First off, the easy answer to it is it is not going to cost anywhere near $700 billion, even if he uses the whole $700 billion, which he probably will not do. But even if he were to use the entire $700 billion authority, he would be out buying assets.

He would be out buying notes that have security behind them and, therefore, we will be paid, to some degree, as to their value and depending upon what he buys these notes at. Let's say he is not going to buy them at face value. Let's say someone borrowed $100,000 secured by a house, and nobody knows what the house's value is now, and the person who borrowed the money cannot repay that because the cost of the note, the reset interest rate is too high. That note is not going to sell for $100,000, it is going to sell for something less, maybe $70,000 maybe $60,000.

It is not clear what the Treasury is going to buy that for right now. I want to get into that in a second, but whatever they buy it for, they will be getting an asset. And the question will be, is the price they paid for that asset above or below what they can, in the end, get for that asset?

Now, the big advantage the Federal Government has is we do not have to do what is known as mark to market. We do not have to write down these assets the way a bank does or a financial house does as they become destable, as the assets become destable. We are the Federal Government. We can hold that asset until it is paid off at face value, for example.

So not only do we get the 70 cents back, but we get 100 cents back on the dollar, so we can actually put ourselves in a position where if we pay a reasonable price for an asset we may make money on the asset. We do not know that that will happen, because the purpose here is not to make money, the purpose is to stabilize the financial markets and give them the ability to start freeing up, trading and freeing up activities so that the credit markets start to move back and forth once again.

But if we are successful, and we will be if this plan is approved, then the credit markets will start to move once again, and that will raise the economy. And as the economy improves, then these mortgages that we will have bought, these mortgage-backed securities, and their other things such as loans, will start to improve in their performance, and the chances of us getting a good portion or all of the money back that we put into this effort will be pretty high.

What is the effect of that? That means that instead of costing $700 billion, we may get $600 billion back, we may get $500 billion back, we may get $800 billion back. Whatever we get back, that is going to be a net figure. So when CBO scores this activity, they are not going to say the deficit is going to increase by $700 billion as a result of us passing this proposal, they are going to say it is going to increase by the net difference between the $700 billion and what they estimate we will get back from the assets that we purchase.

I suspect that estimate is going to be—I do not know what it is going to be, but it is certainly not going to be anywhere near $700 billion, $100 billion. It is going to be a shot in the dark because nobody knows. But we do know we are going to get some value for this investment. In fact, if things were to work out, we might get as much value back as we put in, maybe even more. That is not the expectation, that is not the purpose.

But clearly when somebody gets on the public airwaves and says: We are putting $700 billion of taxpayers' money into this and we are not getting anything back, we are throwing it at these big companies, they are big demagogues, they are big, dishonest, they are heightening the problem rather than addressing the problem. They are certainly not factually accurate as to what is going to happen here. The deficit will not be aggravated by anything near that number.

Now, will the Federal debt go up? Yes. But then it comes back down as we get the money back. So that also is not a legitimate argument. If you have got a legitimate complaint, it is this as a conservative: When we make this investment and we start to get this money back, which we will, over the next 5 years, so that money is flowing into the Treasury at a pretty big rate, $500 billion, $600 billion, $700 billion, we better make darn sure that money goes to reduce the debt of the Nation and does not get spent around here on various products, which is what we tend to do with money when we see it arriving at our doorstep. That is what I am concerned about.

I am hopeful that whatever the final agreement is, it will have language in it that says as we start to get this debt repaid, the Federal Government starts to receive monies as a result of the investment we have made, those monies will go directly to reduce the debt of the Federal Government, and the debt we are passing on to our children.

But what is the practical effect of doing this, of putting this type of commitment up, this type of commitment to stabilization? The practical effect is that we stabilize, hopefully, the financial markets. What is the effect of not doing this? What is the effect of not doing this? We are playing with fire. We are rolling the dice. We are confronting potentially one of the most significant economic events in the history of this country, and it is not a good event if we do not take action.

There are a lot of very thoughtful people around here who know that. Last week we almost saw that event occur when there was $335 billion of money market funds pulled out of the market and we basically saw the banks unable to continue to operate in an orderly way because of that until the Fed and the Treasury came in to basically stabilize the situation.

We do not want to take that gamble as a nation. The cost of not taking that gamble is not that high. It is not $1 trillion, it is not $700 billion, as I have run through the scenario. It is virtually no dollars in the Bear Stearns-AIG event; it is a marginal number of dollars potentially in the Freddie Mac and Fannie Mae event; and in the big event, the $700 billion, we do not know what it will be, but we know it is dramatically less than $700 billion because we know we are going to recover a large amount of those assets, and the net cost of that activity will be well below $700 billion, assuming there is even a net cost over a 5-year or 10-year period as we work out these loans.

