ECONOMIC BAILOUT

Ms. MIKULSKI. Mr. President, I want to speak about this bailout we have been asked to do. Starting last week, we were told by the powers that be in the Bush administration we needed to do a $700 billion bailout to stabilize our economy.

When we heard that, Americans became scared. People who save for their retirement, those who have been faithful in paying their mortgage, those who have worked hard to pay for college, are wondering what is going on. People who have worked hard and played by the rules are wondering, are they being asked to bail out those who did not? Americans are mad as hell and they want to know what about them. They watched Wall Street executives pay themselves lavish salaries. They watched them do irresponsible lending practices. They watched them do casino gambling on risky investment mechanisms. And now those very same Americans who worked hard and played by the rules, were prudent investors, prudent savers, prudent citizens, are asked to pay the bill for those who did not.

Now, it is for those people that I know the Government must do something. We must protect our economy and we must protect our way of life and we must protect our middle class. Sure, the economy is in a crisis. And, yes, we do have a credit crisis. Wall Street did make very bad decisions. But now they are asking Main Street to pay the bill. We must act to restore our confidence in our economy. I agree, we must act promptly. But this Senator will not be stampeded into voting for this Bush administration bill.

So far during the last 7 years, every time there is a crisis, they generate fear and they generate bad ideas. Do you remember after the horrific days of 9/11 when we all came to the floor and pledged our patriotism? I said, we needed to put politics aside because we needed to be the red, white, and blue party. Well, they took advantage of that. And in that process we passed something like the PATRIOT Act, allowing our Government to act with undue secrecy with no parameters. We created the dysfunctional Department of Homeland Security.

Now we are being asked to deal with the fiscal crisis and the financial crisis. I am concerned we are going to create a fiscal FEMA. We must act with resolve, but we cannot be a rubberstamp for the administration's proposal. This proposal gives sweeping authority to those who were asleep at the switch in the first place.

Remember the Fed? Remember the maestro at the Fed who plunged down interest rates, and now helped create the housing bubble? Then there is the Treasury. There is the Secretary of the Treasury. A couple of months ago he said, no problem—like our President ''fundamentally sound.''

Then a couple of months later they said, oh, there is a problem. And we have lurched from one bailout to another: Bear Stearns, the insurance company, oh, no, not to Lehman, then after that failed, so we have gone from ''no problem'' to lurching around, to now $700 billion and a blank check.

We have seen those George Bush plans before. Now this one is a three-page bill. It gives the Secretary of the Treasury unlimited power to intervene in our financial markets without any review by Congress, agencies, or courts. They make the Secretary of the Treasury a financial czar, a financial potentate, because it says: Give us a blank check with no balances.

Well, I say: No checks without balances. Even the President of the United States of America has to come to us to declare war. I believe the Secretary of the Treasury should be accountable to the Congress and to whether mechanisms—if he is going to intervene with $700 billion in his pocket. I say no regulations without any safeguards. No way. No blank check. There must be regulations. There best be safeguards. If they do not want regulation, no way. If they do not want safeguards, no way.

We are in uncharted waters, so we need to ask tough questions. First, how do we know it will work? What guarantees are there it will work? Could this bankrupt our Treasury because it has no parameters? Could it cause runaway inflation, further eroding our economy? What are the safeguards?

Also, who is going to benefit? Is it going to be the same Wall Street go-go guy, the same Wall Street casino types who are going to benefit now? Whatever we do, we have to insist that those who created this scandal do not benefit from the bailout: no golden parachutes.

Let them feel the hard landing that my constituents faced when they were laid off at Bethlehem Steel. Let them feel the hard landing of what it is like to have your mortgage foreclosed upon. Let them feel the hard landing my constituents are facing right now. We do not need to subsidize bad behavior.

Now George Bush said he was the first MBA President. Well, hello, I do not have confidence in this administration. Remember, this was the same crowd that brought us Katrina, FEMA, and ''hey, you are doing a good job, Brownie.''

Well, is this what we are now supposed to say to those who are managing our finances? I don't think so.

