I don't know if they think unemployed people are lazy. I don't know if they think because we provide them a few dollars to get by until they can find a job and keep their families going, keep their kids in school, keep food on their tables, keep a roof over their heads—I don't know what they think. They are not going to try to get a job if they get a few dollars unemployment? It is not like unemployment is like a congressional pension. It is not like unemployment compensation is like a Carly Fiorina bailout or Carly Fiorina's bonus for failing at her company. It is not like this is a lot of money that is going to keep people so fat and happy that they do not need to work. I do not get why they would do that.

Congress needs to extend unemployment benefits for unemployed workers. We need to do it for those workers, for those workers' families, for those communities in which they live. It is in no one's best interests for Congress to twiddle its thumbs while more American families sink into poverty. An extension of unemployment insurance—not welfare, insurance—was in the economic stimulus package last week. The House may very well take up unemployment insurance extension before we adjourn. Here is why.

If we are going to talk about stimulating the economy, there is no better way to do it. Every dollar invested in unemployment benefits leads to $1.64 in growth. This is not money that people use to go out and buy a flat-screen TV made in China. This money, unemployment extension, is used for food; it is used for books for their children and clothes for their children. It is used to pay the rent. It is used to pay utility bills. These are dollars that stay in the community, dollars which help the local hardware store, help the local grocery store, dollars which provide other jobs in the community. There is no better stimulus than that.

The Congressional Budget Office says extending unemployment benefits is cost effective and fast acting. We already have the mechanism. We put money in the pipeline. The money gets into the community. It doesn't take 3 months to send out a check. It is money that can be put into the pipeline right away.

Unemployment benefits are spent to sustain families so they do not need other forms of public assistance. It gives workers the resources they need to put gas in their cars to go out and look for work. I get letters all the time from people who literally cannot afford to buy gas so they can go out and look for a job, particularly in rural Ohio, particularly in places such as Waverly and places such as Jackson and places such as Ottawa and places such as Tiffin. It is just too expensive to have to go looking for jobs in rural Ohio too often.

There is another reason to extend unemployment benefits: patriotism demands it. Our Nation is not defined by its borders, it is defined by its people. Millions of people are running out of unemployment benefits. They need our help, and they need it now. We cannot claim to be American patriots and ignore the American people. It is not just a strong military. It is not just pride of country or wearing an American flag pin. It is that, too, for sure. But patriotism is helping our people. Patriotism is a covenant we have between our Government and our people.

That means if you work hard and play by the rules—if you work hard and you play by the rules—you are able to get ahead. That means if your company closed, if your company laid off workers and you happened to be one of the unlucky souls who got laid off, it may be that the Government, your neighborhood, your country, your community, can help you until you can find your new job. Workers, their families, their communities—we cannot continue to ignore them.

When my Republican friends talk about patriotism, they talk about whatever it is we need to do—tax cuts for corporations, to provide jobs, all that. They ought to start talking about workers because we know the wealth in this country is created by productive workers. Workers in this country are more productive than they have ever been. They produce more wealth for their employers. It is time that they shared—that employers, as their profits go up, even in not-as-good economic times, as their profits go up, it is time more of that wealth was shared with workers. It is time those workers who are working their hearts out get a little reward, playing by the rules, get some advantage, get some opportunity, have the opportunity to get ahead.

We have a responsibility to listen to Americans who are not employed and probably believe they have nowhere to turn. They can turn to us. They should turn to us. We should not turn our backs on them. That is what too many people in this institution, too many people at the White House, too many people in this whole Bush-Cheney-McCain idea of how to run an economy—clearly, they have not done that good a job on Wall Street or on Main Street. It is the way they may look at things. I got elected to the Senate in 2006 because people thought their country betrayed them. They saw the drug companies writing the Medicare laws; they saw the insurance industry writing health care legislation; they saw the oil industry dictate energy policies; they saw Wall Street jam down the American peoples' throats these job-killing trade agreements. This Government, this administration, has betrayed the middle class.

We want a government where the public can turn to us, they should turn to us, and we will not turn our backs. No, we will actually embrace them and work with them. We can start by extending unemployment insurance. Senator REED has a bill to do that. We should pass it. We should move on and begin to change this country.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

ECONOMIC STABILIZATION ACT

Mr. HARKIN. Mr. President, last night I reluctantly voted in favor of the Economic Stabilization Act. I want to emphasize the word ''reluctantly.'' I did so because the Nation's financial system faces serious challenges, and it was important for us to act. However, I am under no illusion. While this rescue plan will likely calm and stabilize the financial system, at least in the short term, it is not as strong as it should be in terms of protecting taxpayers' money, and it does not get at the underlying problem of what got us here in the first place.

