

Rita, and now we have Ike. We jointly must have the support of all of our colleagues in Congress to help our constituents. We are working together—our Texas delegation, our Louisiana delegation—to have a supplemental appropriation so that FEMA will be fully funded to address the concerns.

The Corps of Engineers will have repairs to make throughout the gulf coast. There are shelters that are going to be needed for families who have nothing to go back to. As I passed over Bolivar Peninsula and I saw what used to be a wonderful group of homes on stilts, today they are stilts. The homes are completely gone—completely gone—as if there was never anything there but sticks. It was amazing to me because I have been there so many times and seen these communities. So we are going to come together and we are going to help the people who have been afflicted.

I wish to speak for a moment about the people of Texas. We are known, I guess, around the country for being a hearty bunch and usually a happy bunch and always resilient. We have a great spirit in Texas. I never have seen it any more so than right now. Colleagues in Galveston and Bolivar Peninsula, Port Arthur, Beaumont, Orange, Harris County, Houston, many are down because they have not been able to get back in to see their homes. On Galveston Island the health conditions are so bad that they are not letting people come back on the island, so people have not even seen their homes. They are very frustrated.

But the generous spirit of Texans is surrounding those who are afflicted. The spirit, the pride, the resilience is there. I have seen our citizens do everything they can on a personal level. One of my regional directors of Harris County, Jason Fuller, has 12 Texans living with him right now, including three new dogs and a cat. He is doing his part on a personal level. He is also going out to the shelters and representing our constituents and trying to make sure that the points of distribution are open, things he can do. Some communities that don't have power organized block parties and they are having barbeques and cookouts because they have no electricity in their homes. Local churches, the Baptist Men, the Second Baptist Church in Houston has an incredible outpouring. The local churches are providing staff support. Volunteers are distributing the water and ice and food to surrounding communities. There are so many good things happening. Neighbors are coming together to help neighbors.

I wish to ask my colleagues to help us. Because we do have an emergency disaster bill coming through for many areas of the Midwest that have suffered from previous disasters, I am going to ask, along with my colleague JOHN CORNYN and my colleagues MARY LANDRIEU and DAVID VITTEK that we be included in this. We don't have the

exact assessments yet, but we know it is going to be big. We know we have given for Katrina. We have given to other disasters. What we ask is to be treated in the same way so we can recover and get our economies going again, get our jobs going again, get our schools open, which are not yet done in many parts of our State, so that we can recover, clean up, and begin contributing again to the economy as we have done so much in the past.

I thank my colleagues for listening. My heart goes out to my constituents who are suffering right now in Texas. I am going to stay in constant contact with them. I wish to say particularly how much I appreciate our Secretary of Homeland Security who has so many responsibilities, who has already been to Texas and Louisiana once, who is going back today as we speak, and will be there to try to solve any problems that have arisen. As well prepared as we were, there were things that had not been done. Some lack of coordination has occurred. He is going down there personally to try to fix that. We appreciate that very much and we want to work with him hand in hand to assure that our communities get up and going and that my beloved Galveston Island will once again be able to bring in tourists because of its beauty and its historic value, its ports and its beautiful beaches. I am going to work tirelessly to make sure that happens, along with all of the other areas of our coast that have been damaged.

Thank you, Mr. President, and I yield the floor. I suggest the absence of a quorum.

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

The bill clerk proceeded to call the roll.

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

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

#### THE ECONOMY

Mr. REID. Mr. President, last night, just a short ways off the Senate Chamber, I met with Chairman Bernanke, Secretary Paulson, and others. The meeting came at the request of the administration. These two men expressed their views on the deepening economic turmoil and laid out a plan that has now been reported in the media this morning.

AIG, arguably the largest insurance company in the world, was in the process of going bankrupt. The deadline was 8 o'clock last night. The board of directors met to see if they would accept the offer made by the Federal Government to attempt to save parts of the company. Obviously, the meeting ended with the board of directors approving the bailout. The Secretary and the Chairman promised to provide more details of their plans in the near future, which I believe must address the broader underlying structural issues in the financial markets.