We also have to prudently ask ourselves, are there better alternatives? Let me be clear: I do believe we need to act promptly but with safeguards. We need to act with resolve, but we need to have regulation and even retribution. If we have stabilization, which I believe we must do, we must also have reform. We are all looking at the administration's plan, but I want everyone to know where I stand. At a minimum, the plan must, first, be limited and temporary. It cannot be open-ended. There also must be a plan for those who have had those hard landings on Main Street. We need to put people first, to keep people in their homes, those who have had some of the most significant mortgage payment challenges, no golden parachutes that reward top executives for their excesses, their recklessness, and their sheer stupidity and greed, no blank checks. There must be accountability and oversight. Rescue does require reform, regulation, and a strong possibility of retribution. It must be transparent. I am for prompt action, but I will not be stampeded the way I have been stampeded in this institution by this administration in the past.

We need to make sure we do it right. That means not handing over a blank check or getting rid of the balances. We have to ask tough questions and be sure we have the right principles. If not, then the taxpayers will be on the hook. If we make the wrong decisions, taxpayers will be on the hook not only for Wall Street's bad decisions, but I don't want to set this up for Government's bad decisions. We need to get Government back on the side of the people who need it. We need to put the public good over private profits. This means we need to take a look at a 21st century regulatory system. I am tired of seeing this laxity where what emerges when we deregulate is the emergence of sharks and whales. Either way, the minnows get swallowed up. We don't want our economy to sink, and I think it is time to swim. But when we do, we need to make sure we are asking the right questions. We need to fight for the middle class. We need to fight for the people who go by the rules. We need to have a legislative framework that rewards those who did their very best and might be having a temporary spill.

I look forward to hearing more about this plan, but right now I need to know more. I need to be reassured more, and I need to be absolutely sure that those who created the crisis don't benefit from it and we don't leave the middle class with all of the responsibility.

I yield the floor.

The PRESIDING OFFICER (Mr. CARDIN). The Senator from Virginia.

Mr. WEBB. Mr. President, I begin by complimenting the senior Senator from Maryland on her statement. I know many of us on this side of the aisle are going to be asking a lot of the same questions. We have the same sense of urgency about helping the country while at the same time we protect the people who have had no voice and no power, as this proposal was put together. I was with our colleagues on this side of the aisle during the conference call on Friday when this situation was explained. I have a number of the same types of questions as those raised by the senior Senator from Maryland. This is why I rise today.

This is a very complicated issue, and we are being asked to resolve it on a tight time-line. The American people want some reassurance. They do want us to represent them and do something about the systemic flaws that allowed this debacle to occur, not simply to vote on a mechanical fix, but to address the issues and policies that allowed this massive financial crisis to emerge.

Americans are also interested, as the senior Senator from Maryland pointed out, in preventing those who benefitted and contributed to the problem, from unjustly enriching themselves.

We are seeing in this proposal the possibility of a huge transfer of power to the executive branch—not simply to the executive branch, to one official in the executive branch—with very few strings attached. This individual, whose career I respect, spent that career in the markets. Now, we are going to empower this individual and the Department of the Treasury to get directly involved in the stock market in a discretionary way that has very little precedent in our history. At the same time, there are potential conflicts of interest that are unavoidable and will need to be examined.

However we sort out this problem over the next several days or longer, there are a couple of areas where I believe that without the right type of guarantees, it will be very difficult for me personally to vote in favor of the proposal that came from the administration.

First, we must put regulation and accountability back into the system. It is inarguable that the regulatory structure now in place has not protected either our financial system or the American taxpayer. The administration is asking for unprecedented rescue, and that rescue cannot come without fixing the system.

Second and equally important, there should be guarantees in any legislation that address the issue of executive compensation. I have been speaking about this issue for many years. I mentioned this in every single meeting I had when I was campaigning for the Senate. It is not inaccurate to say that executive compensation in American business today is wildly out of sync with our history, and with other countries in the world. When I graduated from college, the average corporate CEO made 20 times what the average worker made. Today the average CEO makes 400 times what the average worker makes. This is not a global phenomenon; this is an American phenomenon. If you go to Japan, whose economic system works quite well in terms of the health of its economy and its balance of trade, the average corporate CEO makes 10 times what the average worker makes. Again, ours make 400 times. If you look at Germany, which has one of the highest balances of trade in the world, totaling $280 billion last year, the average corporate CEO makes 11 times what the average worker makes. Yet presently, our corporate CEOs make 400 times.