Over the last week, I worked with a number of other Senators to improve this measure that was in the House, that the House turned down. For example, I joined with a group of Senators in developing and creating a special inspector general to oversee the emergency efforts of the Treasury Department and to investigate the inevitable waste, fraud, and abuse as the bailout goes forward. I say ''inevitable'' because when you have $700 billion sloshing around out there and you have one person sort of deciding where it goes, that just invites a lot of mischief. So we have this special inspector general to oversee that. That was a good addition. I am pleased that recommendation was included in the final bill.

I am disappointed that the limits on executive compensation in the bill are not as strong as I would have liked and others would have liked. The final decisions on executive compensation are left to the Secretary, who, by his background, training, and everything, is certainly no champion of limits on executive compensation. Look at his own background, for example. I felt and still feel we should have definitive, hard limits on executive compensation. If they are going to come in here and ask the taxpayers to bail them out, they are, in fact, becoming, effectively, like Government employees, and they should not make anything more, I have often said, than the highest paid Government employee, who is the President of the United States. If they do not like it, they do not have to come to us for the taxpayers to bail them out. So that is something we are going to have to fix.

Likewise, the final decision on acquiring stock in participating banks—that is, getting equity positions—is crucial to protecting taxpayers' money. The decision on what we do on equity is left up to the Secretary again—either this Secretary or whoever follows this Secretary—and this Secretary has indicated he does not favor the Government taking an equity stake. Well, I beg to differ. Again, if our taxpayers are being asked to put up their money and to put this debt on their children and their grandchildren, well, they and their children and grandchildren ought to have an equity stake, and nothing less will suffice. Again, that is something else that has to be fixed.

In addition, I am disappointed that banks are still not required by law to open their books so we can determine how they valued the assets the Government will be purchasing. We need full disclosure and transparency from participating institutions. If we are going to invest taxpayers' money in these banks and acquire their debt portfolios, then we need to know the details of their methods and their proprietary models for placing values on those portfolios. It is not enough for them to give us the balance sheet. That is not enough. What we need to know is how they got there in the first place, what models they used internally to decide how they would place the value on a certain asset, how they decided how much to pay for a certain asset and how much to sell that asset to someone else.

Therein lies perhaps some of the answers to the questions of how we got here in the first place. Again, there is nothing in this bill that would require them to do it, but they have to be forced to do that. You will hear: There is transparency; we put transparency in the bill. The transparency is in terms of the Secretary buying the assets and how that is done and it is all open and aboveboard. There is nothing in this bill that requires transparency to look at their books to see how they got there in the first place.

Ask yourself this question: You have a company. For a number of reasons, you are going underwater, you are going bankrupt. You go to a bank to get a loan to get back on your feet, hopefully to get up and operating again. Is the bank going to be satisfied with looking at your balance sheet, your assets and debits? No. The bank is going to want to know what got you in trouble. Why are you here seeking our help? What were you doing there that got you into this trouble? Let's look at all your books. No bank is going to loan you money based upon your balance sheet, if you are underwater, declaring bankruptcy or about to.

We are the bank now, the taxpayers. The Federal Government is now the bank. When they come to us and they have assets and they put in this reverse auction, we ought to say: OK, let's take a look at your books; not just your balance sheet, but how did you get to the valuation of those assets? How did you come by those assets? What did you pay for those assets? Why didn't you pay that much for those assets? What was the model you used when you went to the computers and all these ''brainiac'' people decided how much they would pay for these assets? That is a very important point to know. And, if we are to protect the taxpayers, we need to fully understand all of the details about these financial paper we may be buying which may prevent our overpaying.

I brought that up with Secretary Paulson in a meeting. I couldn't believe his response. His response was: We can't do that because a lot of times they don't even know how they got there.

That is true. You can ask a lot of Senators who were in that meeting when I asked the question. That was his response. They don't even know how they got there.

I am sorry. They do know how they got there. If they flipped a coin, they ought to tell us that is what they did. But I don't think that happened. It happened because they had internal accounting structures and computer models that they used to decide how much to pay for an asset, to buy it or not, how much to put it on their books as, maybe sometimes how much to sell it at. That is what we need to know. Don't tell me they don't have that information. They do. I know it is proprietary but, nonetheless, if they are coming to us asking us to buy these assets, we have to know how they got there. If we know that, then that helps us next year when we come back to change the fundamentals, to put in more regulation, more oversight of financial markets, which we have to do. But if we don't know how they got there, how are we going to know, as makers of public policy and protecting the taxpayers in the future, what we need to do in the regulatory scheme? I am disappointed that we don't have that.