I just completed a press conference with a number of other Senators, and the press was asking question after question: What is the Senate going to do? The answer is very clear: This is a multitrillion dollar problem which has been ongoing for a long time. We are going to have to get some committee hearings underway, which is why we are not going to adjourn. We will be in pro forma session so committees can still meet, though we won't have any activities here on the floor as relates to these markets.

Secretary Paulson has said this will have to take place in the next administration because there is so much to be determined in the direction we need to go. They gave every impression, these two good men, that they are attempting to do the best they can to understand America's financial institutions and the problems with them. But the good intentions of these two decent men cannot escape the reality that the Bush administration's willful neglect of oversight and an overzealous embrace of big business are directly responsible for the crisis we now face.

The most important job of our country is to safeguard the American people from physical and financial harm. This was the role of the great Franklin Roosevelt. That is the role of any President. But it seems this President has focused only on protecting us from physical harm. The financial harm needs to be part of the duties of the President. When it comes to the financial sector, this means ensuring that institutions do not impose systematic risks on the entire system because of the ripple effect that can have on our economy.

Democrats and Republicans who have served before our current President have all understood that providing oversight—oversight of everything but also of our financial sector—is not somehow anticapitalistic. Just the opposite—it helps capitalism flourish. But that all changed with George Bush and DICK CHENEY. When they came to power, there was no more oversight. They are such devout followers of the top-down, big-business-first, Herbert Hoover approach to the economy that they see any oversight as a threat to their greed. They put cronies and ideologues in charge of the most critical agencies, including the Justice Department. Alberto Gonzales is the poster child of that, hiring people who only graduated from certain select religious universities. I repeat, they put cronies and ideologues in charge of our most critical regulatory agencies, who ensured that special interests would always come before the common good. They refused to exercise their regulatory authority over the mortgage industry, allowing massive fraud and widespread predatory lending.

Now, what is predatory lending? Look it up in the dictionary. I did. It is the practice of preying on borrowers with deceptive, dishonest loan offers. This paved the way for the largest

mortgage crisis in American history—a bigger crisis than during the Great Depression. And the reason for that is the great work done by President Roosevelt and the New Deal and the work done by President Johnson with the great things he did so people could buy homes. So of course more people own homes now than then. Republicans, though, continued to ignore the problem long after the extent of the plundering and pillaging of the mortgage market became widely known.

I have a friend, Mr. President. I have known him a long time. We did work together. His name is Joe Alioto, Jr. His father was a famous lawyer and mayor of San Francisco. In my estimation, Joe Alioto, Jr., is one of the most legal scholars and the finest anti-trust lawyer in the country—doing plaintiffs work, not defense work. He has done some great things to help our society. He is so concerned about what has happened these past 8 years. The Justice Department has not touched these economic conspiracies going on. They have ignored it. It has to change.

Mr. President, talking about regulation, remember last Christmas? It started around this time, a couple weeks from now. What were people concerned about? Kids getting sick and dying from toys. Why? Because 80 percent of our toys are manufactured in other places, most of them in China.

We discovered, during that period of time, that the Bush administration, in their zealotness to do away with regulation—they hate oversight so much that the Consumer Product Safety Commission had literally one man in a cubbyhole, a windowless cubbyhole, in charge of testing every toy in America for the safety of our children. Our children were not protected by a team of engineers or by consumer experts but by a single employee who could do little more than to drop a toy from his desk on the floor to see if it would break. And that is the truth.

The financial turmoil we are now seeing is a direct outcome of the irresponsible Bush-Cheney approach to governing—which, by the way, JOHN McCAIN has supported every step of the way. As he said day before yesterday: The fundamentals of this economy are strong.

There is a cartoon today running in the Las Vegas Sun newspaper. The cartoon is by syndicated columnist Mike Smith. You see all his cartoons in all the newspapers and magazines in the country. It shows a ship in the ocean. Three-quarters of it is underwater, but the caption is: The hull is fundamentally strong.

This administration's fervor to favor big business has crippled the very big companies they sought to strengthen, and now the American consumer is the one hurt the most. When the history books are written, they will show that while Bush and CHENEY were giving away the keys to the castle to big business, Democrats in Congress were trying to restore fiscal sanity.