The principles should be clear. If, in solving the problem, we are going to take tax money from Americans, many of whom do not own stock, then the executives involved should get a Federal salary. This issue was raised with Mr. Paulson over the weekend.

I have an article that came from today's Financial Times, in which he said the Treasury Department fears that if we reduced executive compensation, it would ''undermine banks' willingness to take part'' in the program because it would be punitive in nature. I must say, I have a hard time figuring that out. We were told on Friday that we are in a crisis that, and that if we do not resolve it within the next week or so, it is going to undermine the entire banking system around the world, the entire global financial system. Yet we are told that if we ask these corporate CEOs to take a salary in line with what Federal officials receive, they won't participate. What are they saying? We have a crisis that is going to affect us all; we are all going to have to take some sort of a hit. It is certainly punitive to the American taxpayers, who did not participate in these decisions, and who did not receive any of the profits. How is it punitive to an individual to say: All right, if we are bailing you out, you reduce your pay. We are giving you Federal tax dollars. You take Federal pay until this is solved. You make the American taxpayer whole. We will make you whole. If you increase the profitability, as you say you will be able to do, then you can increase your compensation commensurately.

The legislation we are considering must have a provision in it that creates fairness for the people who are going to foot the bill. We are sent here, those of us who believe in the traditional precepts of the Democratic Party, to make sure that the health of society is measured not at the top, not at the apex, but at the base, by the well-being of the people who are doing the hard work of our society. It is our mission, it is our duty, to look after their needs.

If we can't get to the bottom of this by the end of this week, as some seem to be worrying about, maybe we need to take another week. Maybe we need to stay with this until we can get it done. When you are betting $700 billion to a trillion dollars, we need to figure out a formula we are all comfortable with.

I yield the floor.

The PRESIDING OFFICER. The assistant majority leader.

Mr. DURBIN. I thank the Senator from Virginia for his comments. I know when he spoke in response to the State of the Union a little over a year ago, he raised the issue of executive compensation. If I am not mistaken, he made the point that the average worker, in the course of a year's work, made what the average executive makes in a day. Maybe it was even more of a contrast. But it is a clear indication of how things have gotten completely out of line. I ask the Senator from Virginia if he could recount what that comparison was between pay for CEOs and the pay for workers?

Mr. WEBB. The Senator from Illinois is correct. I mentioned earlier that executive compensation in our country is wildly out of control, in terms of our own history and in terms of what is going on in the rest of the world. I do not believe it is punitive or unreasonable to ask for a fair measure when tax dollars are being used to help bail these companies out. When the Senator from Illinois and I were finishing college, the average corporate CEO made 20 times what the average worker makes. Today it is 400 times. If we take that multiple and apply it to what I was saying in response to the State of the Union address a year and a half ago, in one year the average worker in this country makes what his boss makes in one day. There is plenty of room to be fair to the system and fair to the individuals who are asking for the bailout, but ultimately we must be fair to the taxpayers who are asked to dig down in their pockets and help us straighten out this problem.

Mr. DURBIN. I have been in on these meetings, and some were historic and ominous. Secretary Paulson, Chairman Bernanke of the Federal Reserve, and Chairman Cox of the SEC came to us last Thursday night to discuss what we faced. They were using words such as ''meltdown'' and ''collapse,'' talking about the very severe economic crisis which we are facing. Certainly, the events of the last few weeks and months back up the concern.

When we raised the question of executive compensation, though, the push back from the administration was: Listen, don't mess with the salaries of these CEOs, even if their banks are failing because they may not do business with the Government. They may not let the taxpayers bail them out if we restrict their annual bonuses and restrict their golden parachutes.

I struggle with this concept, I say to the Senator from Virginia. Is the administration suggesting they would rather see their banks fail, would rather see their hedge funds fail, their mortgage operations fail than not receive their annual bonus? Is that the argument that is being made to us?