There is one other aspect of this bill that troubles me. That is the fact that we put all the $700 billion basically out there on the table. Again, Secretary Paulson was asked by Senator SCHUMER of New York, was he going to spend all that $700 billion in the first couple weeks. He said, no, it will take about $50 billion a month. This raised a lot of questions in my mind and the minds of others. If it is $50 billion per month, why do we to have give you 700? Why don't we give you $50 billion for the next 4 or 5 months, and then we will sunset it and take a look at it, see how it works. If it works, come back. Congress, I am sure, would be more than happy then to debate it and extend this. I thought that was a good proposal. In other words, put out 5 months' worth, put out $250 or $300 billion, sunset it, come back in February. Let's see how it is working. Is this working? Is it not working? Then make the decision whether we want to put another $350 billion of taxpayer money out there.

What happened, finally, in the bill is a scheme that they put out, I think, $250 billion right now. The Secretary can get another $100 billion by the President snapping his fingers, saying: I want it. He gets $100 billion. Then, to get access to the other $350 billion, there has to be a request from the President. Then Congress has 15 days in which to deny it. They get it, but we have 15 days in which to deny it.

You might say: Well, that is some protection. It is. Except if we deny it, the President can override it. He can veto that. Then we have to have a two-thirds vote to override the veto in both Houses. So this is heavily skewed toward letting the executive branch decide on the full $700 billion. This is something we ought to come back and fix when we return in January. Again, there were some questions raised about that $700 billion.

I was interested to read in Forbes, September 23, it says:

> In fact, some of the most basic details, including the $700 billion figure Treasury would use to buy up bad debt, are fuzzy. ''It's not based on any particular data point,'' a Treasury spokeswoman told Forbes.com Tuesday. ''We just wanted to choose a really large number.''

So the $700 billion, where did it come from? They wanted a large number. Tell that to the taxpayers.

I ask unanimous consent that this article from forbes.com entitled ''Bad News for the Bailout,'' be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From Forbes.com, Sept. 23, 2008]

BAD NEWS FOR THE BAILOUT

(By Brian Wingfield and Josh Zumbrun)

Lawmakers on Capitol Hill seem determined to work together to pass a bill that will get the credit markets churning again. But will they do it this week, as some had hoped just a few days ago? Don't count on it.

''Do I expect to pass something this week?'' Senate Majority Leader Harry Reid, D-Nev., mused to reporters Tuesday. ''I expect to pass something as soon as we can. I think its important that we get it done right, not get it done fast.''

Sen. Sherrod Brown, D-Ohio, says his office has gotten ''close to zero'' calls in support of the $700 billion plan proposed by the administration. He doubts it'll happen immediately either. ''I don't think it has to be a week'' he says. ''If we do it right, then we need to take as long as it needs.''

The more Congress examines the Bush administration's bailout plan, the hazier its outcome gets. At a Senate Banking Committee hearing Tuesday, lawmakers on both sides of the aisle complained of being rushed to pass legislation or else risk financial meltdown.

''The secretary and the administration need to know that what they have sent to us is not acceptable,'' says Committee Chairman Chris Dodd, D-Conn. The committee's top Republican, Alabama Sen. Richard Shelby, says he's concerned about its cost and whether it will even work.

In fact, some of the most basic details, including the $700 billion figure Treasury would use to buy up bad debt, are fuzzy.

''It's not based on any particular data point,'' a Treasury spokeswoman told Forbes.com Tuesday. ''We just wanted to choose a really large number.''

Wow. If it wants to see a bailout bill passed soon, the administration's going to have to come up with some hard answers to hard questions. Public support for it already seems to be waning. According to a Rasmussen Reports poll released Tuesday, 44 percent of those surveyed oppose the administration's plan, up from 37 percent Monday.

Treasury Secretary Henry Paulson and Federal Reserve Chairman Ben Bernanke, who testified before the Senate committee Tuesday, will get a chance to fine tune their answers Wednesday afternoon, when they appear before the House Financial Services Committee.

A spokesman for House Speaker Nancy Pelosi, D-Calif., says she is optimistic that the House will pass a bill this week. But that doesn't mean the Senate, which is by nature more sluggish than its larger counterpart on the other side of Capitol Hill, will be so quick to act.