In 2000, Senator Paul Sarbanes of Maryland, a senior Democrat on the Banking Committee and one of America's all-time great Senators, introduced the Predatory Lending Consumer Protection Act to restrict abusive lending practices. The same year, Senator SCHUMER introduced the Predatory Lending Consumer Protection Act. In 2002, Senator Sarbanes reintroduced his bill.

When we came with the rewrite of the bankruptcy law, Senator DURBIN offered an amendment to say, if you have predatory lending practices you cannot recover that matter in Bankruptcy Court. That was defeated by the Republicans by one vote.

In 2004, Senator Sarbanes and the current chairman of the Banking Committee, Senator DODD, called on the Federal Reserve to take action on alternative mortgages. Senator DODD called them a "nightmare" for low-income Americans—4 years ago.

In 2005, the House of Representatives passed bipartisan legislation to reform the regulation of government-sponsored enterprises such as Fannie Mae and Freddie Mac. After passing the House 331 to 90, the Democratic minority in the Senate tried to pass it but were blocked by the White House and Senate Republicans. This was one of the many Republicans have put out.

Representative Mike Oxley, one-time chairman of the House Banking Committee and a devout Republican, brought this legislation to the White House. As he put it, these are his words, the administration gave the legislation the "one-finger salute."

In February 2008 Senate Democrats introduced the Foreclosure Prevention Act, which was blocked by Senate Republicans after a veto threat from the White House. This is one of the Republicans' 94 filibusters in the last 20 months.

In June 2008 the White House threatened to veto the Federal Housing Finance Regulatory Reform Act, which would have improved oversight of Fannie and Freddie. The reason for the veto threat is here. This is what they said—they didn't want to help communities struggling with foreclosed properties. That is what I said, not what they said, but that is what it boiled down to. They wanted the market to take care of it.

If the President had signed that bill this past June, we perhaps could have saved billions—I won't say "perhaps." We would have saved billions we will now have to spend to bail out Fannie and Freddie. In every one of these instances, Democrats saw the storm clouds gathering and attempted to pass legislation that could have steered our course away from the crisis we now face. But every time the White House and Senate Republicans chose to continue along their irresponsible path. Think about how irresponsible this is.

Even this year, with the housing market fully in turmoil and crisis, Republicans broke all Senate records by

filibustering the housing bill—not once, not twice, not three times, not four times, not five times, not six times—seven times. Every day the Republicans blocked us from finally passing housing legislation at least 9,000 Americans went into foreclosure. People in Pennsylvania, people in Maryland, all over this great country, went into foreclosure. During the Republicans' seven-time filibusters more than 160,000 homes went into foreclosure.

When Republicans had a chance to help, they wanted the status quo. One thing has happened here the last few weeks. Republicans can no longer have the status quo. That is gone. They tried for almost 8 years to maintain the status quo, and it is not going to be the status quo anymore. After 8 years of a failed approach, President Bush is ready to leave office and have the financial nightmare given to the next President. President Bush's preferred candidate is a disciple of the Bush-Cheney school of economics. If there is any doubt about it, just look to the man JOHN McCAIN hired to tell him what to say on this economy, former Senator Phil Gramm.

This is the same Phil Gramm who pushed through legislation that allowed firms such as Enron to avoid regulation and destroy the life savings of its employees and now allows Wall Street traders today to bid up the price of oil without oversight, leaving us the bill to pay—and some bill it is to pay.

An eminent economist at the University of Texas, James Galbraith, said Gramm was "the most aggressive advocate of every predatory and rapacious element of the financial sector has. . . . He's a sorcerer's apprentice of instability and disaster in the financial system."

Warren Buffett, one of the richest men in the world, called the result of Gramm's legislation "weapons of mass destruction."

I don't know about you, but after all that has gone on in the financial sector, the last person I want whispering in the ear of the next President of the United States is the chief architect and No. 1 cheerleader for the elimination of responsible oversight.

My office received a call: I don't know if you should say anything about Senator Gramm because there was something called the Gramm-Leach-Bliley Act that said one holding company could own more than one financial services company. They said you better look how you voted.

I voted against that bill. I remember very clearly. I was the person handling this floor during that period of time for Senator Daschle. I voted against that bill. We took that matter to conference, and we improved the bill in conference. The main issue at that time, for we Democrats, was they were red-lining people. The banks would just red-line places. They wouldn't make loans outside of a certain area.