I do not know if the Senator from Virginia can recall any other aspects of public or private life where we pay such rich rewards for incompetency. Where the businesses fail, it seems these executives take away the most money. In the Financial Times or in the Wall Street Journal this morning—one of these publications—they talked about Barclays riding to the rescue of part of Lehman Brothers. They said, incidentally, just before Lehman Brothers went belly up, they brought in $2.5 billion for executive compensation and bonuses, momentarily before they were about to go out of business. That is unconscionable.

Now we are asking the taxpayers to come in with hard-earned tax dollars to rescue these companies and subsidize the compensation of executives so they do not have any interruption in their annual bonuses or any interruption in their parachutes and rewards? There has been an interruption in the lives of most taxpayers.

I say to the Senator from Virginia, is there a parallel here of a similar example that I am missing?

Mr. WEBB. I say to the Senator from Illinois, I also heard Secretary Paulson say something similar in the conference call in which we were participating on Friday, and I find his comments very puzzling—I am not violating confidentiality because Secretary Paulson said it at least three times over the weekend on different television shows. When he was asked, on the one hand, whether this is a crisis that threatens to undermine all of the financial markets within a few days, and on the other, if it would be punitive to ask the executives to take a pay hit. And, in fact, Secretary Paulson indicated that some of these banks might not participate if they are asked to do that.

I would suggest there are plenty of competent officials who may have lost their jobs over the past few weeks who could step in if these particular individuals do not think this is a good formula. What I was saying in concept is, if you take in a Federal dollar to bail yourself out, you ought to get a Federal salary until the taxpayer is made whole.

If you show managerial skills to pull us out of this, such that the assets you are requiring us to purchase improve in value, then, you could get some commensurate compensation because this is compensation for actual performance.

Mr. DURBIN. So you are saying pay for performance, in other words, instead of pay for title or pay for past performance. That is a radical concept, but most workers in America would be able to identify with that. That is kind of what they face when they go to work.

Mr. WEBB. I would say to the Senator from Illinois, very quickly, when we use the word ''punitive,'' we should keep in mind that there are many people in this country who are teaching school or out driving a truck who are going to have to pay more taxes for this, but who have not had the benefit, in many cases, of even owning stock. They are going to have to pay a penalty for the malfeasance that has brought us to this situation.

If the administration and Secretary Paulson and others truly want to solve this problem—and I think they do—then they ought to be able to yield on this point simply because of the logic of it.

Mr. DURBIN. I might say to the Senator from Virginia, the $700 billion represents roughly about $2,000 of indebtedness for every man, woman, and child in America to make up for the mistakes of these banks.

There is another thing that troubles me. There is great potential for conflicts of interest because decisions have to be made by the Secretary of the Treasury under his proposal about where the Federal taxpayers will step in with their money and buy illiquid assets; in other words, buy the mistakes, the mortgage securities, for example. Those decisions will have a direct impact on the survival of institutions and on the jobs of the people who are affected by those.

We want to make sure there is no conflict of interest, that the decisions are made by those who have no skin in the game, no investment in the decision, and it has to be at least subject to some review. There is no one in this country, thank goodness, above the law, and yet in the proposal given to us by the Treasury Department, there is no judicial or administrative review of decisions being made about where the $700 billion is going to be invested. We are being asked—in a hurry—to get this done in a hurry, to give more authority to this administration, specifically to this Secretary of the Treasury, a man whom I respect, but to give more authority to him than anyone has ever had in the history of the United States, and to say that his actions are not subject to review by any court, any administrative body, when there is such a great potential for conflict of interest. That concerns me.

Mr. WEBB. I say to the Senator from Illinois, first, I wholly agree with you on that point. I mentioned in my comments a little while ago about the potential for conflict of interest. This is the continuation of a trend that disturbs me greatly, that is the movement of power toward the executive branch.

I was a committee counsel in the U.S. Congress 30 years ago. If you examine the balance between the executive branch and the legislative branch over those 30 years, it has steadily, particularly since 9/11, moved toward the executive branch. This is another example of that movement.

I would make one other point. I and a number of other people, Senator BAYH among them, have been very worried about sovereign wealth funds. I have talked about them and have been able to participate in some hearings on other committees about a foreign government directly investing in our economy. One of the points I made several times is that the U.S. Government has never directly invested in a discretionary manner in our markets.