But the cost to us if we do not do this? Potentially staggering to everybody in America. This is not about Wall Street; this is about Main Street. This is about people keeping their jobs; small mom-and-pop businesses being able to borrow money to operate; people being able to send their kids to college; an economy being able to be a growth economy rather than a contracting economy.

That will affect everyone, everyone in America. So I think it is time to put an end to the theater and to the politicization and to the hyperbole.

I congratulate a lot of folks on the other side of the aisle. I congratulate the Senator in the chair, from Pennsylvania. He has been responsible. I have heard Senator SCHUMER, who is a leader in this area, make some extraordinarily constructive ideas. Senator DODD is trying to be constructive.

I think there is a willingness in this body to act at least in a bipartisan, constructive way. That is what we need is some mature action around here. That is our responsibility as a government. We have a crisis upon us. There are ways to avoid it. We have a responsibility to pursue a course of action which gives us the best chance of avoiding that for the American people.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ALEXANDER. I ask unanimous consent that the order for the quorum call be rescinded.

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

FAREWELL TO RETIRING SENATORS

Mr. ALEXANDER. Mr. President, Senator PETE DOMENICI, who is retiring from the Senate this year after serving since 1972, once said to me that we don't say goodbye in the Senate very well. As a matter of fact, we don't say hello very well either. We have a little orientation program, but we abruptly arrive and leave. We leave in the midst of a lot of turmoil and discussion with very little time to say goodbye. Yet in

between that arrival and leaving, we have very intense personal relationships. We virtually live with each other. We see each other often for breakfast, lunch, and dinner. We see each other more than we see our families. So when there is a time for saying goodbye, we look for ways to say it a little better.

There are five Members of our body, all of them Republicans, who have announced their retirement for this year. While I won't be speaking at length about them here today, I want to recognize their service. I will do it in the traditional way in the Senate, which is to start with seniority. By ''seniority,'' I mean from the time I have known them.

I first met JOHN WARNER 40 years ago, in 1968. I was a young lawyer, and he was head of United Citizens for Nixon. I went to work for him in Washington, DC, at the Willard Hotel. He had been an advance man for President Nixon in 1960. He had been a businessman who was a striking figure, as he still is. I remember one of my assignments was to recruit a Mississippi chairman, and I found an outstanding young man named THAD COCHRAN who became chairman of Citizens for Nixon in Mississippi. Then we went to Indianapolis for the national meeting of our organization, and the mayor of Indianapolis was RICHARD LUGAR. JOHN WARNER was 17 years old and enlisted in the Navy in World War II. He served as a marine officer in Korea. He was appointed by President Nixon as Under Secretary of the Navy in 1969 and became Secretary. He has served in this Senate since 1978 with distinction. He has added civility, a sense of institution, and perhaps his greatest continuing contribution has been his expertise and independence and leadership on matters of military affairs which he has discharged in a bipartisan way with Senator LEVIN for many years.

Senator DOMENICI from New Mexico has been here since 1972. That is a long time. He arrived as a young man. He had been a chairman of the Albuquerque City Commission, a math teacher, a baseball player. It was unusual for a Republican to be elected to the Senate from New Mexico. He has served with distinction all that time. He was the first Republican chairman of the Budget Committee. He has been a leader in a renaissance of nuclear energy in this country which is so important because of its low cost and because it is clean. A great many people, including myself, are concerned about global warming. Well, 70 percent of our carbon-free electricity in the United States comes from nuclear energy. Senator DOMENICI, more than almost anyone, has been behind the revival of interest in nuclear energy. He has truly been one of the most consequential Senators of the last half century.

CHUCK HAGEL of Nebraska is like the rest of us Senators. We are all accidents. None of us could have guessed we would be here. It is hard to plan your way into the Senate because we come from all different directions.

Senator HAGEL, who is Nebraska's senior Senator, is retiring after only two terms in the Senate, but he has had a full life so far, starting a business or helping to start one that became a public company. While we have a great many patriots in the Senate, men who are honored for their service in the military—such as Congressional Medal of Honor winner, Senator INOUYE; Senator STEVENS, who flew the first plane to land in Beijing after World War II ended; Senator MCCAIN, whose story is well known, while he never discusses it—Senator HAGEL's heroism and service serving side by side with his brother in Vietnam is one of the most fascinating, heroic stories of any Member of the Senate.