It happened in Pennsylvania. The Presiding Officer is aware of that. We

spent a lot of time trying to change that. Did we get everything we wanted? No, we didn't. But it came back from conference, and it passed by an overwhelming vote. I voted against the bill. But the main point of that legislation is that it still allowed regulation. It didn't say the regulators could no longer regulate. The problem is regulators, during that period of time, had been asleep at the switch. They have not enforced what is on the books, and that should be the focus: that MCCAIN's philosophy and Bush's philosophy are the same.

I am going to continue talking about the fact this man, JOHN MCCAIN, is taking a lot of advice from a person who eminent economists and business people say has been a disaster for our economy.

After 8 years of this failed approach, we have what we have. On Monday, with one major investment bank headed for bankruptcy, another sold at a bargain price to avoid the same fate, tens of thousands of people losing their jobs, and one of the largest insurance companies teetering, JOHN MCCAIN declared that the fundamentals of the economy are strong.

The straight talk express is really in bad shape. This vehicle has fenders ripped off of it. There are very few seats left inside it. It hit another big wall on Monday, hit another big wall on Tuesday, and today it hit another big wall. The wall today is that JOHN MCCAIN said today—this just came out in the Associated Press—he said today the reason for all this stuff is lack of good regulation.

How in the world could the straight talk express say that? I think that is one reason I am not sure the straight talk express is even running after the last three collisions. It is in very bad shape. But yesterday even JOHN MCCAIN finally acknowledged what everyone else already knew. I guess he no longer thought the fundamentals of the economy were great, as he said a day or so before that. What he said is the economy is broken. That is some switch, isn't it—from being sound fundamentally to broken? But who does MCCAIN think broke it? Was it George Bush, DICK CHENEY, Phil Gramm, MCCAIN's own Republican Congress?

The economy is not going to turn around overnight. We can't snap our fingers or pass a bill and expect the problems to be solved instantly. We were told that last night by Chairman Bernanke and Secretary Paulson. This whole situation is not going to be easy. It is going to take bipartisan cooperation. I know for certain we are not going to fix our economy with a candidate who only yesterday woke up and realized there is a problem.

Last month, 606,000 jobs were lost. I don't know how many will be lost this month. I know Hewlett-Packard gave it a good start by laying off 25,000 people yesterday. I don't know how many people lost their jobs with Lehman Brothers. I don't know how many peo-

ple are going to lose their jobs with AIG.

I would like for once this administration to come to me with a problem that they would like to help us work on to help the middle class. They come to us all the time to bail out that big company or that big company or that big company or this big conglomerate. But where are they for emergency meetings to help people who can't afford gas or health insurance or can't afford to keep their kids in college?

We are paying record prices for gas, groceries, health care. That didn't happen yesterday. Millions of families are losing their homes to foreclosure or seeing their home equity disappear. That didn't happen yesterday.

Monday's MCCAIN said our economy is strong. Tuesday's MCCAIN said our economy is broken. Wednesday's MCCAIN said it is because of lack of regulation. Try to figure that out. This is the straight talk express which is broken and in bad shape, and he can't find passengers anymore.

Perhaps today's MCCAIN will explain how a candidate who spent 30 years in Washington siding with Wall Street over Main Street, who changed his view on the economy 180 degrees in 24 hours—I think he is running into himself—is prepared to lead us on the road to economic recovery? I don't think he is.

The extraordinary economic challenges we now face demand leadership and a new approach. The Senate will continue to listen intently to any proposal the administration offers, but we know the real change we need will come only when we have a President who will act as a guardian for the American people—not only their physical protection but their fiscal protection—rather than as a guarantor for the titans of Wall Street.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. CARDIN. Mr. President, I thank the majority leader for his comments. I agree completely with him that the circumstances have reached a point that we need to change direction, and we need leadership that will move us from the policies of the past to deal with the economic problems that we currently confront.

Mr. President, I ask unanimous consent I can proceed as in morning business.