So we are seeing two different trends that are disturbing and that we should be thinking about. One is, if we do transfer this amount of authority to the Secretary of Treasury, the Federal Government, on a discretionary basis—one individual, on a discretionary basis—is going to invest in parts of the economy. All this in their own discretion, decided without review, as the Senator from Illinois mentioned. That is a kind of a sovereign wealth fund in our own country, but with the bad assets.

The second trend we are now seeing is the movement, particularly from the Government of China over the last 10 days, of massive investments from a country that on one level is potentially a great strategic adversary, and certainly an economic competitor, directly into our economy. There is a 49-percent purchase proposal for Morgan Stanley from the sovereign wealth fund of the Chinese Government.

So there are many pieces in motion. We have the gravest duty to sort them out. I congratulate the Senator from Illinois for his comments.

Mr. DURBIN. I thank the Senator from Virginia.

There are so many questions that have been raised by this proposal from the administration. I have to say at the outset, for those of us who have been here a number of years, this has an eerie resemblance to something I have seen before. It was on the floor of this Senate 6 years ago when we were told by this administration in October, before an election, that we had to give to the President of the United States the authority to invade Iraq. Oh, he did not say he was going to do it. He just needed the authority to invade Iraq because of weapons of mass destruction.

Of course, the pressure was building on Members of Congress: Do something. Saddam Hussein may have nuclear weapons. Condoleezza Rice talked about mushroom-shaped clouds. It was in that environment and atmosphere that the President said: Give me the authority; I will make the decision about whether we should invade Iraq.

The pressure was on. Some of us were up for reelection at the time. I can recall going to editorial boards in Chicago, and I can tell you, I lost their endorsements because I said there is something that concerns me about this. We are delegating so much power to this President. It is far easier to get in a war than it is to get out of one.

Here we are 6 years later. We are still in it. Mr. President, 4,183-plus American lives have been given in this conflict, 20,000, 30,000 have returned with serious wounds and injuries—amputations, paralysis, traumatic brain injury. I cannot tell you how much money we have spent there. It is almost as much as the President is asking now for the banks, maybe more.

We are being told again, as we approach another election: Give the authority to the administration, to the President, and step aside; in their wisdom, they will handle it. I worry about that. As I said, I respect Henry Paulson. I really do. I do not think he is a politician at heart. I think he is a patriot, a citizen who wants to do the best for his country. But his actions have to be put in a constitutional context. We have the balance of powers in this country because that is what America is. It is not because of what this current crop of politicians dreamed up. It is what the Founding Fathers said we are all about. We do not want to give too much power to any branch of Government. We want other branches to be involved.

A proposal is coming from this administration now, a few weeks before the election, with ominous clouds gathering over the financial institutions of America, and we are being told: Trust us. Trust us to give to the Secretary of the Treasury the authority to take $700 billion and to buy assets in banks without the review of any court or any administrative body.

I do not see in here the protections against conflict of interest. Why should I worry about conflicts of interest? Have we had any conflicts of interest with the war in Iraq? Let me think for a moment. Does the word ''Halliburton'' spring to mind, these no-bid contracts for billions of dollars that shortchanged our troops and our taxpayers? Excuse me if I am cynical and skeptical, but I have seen this movie, and I don't like the ending. The taxpayers pay too much money. The troops do not get protection. Halliburton gets billions of dollars in contracts.

So should I be concerned that there is going to be one person in the administration or a handful allocating $700 billion without anybody looking over their shoulder? Yes, I am concerned.

Then there is a question about the banks we are going to help. This started out about the American economy and American financial institutions, and now it has become something larger. At the last minute, the Treasury Department said: Oh, we are going to help foreign banks too. Really? Foreign banks? I want to know more about that. I want to know how much we are going to get into this in terms of these foreign banks. A lot of these questions have to be asked and answered before any of us in good conscience can vote for this.

But that is the reality of what we face. Just in case people are keeping score, things have changed in the United States of America in the last several weeks. Some of it was lost on the business pages, and some of it most people did not focus on. But I have tried to study it a little more closely with this $700 billion request.

