

SENATE—Friday, September 26, 2008*(Legislative day of Wednesday, September 17, 2008)*

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the Honorable SHERROD BROWN, a Senator from the State of Ohio.

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

Eternal Spirit, the giver of every good and perfect gift, provide our Senators with strength and wisdom for today's journey. Give them faith that Your sovereign providence will lead them and that they can accomplish all things through Your strength. Remind them that You are still in charge of our world and that no weapon formed against Your faithful servants will prosper. Give them patience and humility. Help them to be quick to hear, slow to speak, and slow to anger. May they utter the right words at the right time. Lord, empower them to make decisions that will bring honor to Your Name and will permit truth and justice to prevail.

Keep the United States in Your holy protection, as its citizens cultivate a spirit of subordination and obedience to Your will.

You are our Lord and Saviour. Amen.

PLEDGE OF ALLEGIANCE

The Honorable SHERROD BROWN led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. BYRD).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, September 26, 2008.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable SHERROD BROWN, a Senator from the State of Ohio, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. BROWN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

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

SENATOR DICK DURBIN

Mr. REID. Mr. President, I came to the floor and waiting was my friend, Senator DURBIN of Illinois, the assistant Democratic leader. He is always available. Whenever the Senate needs him or I have a problem, he is the first person I call. He gets little notoriety or credit for all the work he does.

We came to Washington together in 1982 as freshmen Members of the House of Representatives. I have had the good fortune of being able to serve with him for some 26 years. He is such a good friend, such a great orator, has such a great mind. He is such a great asset to the Senate, to me, and, of course, to the State of Illinois.

I appreciate calling him, as I do many mornings, and he is there very quickly. He helps me work through the day's issues. I publicly acknowledge what a good Senator he is and what a good friend he is.

SCHEDULE

Mr. REID. Mr. President, following the remarks of the leaders, if there are any, we will be in a period of morning business, with Senators allowed to speak for up to 10 minutes each.

I ask that on the Democratic side—we are going to try to do this on a rotating basis—on the Democratic side Senator HARKIN and Senator SCHUMER be the first speakers.

Negotiations on the agreement to vote in relation to the stimulus legislation is ongoing. If we have a vote on that legislation, it will be at 11 or 11:30 a.m. today. That will be the only vote today. We hope to reach agreement so we can have that vote, as I indicated.

We also should tell everyone we are working very hard to do something on the bailout of our financial institutions. We know we have an obligation to do that. A lot of Senators have a lot of questions about where we are in this situation.

We were at the White House last night. Our meeting was reconvened on the second floor of the Capitol last night, and Secretary Paulson was here, Senator DODD, Senator GREGG, Chairman FRANK, and Chairman BAUCUS. They worked into the nighttime and

finished at 10:30, 11 o'clock last night. They are going to reconvene this morning.

Right now, out of 100 percent of the Congress—we have the Democrats in the Senate, Republicans in the Senate, Democrats in the House, Republicans in the House—we only have three of those Members trying to work something out. The House has basically walked away from everything. We were doing pretty well until the meeting at the White House yesterday.

We are going to continue to work hard. We understand the urgency of addressing this situation. We will have more to say about this issue later. We are doing our very best.

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 or 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