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

Mr. CARDIN. Mr. President, the problems we have been talking about on Main Street America have reached Wall Street. I have taken the opportunity to speak on the floor on several occasions about the fact that the problems homeowners were facing in losing their homes in foreclosure were not just the problems of those particular homeowners, that it affects each and every one of us, that it was a housing crisis in America that would affect our entire economy. I talked about the fact that we have an obligation to try to do something to help.

Foreclosure rates are now at historically high levels. In August of this year, there were over 300,000 foreclosures in America. In my own State of Maryland, we have had over 3,000 foreclosures each and every month. Maryland is normally a quiet State. Homeowners are wondering whether they are going to be able to hold on to their homes. Homeowners have suffered from a significant reduction in property values. All homeowners have suffered through this. When there is a foreclosure in a neighborhood, it affects every house in that community.

The real estate industry is suffering through declining home sales. We know the numbers are dramatically lower. We know what that means as far as the economy is concerned. Housing starts are at their 17-year low.

We know the impact these economic conditions are having on middle-income families. Their wages have been stagnant—in fact, in real terms, have fallen—and yet their needs have increased; the high cost of energy, the high cost of health care, the cost of trying to afford a college education for their children, even affording their food budget. So we know middle-income families are hurting. We know Main Street is hurting.

But now we see that these problems have gone to Wall Street. We learned a few months ago about Bear Stearns and that the Government had to come to the rescue of Bear Stearns in order to make sure the jitters on Wall Street would be contained. That was followed by the Government coming in and standing behind Freddie Mac and Fannie Mae, putting tens of billions of dollars of U.S. Government potential expenditures at risk. This past week, we saw that Lehman Brothers, an entity that had survived the stock market crash of 1929, went bankrupt. Merrill Lynch was sold at a bargain-basement price. AIG now has Government involvement. This past Monday, the stock market fell by over 500 points—the Dow Jones average—which is the largest single drop since the terrorist attacks of September 2001. The taxpayers are being asked to stand behind these financial institutions. Individuals who depended upon their investments for retirement or for savings have seen a large part of that evaporate.

The administration says the economy is basically sound. JOHN MCCAIN says the fundamentals of our economy are strong. Well, it is the economic policies of this administration that have made it much more vulnerable. It was the former Secretary of HUD, Alphonso Jackson, who said, "Let's take a hands-off approach." The lack of Federal regulation and the lack of this administration's oversight of the financial institutions in our country have certainly led to where we are today.

Our economy is much more vulnerable because of the economic policies of this administration. Let me give you a few examples.

We have seen that during the past 8 years this administration has taken an economy with large budget surpluses to an economy with large budget deficits. This administration took a national debt that was a little over \$5 trillion and we are now approaching \$10 trillion. They took a surplus of a couple of hundred billion dollars a year and turned it into a deficit of over \$400 billion a year. They have grown the trade deficit to over \$700 billion a year, costing us jobs here in America. They have had a policy that yielded to the oil companies this oil dependency where we are not energy independent, so gasoline prices approach \$4 a gallon. The health care system has seen 6 million more Americans lose their health insurance and become uninsured as a result of the administration's policies. And the unemployment rate that was a little over 4 percent has grown to over 6 percent.

Now, Congress has taken some steps in order to try to deal with this. Quite frankly, we could have taken those steps a little faster if it were not for the Republican filibusters. But we need to do a lot more. We have taken steps to try to help families save their homes. Yes, I think we should be doing more. I was listening to the assistant majority leader talking about ways we could do that through changes in the bankruptcy laws. I think we need to do that. There are things we can do to help homeowners save their homes.

We can certainly do more to help families deal with the consequences of this economy, whether it is the high cost of energy and air-conditioning their homes or, in the winter, heating their homes or whether there are other areas we can help those who are suffering through this economy.

I hope our colleagues will not filibuster those opportunities so we can help those who have lost their jobs. I think we have a responsibility. That is what Government should be doing. The economy is not producing the jobs they need. They cannot find jobs through no fault of their own; it is the economic problems. That is where Government can help.

We could certainly have the right regulatory and oversight system to deal with what is happening with our financial institutions.