To put this into perspective, the debt of the U.S. Government is $5.4 trillion. In the combined history of the United States of America, all of the money we have had to borrow to keep this Government moving over and above what we raised in taxes comes to $5.4 trillion. That debt, incidentally, has gone up dramatically, a record-breaking pace under the Bush administration. We are now facing, this year, a $480 billion deficit—I am sorry, I think it is $407 billion, but it will be $480 billion next year, a record-breaking deficit.

So to put that in perspective, this is our mortgage, America, $5.4 trillion and growing. It is a mortgage we will pay as long as we are alive, and so will our kids and so will their kids. That is the starting point. What has happened recently?

Almost 2 weeks ago, the decision was made that we would assume liability—the Federal Government would assume the liability, a second mortgage, if you will—for Fannie Mae and Freddie Mac. Now, this is a government-sponsored entity which basically guarantees 50 percent of all the mortgages in America. So now our second mortgage is, we are stepping in—not the shareholders of the companies, the taxpayers are stepping in to guarantee the solvency of Fannie Mae and Freddie Mac. There was not much else we could do, I will be honest with you. We reached a terrible point where there were not many alternatives.

How much liability is involved in Fannie Mae and Freddie Mac? Well, it will be easy to remember. It is exactly the same liability as America's national debt: $5.4 trillion. The second mortgage on America is the same as the first mortgage. Now, don't get me wrong. Behind Fannie Mae and Freddie Mac is a lot of property—homes, businesses, real estate. So it isn't as if there isn't collateral involved, but we are on the hook for $5.4 trillion. That is not the end of the story. The story goes on.

We decided that people who have mutual funds—my family has done that too—and have taken cash and put it into money market mutual funds—everybody knows what I am talking about; it is not the CD at the bank at the corner where Uncle Sam stands and says: We are going to protect you via the Federal Deposit Insurance Corporation, but it is the money market mutual fund where you move money out of your stocks, out of your mutual funds, put it into your money market mutual funds because it makes a little bit better than what they are paying at the bank. It turns out they are in trouble. They are in such trouble now that we are going to have to step in for the mutual funds and provide a money market guarantee on the mutual funds. OK, we have our national debt and we have our secondary mortgage—Fannie Mae and Freddie Mac—$5.4 trillion more, and now we are stepping in to guarantee money market mutual funds. How much could that be? Well, it is much smaller than the other two. It is $3.4 trillion. Stay tuned, sharpen your pencil, there is more to follow because we are being asked now to come up with $700 billion to buy illiquid assets. What is that? Something nobody wants to buy. We are going to buy them.

Do we have to do this and try to stop the seizure of the credit institutions of America? We may have no choice, but I think it is reasonable to ask a few questions. Just as we should have asked more questions about weapons of mass destruction 6 years ago before we found ourselves in this war, we need to ask questions today about where this is leading, and we need some protection for the taxpayers of this country.

I walked down LaSalle Street on Friday. It is a great street in Chicago, lined with banks and big office buildings. A lot of people came and said hi, but a lot of them came to me and said: Are you going to do this, $700 billion for bailing out these banks? I said: I don't know. At the end of the day, I don't know. I want to see what the administration comes back with. Right now we have a concept. I want to see a proposal.

I thought to myself as I walked along there and had a little press conference with a bunch of folks who walked by on the sidewalk listening: These are the folks who are going to pay for this idea. These are the taxpayers who are going to have to come up with the money for this—for all of this. None of these taxpayers got a notice about the annual bonus checks at these major companies that are going under. They didn't receive any of that. They didn't get a parachute either. They are the taxpayers. Unfortunately, it will be a bigger tax bill because of this.

What has happened is a fundamental failure of a philosophy that has been tested and tried for the last 10 years or so that says the Government ought to get out of the way, no questions asked, and don't diminish the dynamic aspect of this economy with overregulation. That, to me, is something we need to take a second look at.

Incidentally, my staff has told me the national debt is over $10 trillion. I misspoke on the primary mortgage. I got the wrong figures out of the paper today, and I want the record to reflect it: The primary mortgage is over $10 trillion, and Fannie Mae and Freddie Mac is an additional $5.3 trillion in liabilities, as I said earlier. That shows you the amount of debt that is involved.