With that sort of independent background, you can imagine he brought to this body a sense of independence, a great knowledge of the world. Along with Senator LUGAR on this side of the aisle, he understands the world better than almost anyone, and he works hard at it. He has been independent in his views, willing to criticize those he thought were wrong, including those in his own party. He has written recently an excellent book about the future of our party. We will miss Senator HAGEL.

Senator LARRY CRAIG has been in the Congress for a number of years. He served three terms in the Senate. I believe Senator CRAIG's great contribution is in the area of energy. He and Senator DOMENICI have been a team in advocating for nuclear power. They have been leaders in the Senate in understanding energy and its details, particularly over the last few years as issues of energy and the environment have become the most fascinating and important issues we have to deal with in many respects. Senator CRAIG has made a great contribution.

I especially appreciate his courtesies. When I was just elected to the Senate, I had worked here before as a staff member many years ago, but I didn't understand what it was like to be a Member. Senator CRAIG took a long hour with me on the telephone just explaining to me about committee assignments. I have always been grateful for that.

Finally, there is Senator WAYNE ALLARD. We have two veterinarians in the Senate. When WAYNE ALLARD goes back to Colorado, we will have one. Senator ALLARD told the people of Colorado if he was elected that he would serve two terms. He has, and he is keeping his pledge. He has been a strong and vigorous advocate of military preparedness. He is a member of the Armed Services Committee. He has been a member of the Appropriations Committee.

One of Senator ALLARD's great contributions in the last couple of years was to take a job that many others probably wouldn't have wanted and plow into it. When the Capitol Visitor Center, which is almost open, was being worked on and running over budget and had some problems, Senator ALLARD, through his chairmanship of the Legislative Branch Appropriations Subcommittee, was able to jump into that and provide a great service.

I say to all five of those Senators, we will miss them. We are grateful for their service. I know people must look at the Senate in many different ways.

Let me conclude by telling a story about how some teachers look at it. We have a tradition in the Senate of making a maiden address. It is kind of a funny name, but we still call it that. We pick the subject of most interest to us. My subject was to put the teaching of U.S. history and civics back in its proper place in the school curriculum so our children would grow up learning what it means to be an American. There is not too much the Federal Government can do about that, but what we were able to do is to begin summer academies for outstanding teachers and students of American history. One group of those teachers was here in July, one from each State. I brought them on the Senate floor early one morning. I took them to Daniel Webster's desk, which is occupied by the senior Senator from New Hampshire right here by me. I took them back to that part of the Senate where Jefferson Davis's desk is, occupied by the senior Senator from Mississippi, and told them the story of how the marks in the desk are because a Union soldier came in during the Civil War and started chopping on it with his sword. His commanding officer came in and said: Stop that. We are here to protect the Union, not to destroy it.

This Chamber is full of history, full of our country. Anyone who stands on this floor and sees the engravings of ''In God We Trust'' or ''E Pluribus Unum'' and gets a sense of what has happened here has respect for it. The teachers had that respect. When we got to the end of our visit, one teacher said to me, I think it was the teacher from Oregon: Senator, what would you like for us to take home to our students about our visit to the Senate floor?

I said: I hope you will take back that each of us takes our position a lot more seriously than we take ourselves. We understand we are accidents, that we are very fortunate and privileged to be here, that each of us reveres our country, and we respect this institution. I can only speak for myself, but I think it is true of Senators on both sides of the aisle that we get up every day thinking first of how we can make a little contribution before we go to bed at night that will help the country be a little better off than it was in the morning. That means serving in the Senate is a very great privilege. I hope you will take that back to your students. I don't know what they see on television or read in the newspaper about the Senate, but that is how we feel about the privilege we have to serve here.

To these five Senators—WARNER, DOMENICI, CRAIG, HAGEL, and ALLARD—we say goodbye. They are members of our family. We appreciate their service. We know they have believed it has been a very great privilege to serve in the Senate. For us it has been a great privilege to serve with them.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

THE ECONOMY

Mr. REID. Mr. President, as I have said on many different occasions, one of the heroes in my family as I was growing up was Franklin Roosevelt. That is an understatement. One of the things I admired most about President Roosevelt was how he lifted our country out of the Great Depression and did so by speaking directly to the American people on the radio, telling the American people the truth. All he told us was not good news, explaining plainly what needed to be done.

Another President that we all admire, Democrats and Republicans, was Harry Truman. We all know that President Truman had on his desk a wooden sign that said, ''The buck stops here.'' It did, and it does.

Today we face what economists call the greatest economic danger since the Great Depression. We have come to this point after 8 years of President Bush waging a war on fiscal responsibility. His Republican philosophy of removing all accountability from big business and expecting no responsibility from them in return has created this crisis that now threatens to devastate America's working families. President Bush put cronies and ideologues in charge of all critical regulatory agencies, including the Justice Department, who ensured that special interests would always come before the common good.