But we need to get back to basics. We need to get back to fiscal responsibility. You cannot cut taxes, go to war, and not pay for the war or pay for the tax cuts and get these huge deficits and expect our economy to be strong. Fiscal responsibility starts with balancing the budget, by recognizing that tax cuts have to be paid for and this war spending has to be paid for. Quite frankly, I believe the right course is to get our troops out of Iraq and save those dollars.

We have to help deal with a trade policy, a trade policy that will give American workers a level playing field so they can compete. They can compete with any country in the world,

with their workforce, if it is a level playing field. But we need an administration that is going to fight for environmental and labor standards so that we have that level playing field and that will eliminate the tax breaks we give in our own code for companies that take their jobs overseas. That makes no sense at all. We need to fight for those changes.

We need an energy policy that will make this country truly independent. We need to do that not just for our economy—and we know the cost of energy and what has happened because of countries halfway around the world changing their production, and it affects the price here in America. It affects our economy. But we have to do it for our own security so we do not have to go to war because we are in danger of losing oil. We have to do it for our environment because global climate change is real. We can accomplish all three of those goals by energy independence and help our economy.

But we are not going to achieve it through drilling. I know there are a lot of people here who want to drill. We have 3 percent of the world's reserves; we use 25 percent of the world's oil. You are not going to get energy independence through drilling. Yes, we support drilling where it can be done in a sensible way because we need the oil, certainly in the short term, but we need to develop alternative and renewable energy sources. That makes the most sense for this country. That is what we have to do. We have to use less energy.

We can become energy independent if we set our minds to do it. I hope we will take this as the last wake-up call and at least enact policies that will truly make us energy independent. We are going to have a chance to do that later this week—at least move in that direction—and I hope my colleagues will join me in supporting that legislative effort.

We have to take on the health care system. It is too costly in America. We spend too much money on health care. We do not have the results to indicate that. It is a national disgrace that we have 47 million without health insurance in America. And each of us is paying for it. We are paying for it through higher taxes and through higher premium costs. It is time that every American has access to affordable, quality health care, and that means we have to deal with the 47 million who are uninsured. They need to have insurance.

We need to deal with preventative health care. It saves a lot of money to make sure people are able to get the test and lab work necessary to have early intervention into diseases.

It makes sense for us to take on the pharmaceutical manufacturers. Why are we paying three times what the consumers of the industrialized world are paying for the same medicines that are manufactured here? Our taxpayers are paying for that. And those of us

who pay our bills are also paying more for pharmaceuticals than we should.

In short, we have to get back to basics. We have to get back to basics. We need to change the economic policies of this administration, get back to fiscal responsibility, get back to energy independence, and get back to health care reform.

Let's do the things that will make this Nation competitive. And if we do, our economy will not be as vulnerable as it is today. That is why what started as a mortgage problem grew into a housing crisis, grew into an economic problem for working families, and now it is affecting Wall Street. It does not make any difference whether you are an employee or employer, company or worker, you are being hurt badly by the economic policies of this administration.

It is time for us to work together, Democrats and Republicans. This is not a partisan issue. It should not be a partisan issue. Energy independence should not be a partisan issue. Health care reform should not be a partisan issue. Balancing the budget should not be a partisan issue. So let's work together, Democrats and Republicans. Let's help those who are looking to their Government in this time of need to be there to help them. Let's do the right thing for the people who need our help. But then let's rebuild our economy so we are never as vulnerable as we are today, so that we have the economic basis to be able to deal with the normal cycles in the economy without so many families losing their homes and so many families being wiped out on their savings. We can do this if we work together. I urge my colleagues to do this.

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#### EXTENSION OF MORNING BUSINESS

Mr. CARDIN. On behalf of the majority leader, I ask unanimous consent that the period for morning business be extended to 2:15 p.m. today, with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER (Mr. MENENDEZ). Without objection, it is so ordered.

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#### THE ECONOMY

Mr. DEMINT. Mr. President, my colleague has made a case for more Government intervention into the problems on Wall Street and in our economy, basically blaming the free markets for our failures.

I would like to make it clear what I think most Americans already know, which is that many of the problems we are having today, particularly the problems with AIG, the failures on Wall Street, the mortgage industry, actually go back not to greed in the private market but political greed—the problems that were created when this Congress and this Government set up Fannie Mae and Freddie Mac as government-sponsored enterprises with