So the fundamental failure of the philosophy is this belief that somehow we, as taxpayers, have a responsibility to rescue but not a responsibility to regulate. That is not right. If the full faith and credit of the United States of America is going to come to the rescue of these private institutions, we have an obligation in Government to the taxpayers of this country to ask the hard questions in advance, before the disaster arrives. We should have been asking these questions a long time ago. We should have asked them about the predatory lending practices of major credit institutions. We have had several votes on the floor of the Senate on that issue. We should have been asking about how this money was being loaned—the circumstances.

I guess there is not much sympathy for people facing foreclosure in America today. A lot of us might be inclined to think: These poor souls, they should have been a little more careful, until you take the time to meet some of them. Some of them got carried away. Don't get me wrong. I can't have a lot of sympathy for them. They made big mistakes trying to make big money, but some of these folks were conned. They signed up for mortgages full of tricks and traps that ended up exploding in their faces and now they are going to lose their homes.

At the end of the day, this crisis started with a housing catastrophe and disaster and continues because of it. It is up to us now to decide what we are going to do about it. We can rescue the folks at the top—that is what is being proposed—but we need to do a lot more than that. I think we need to set up a mechanism for those who are about to lose their homes to be protected.

Here is an interesting thing. If you face bankruptcy today and you have seven or eight homes and go into the bankruptcy court, they can renegotiate the terms of all your mortgages, except one. They cannot renegotiate the terms of the mortgage on your home. Why? If they can renegotiate the terms on my vacation home, my farm, my ranch, my property in some other place, why not my home? There is no good explanation. The fact that the bankruptcy court cannot renegotiate leads us, sadly, to the point where banking institutions and credit lenders and the others are not renegotiating terms. They would rather see people fail and face foreclosure. I think we have to do something to make sure the bankruptcy courts have that option. I think there should be incentives for those lending institutions to try hard to keep people in their homes.

Mr. President, 340,000 Americans were foreclosed on in the month of August. It is a record-breaking number. Not since the Great Depression have we seen that percentage of homeowners facing that kind of liability. So we have to keep the taxpayers in mind when we read this proposal of the Treasury. We have to keep homeowners in mind, and we ought to keep accountability in mind. At the end of the day, there is no branch of this Government above the law. When it comes to $700 billion in taxpayers' dollars and money—and hard-earned money, I might add—they are not above the law.

One last point I wish to make. Senator MCCAIN has made a name for himself in the Senate, calling himself a leading deregulator. He has been opposed to regulation. In fact, he teamed up with Senator Phil Gramm of Texas, who was his inspiration for years, and they voted together on many issues: to deregulate, get the Government out of the economy. Let a thousand flowers bloom. Let's let these forces of capitalism go to work. I am not going to diminish the power of the entrepreneurial spirit and the forces of capitalism, but they can get carried away. We saw it happen with the savings and loan crisis and we have seen it happen with the subprime mortgage crisis. We have seen it before. It might happen again if we don't learn a lesson.

I am disappointed that Senator MCCAIN in the past took that position. I am troubled that, in a recent article in Contingencies magazine, he said about our health care market:

> Opening up the health insurance market to more vigorous nationwide competition, as we have done over the last decade in banking, would provide more choices of innovative products less burdened by the worst excesses of State-based regulation.

I don't know when Senator MCCAIN wrote that. It couldn't have been recently because I have to tell my colleagues that if he is promising for the health insurance market what we now face in the banking market after deregulation, God help American families. I couldn't disagree more with Senator MCCAIN's position on deregulation when it came to banking, and now his position on deregulation when it comes to health insurance companies.

If the Government doesn't set the rules, the insurance companies will. How would you like to throw yourself on the mercy of that insurance company adjuster, when it is your health or the health of one of your kids on the line? Insurers compete with one another, trying to avoid costly patients and avoid paying for procedures. We hear about it almost every day. According to Senator MCCAIN, let a thousand flowers bloom. Let the market work. The market works pretty well if you are young and healthy or wealthy. It doesn't work very well if you are older, have a history of illness, and don't have much of an income. That is why we need sensible regulation.

