now is the time for statesmanship, not partisanship. Now is the time for leadership. Now is the time to come together to generate confidence in the American body politic and in the people that will then reflect confidence in our economic system, that will give the opportunity for a better and brighter future.

I yield the floor and note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Ms. LANDRIEU. Mr. President, I understand that Members can come to the floor to speak for up to 10 minutes in morning business. I ask unanimous consent to extend that to 15 minutes.

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

CONTINUING RESOLUTION

Ms. LANDRIEU. Mr. President, as people who have been following this debate know, the Senate is working into the weekend to try to finalize some very important pieces of legislation. As a member of the Appropriations Committee, I am disappointed in some way that we were not able to pass 13 individual appropriations bills, because that would be the normal course of business. Because so many of our States and counties depend on this Congress to get these bills done in a quick and efficient manner, it is disappointing to me as a member of the committee, despite how hard we have tried and despite the great efforts of our chairman, Senator BYRD, who has worked tirelessly to try to make that happen. It, unfortunately, does not look as though that is going to happen as we come to an end of this session.

What we are debating tonight is a continuing resolution that will keep the Government operating until, according to the date in the continuing resolution, I understand, March 6. Also through that continuing resolution we have attached to it the Defense appropriations bill, the Homeland Security appropriations bill, and the disaster package which I, along with many other Senators, worked very hard to shape as we witnessed and participated in—in terms of rescue, help, and support—several of the last few disasters, starting with Hurricane Fay that hit Florida but literally dropped feet of rain throughout many parts of the country, including Louisiana and other Southern States. Then, only a few weeks later, we witnessed and participated and tried to help as Hurricane Gustav—another category four, then three, and as it went inland a category two—a very powerful storm, delivered hurricane force winds through all of Louisiana—all 64 parishes. Even for a person such as myself, who is now sort of battle tested by hurricanes, it still is shocking that a hurricane could deliver such forceful winds all the way up to the northern boundary of a State that is over 400 miles. That is quite a storm. Then the winds were hardly down, and the electricity not even turned back on, and Hurricane Ike came roaring out of the gulf and hit Texas. Unfortunately for us, being on the east side of Texas, a great deal of damage was done as those very powerful winds and tidal surges again hit Louisiana.

So the people of my State, needless to say, are very weary and very tired and in great need of disaster assistance. So are the people of Texas. And let me say, I was pleased to be able to find time, even this week, to host a hearing in my subcommittee, along with my ranking member, Senator DOMENICI. We had four other Senators join us, for a total of six Senators, to listen to the very moving testimony of the mayor of Galveston, the mayor of Houston, the Lieutenant Governor from Louisiana, the Lieutenant Governor from Texas, and other key offi-

cials, as they came to this Congress seeking our help and our support to deal with an unprecedented number of disasters that have happened along the gulf coast.

I don't want to forget the floods that happened in the Midwest or the great fires out in California. It has been quite a year for disasters in the heartland, and I know this Congress has given a great deal of time and focused on Iraq and winning the war there. I understand we are focused, as I have urged, on more resources for Afghanistan. We have droughts and starvation and problems in other parts of the world, and we will do what we can to address that. But right here in the heartland, right here in our homeland, we have had many disasters that need our attention. So I was pleased, along with the other Members, Republicans and Democrats, to try to fashion a disaster relief bill that will actually make it to the President's desk so it can be signed. There was some debate earlier as to whether that should be attached to a stimulus, which was not passed today. That would have been a disaster in itself, because it would have gone down, as our stimulus package did. But I and others leaned on the leadership to have this disaster relief attached to something that was a must-pass, and I am very happy that was accomplished and attached to the continuing resolution because this resolution has to pass in some form or fashion prior to October 1, which is only a few days away, or of course the Government will shut down.

For the people of Louisiana, Texas, Mississippi, and Arkansas, my neighboring States, they breathed a sigh of relief that at least \$23 billion in this bill was headed their way. There was some \$2-plus-billion set aside for the Corps of Engineers, because levees broke everywhere. Luckily, the levees in New Orleans for Gustav and Ike held—barely held—but levees broke everywhere and thousands of people in urban areas, in suburban areas, in exurban areas, in rural areas, and farmers in the field are underwater. This is not enough, but at least it is something. I will come back to that.

We have \$6 billion for community development block grant disaster special aid. We laid this precedent down in 9/11, when this Congress rallied to New York's aid and sent a block grant of money. I believe that might have been the first time, in 2001, following that disaster, to help New York City stand up. And when Katrina hit and when Rita hit, we sent a similar block grant, although the money did not get divided according to damage and appropriately, but at least we got a block grant for disaster assistance. The Congress has decided again that the damage was so bad for Gustav and Ike to send another \$6.5 billion for these States to share. It is more than just the States of Texas and Louisiana. And that is the good news.

But the bad news is that the number alone requested by Texas, preliminary