In one example of particular irresponsibility, the Bush administration refused to exercise its regulatory authority over the mortgage industry. The President's neglect allowed massive fraud and widespread predatory lending to pave the way for the largest mortgage crisis in our entire history, a crisis he continued to ignore long after the consequences of the plundering and pillaging of the mortgage market became clear.

Here in the Senate, we never got the support of President Bush when we were trying to do something with housing reform. In fact, just the opposite; he was threatening a veto. We had to break seven Republican filibusters on that legislation.

History will show that while all this was going on in the White House, for the last 20 months we Democrats were trying to restore fiscal sanity. Here are some examples over the years.

We have only been in control of the Senate for the last 20 months. Prior to that, in 2000, Senator Paul Sarbanes of Maryland, chairman of the Banking Committee, introduced the Predatory Lending Consumer Protection Act to restrict abusive predatory lending. The same year, Senator SCHUMER introduced the Predatory Lending Consumer Protection Act. In 2002, Senator Sarbanes reintroduced his bill. 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. In 2005, the House of Representatives passed bipartisan legislation to reform the regulation of government-sponsored enterprises, Fannie Mae and Freddie Mac. It passed the House 331 to 90.

The Democratic minority in the Senate tried to pass it. We were blocked by the White House and Senate Republicans. When Representative Oxley, one-time chairman of the Banking Committee and a devout Republican, brought this legislation to the White House, the President, in the words of Mike Oxley, gave him ''the cold shoulder and the one-finger salute'' and rejected the bipartisan plan.

In February of 2008, Senate Democrats introduced the Foreclosure Prevention Act, which was blocked by Senate Republicans after a veto threat from the White House.

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? They did not want to help communities struggling with foreclosures. If the President had signed this bill in June, we would have saved billions we must now 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 congressional Republicans chose to continue along their own irresponsible path, which brings us to where we are now.

After ignoring Democrats in Congress and good fiscal sense for 8 years, President Bush has sent Secretary Paulson and Chairman Bernanke to Congress to pitch his $700 billion bailout. As I have said before, Secretary Paulson and Chairman Bernanke are good men. I believe they both have the best interests of our country at heart. I certainly hope so. But the testimony of yesterday's Banking Committee hearing made it clear that Secretary Paulson and Chairman Bernanke have not yet successfully made the case for the Bush plan. Democrats and Republicans raised serious questions about the plan, and I do not believe anyone—Democrat or Republican—felt those questions were sufficiently answered.

At 2 o'clock today, in the House of Representatives, their Banking Committee is going to listen to the Chairman and the Secretary.

As our country prepares to face the consequences of George Bush's fiscal dereliction of duty, Congress is prepared to act as quickly as we responsibly can. But the Congress, and especially the American people, have a right to know this: Where is President Bush? President Bush has sent Congress an unprecedented $700 billion bailout proposal—$700 billion straight from the pockets of every single man, woman, and child in America. Yet President Bush has been absent from what may well be the most important debate on economic policy in a generation.

Isn't it interesting. You look at our experience, the Presiding Officer's and my experience. When there was an issue of such paramount importance, we were always called to the White House. Not this time. The President has not been available. It has not been his issue.

Well, it is his issue. We have a right to know—Congress and the American people—where is President Bush? He sent Congress this unprecedented $700 billion bailout proposal. This money, as I have said, is straight from the pockets of each one of us, and even our children and our children's children. Yet President Bush has been absent from what may well be the most important debate on economic policy in the history of our country.

I was listening to the radio this morning and Allan Sloan, who is an economic writer, said this issue is as big as he has ever seen or heard about. Well, I do not know if he is right, but I think the President should be available. He has given two brief statements to the press and a press release admonishing the Congress to accept his bailout plan immediately. Other than that, President Bush has been silent.

We must not forget, President Bush is still President of the United States. It is time for him to focus on the issues and tell the American people where he is. It is time for him to explain why 8 years of deregulation policies have bought us to this dangerous ground. It is time for him to explain why this administration sat on its hands for months and only now has come to realize the need for immediate and unprecedented Government action.

Where was he when it was called for during his first 7½ years? It is time for him to explain how he could tell our country for months that our economy was fine, the fundamentals were fine, yet overnight declare that if American taxpayers do not accept his bailout proposal, our country will face economic disaster.

And, most importantly, it is time for him to explain how his plan, drafted literally under the cover of darkness, will help America weather this storm. This is not the Paulson plan. This is not the Bernanke plan. This is not the Congress's plan. This is the Bush plan. It is time for him to take ownership and demonstrate leadership. He is our