This idea that we are going to move away from employer-based health insurance, as Senator MCCAIN has said—well, I am sure there are some people who buy into that. Put each one of the customers in America out on their own buying health insurance instead of buying through pools where they work, and we know what will happen. The sickest people will have the toughest time finding insurance and paying for it. That isn't how it should work. We learned that, I am afraid, the hard way, and Senator MCCAIN is stuck on that. I think he is wrong. I think we need a health insurance program in America which gives us all a fighting chance. Unfortunately, Senator MCCAIN's approach does not. So we have to make sure that when it comes to banking or health insurance, Senator MCCAIN's approach is not going to be our approach. This idea of deregulation may at one time have had wide subscription, but today it does not. We have to move forward with the concept that there is an appropriate role for Government—not to go too far but to provide enough protection, disclosure, transparency, and accountability to make sure we don't find ourselves in the crisis we find today with our banking institutions.

I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Ms. KLOBUCHAR. Mr. President, first of all, I wish to thank the Senator from Illinois for his leadership. He has been an advocate for a long time for changing the way this administration has allowed these agencies to decay and to not be regulated—not just our financial market but our consumer market and the market for oil and other things. I thank the Senator from Illinois for his leadership and his farsightedness during these last few years.

UNANIMOUS-CONSENT AGREEMENT—RESOLUTIONS EN BLOC

Ms. KLOBUCHAR. Mr. President, I ask unanimous consent that the relevant committees of jurisdiction be discharged and the Senate now proceed to the en bloc consideration of the following resolutions: S. Con. Res. 96, S. Res. 614, S. Res. 653, S. Res. 644, S. Res. 646, S. Res. 652, S. Res. 651, H. Con. Res. 163, S. Res. 648, S. Res. 502, S. Con. Res. 93, H. Con. Res. 296, S. Res. 634, and S. Res. 657.

I further ask unanimous consent that the Senate then proceed to a number of resolutions submitted earlier today:

S. Res. 670, S. Res. 671, S. Res. 672, S. Res. 673, S. Res. 674, S. Res. 675, and S. Res. 676, all en bloc.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and it is so ordered.

Ms. KLOBUCHAR. Mr. President, I ask unanimous consent that the resolutions be agreed to, the preambles be agreed to, and the motions to reconsider be laid upon the table en bloc.

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

The resolutions were agreed to.

The preambles were agreed to.

The resolutions, with their preambles, read as follows:

S. CON. RES. 96

Whereas on May 12, 2008, Irena Sendler, a living example of social justice, died at the age of 98;

Whereas Irena Sendler repeatedly risked her life during the Holocaust to rescue over 2,500 Jewish children who lived in the Warsaw ghetto in Poland from Nazi extermination;

Whereas Irena Sendler was inspired by her father, a physician who treated poor Jewish patients, to dedicate her life to others;

Whereas Irena Sendler became an activist at the start of World War II, heading the clandestine group Zegota and driving an underground movement that provided safe passage for Jews from the Warsaw ghetto who faced disease, execution, or deportation to concentration camps;

Whereas Irena Sendler became 1 of the most successful workers within Zegota, taking charge of the children's division and using her senior position with the welfare department in Warsaw to gain access to and from the ghetto to build a network of allies to help ferry Jewish children from the Warsaw ghetto;

Whereas Irena Sendler was arrested by the Gestapo on October 20, 1943, tortured, and sentenced to death by firing squad;

Whereas Irena Sendler never revealed details of her contacts, escaped from Pawiak prison, and continued her invaluable work with Zegota;

Whereas in 1965, Irena Sendler was recognized as ''Righteous Among the Nations'' by the Yad Vashem Holocaust Memorial in Israel;

Whereas in 2006, Irena Sendler was nominated for the Nobel Peace Prize;

Whereas Irena Sendler was awarded the Order of the White Eagle, the highest civilian decoration in Poland;

Whereas ''Tzedek: The Righteous'', a documentary film, and ''Life in a Jar'', a play about the rescue efforts made by Irena Sendler, chronicle the life of Irena Sendler;

Whereas Irena Sendler, a woman who risked everything for the lives of others and