Mr. HARKIN. With all my concerns, why did I vote for the bill? For the following reasons: We did get a change in the Federal Deposit Insurance Corporation insurance on banks. It was raised from $100,000 to $250,000. That is even too low. That is an inflationary increase. That is where FDIC would be today in their insurance on deposits in banks if, in fact, it had kept pace with inflation. Quite frankly, it would be more than that. I think it ought to be at least $1 million. Some people are advocating that it ought to be removed completely. Ireland did that. They raised their deposit insurance completely off all the banks. I don't know if I would go that far, but it ought to be at least a million or so because I think depositors would be more comfortable choosing smaller retail banks and community banks. Smaller independent banks have more conservative investment standards. They are better regulated. They are more likely to lend to small businesses and manufacturers which are the backbone of our American economy. Again, many of the independent banks in Iowa and around the United States do a darn good job of investing depositors' money. They invest it in local businesses, manufacturers, startup companies or expansions, the backbone of the American economy, sort of where the rubber meets the road, where people get jobs. Yet they are limited to $100,000 right now. At least this raises it to $250,000, and it should be a lot more. Depositors would feel more comfortable putting money in those banks.

Right now big depositors feel very comfortable putting $20 million in Citibank. Why? Their deposits are not guaranteed, but they know Citibank is too big to fail. We now know some of these banks are now going to be—JPMorgan Chase—too big to fail. Let's put all our money there. The Government is not going to let them fail.

Quite frankly, I believe very strongly that a lot of our smaller, independent banks do a much better job of investing our money than some of the New York banks that used to be investment banks but now want to become depository banks. I was happy to at least raise the FDIC to $250,000. I think it should be higher, but at least that is better than nothing.

The fact is, the choice was either to vote for the bill, despite its flaws, or do nothing, and doing nothing was not an acceptable option. I am hopeful that in the short term this rescue package will work to calm markets and restore confidence in the financial system and loosen up on what is called the liquidity crisis. We are hearing of instances where small businesses in Iowa cannot get the funds that they need. We are hearing about construction projects that are being cancelled. That is costing jobs in my state. I hope it will have an effect worldwide of calming things. But I also hope and insist that we come back early next year to strengthen and improve the rescue framework. I will be working with others to do that. As I said, we need to strengthen the equity position of taxpayers. We have to redo that $700 billion and how that is parceled out. We have to be stronger on executive compensation and equity.

We need to look, at that point in time, at whether we want to also use this money, rather than going in at the top, maybe to go in at the bottom, to help homeowners with their mortgages. I have often said there were two ways of approaching this bailout. You put it in at the top, and it trickles down or you put it in at the bottom and it percolates up. I would prefer putting it in at the bottom and letting it percolate up. We know that trickle-down economics has failed this country time and time again. As one worker told me once, he said: You know, I have heard all about this trickle down. I have been waiting. I haven't felt a drop. I would settle for a heavy dew. I haven't even seen that.

We know what works. We know that when you put money in at the bottom, it does percolate up. Our whole economy is strengthened because of it. When we come back, that is what we have to do in January and February, change this thing around.

I might mention one other thing. When we come back, we have to do something about credit card debt. I keep hearing everyone talking about a credit crunch. When I talk to my constituents about a credit crunch, they think I am talking about credit cards. I was told there is something floating around this country, nine credit cards for every individual. I don't know if that is true, but that is what they say. I read that. We know there are too many credit cards. We know credit cards are too easy to get. One of the reasons they are so easy to get is because the interest rates are out of sight, and people don't know what they are being charged for interest on their credit cards. These young people get credit cards sent to them as soon as they graduate. They get one after another. Credit cards are easy to use. Then you get the bill, but you can roll it over and pay it next month. OK, maybe I can do that. But they don't realize that 12 percent or 15 percent this month can rise up to 28 percent; and not just for the next month, it can impact purchases made before that point. Now you are paying 28 percent on items you buy. So many people have been hooked on this, using their credit cards. So we have to do something about the credit card debt.

There is a bill called the Credit Card Accountability, Responsibility and Disclosure Act, the CARD Act, of which I am a cosponsor. As we come back in January and February, that is something else we are going to have to incorporate into this so-called bailout.

There is one other thing we will have to do. I was sorry to see it lost in the Senate earlier this week. That is the stimulus package. We had a package to put money in at the bottom, let it percolate up, by helping people with extending their unemployment benefits which has the biggest bang for the buck in terms of economic stimulus. People on food stamps, investing in rebuilding our schools, our roads, bridges, our sewer and water systems, that goes directly to people, and it helps stimulate the economy and puts people to work. That bill had a pricetag of about $56 billion. That is not chump change. That is lot of money: $56 billion. But do you know, in what we just voted on last night with $700 billion, $54 billion is, what, not quite 8 percent of what we voted on last night, which we turned down earlier this week to stimulate the economy by putting people to work. Well, I think we have to come back and do that again next year. That is to stimulate our economy.

But there are some other provisions in the rescue bill that are extremely important and valuable. The bill includes a number of tax provisions important to Iowans in particular, including energy production tax credits for producers of wind energy and biomass energy. That will create a lot of new jobs in Iowa and continue the jobs we have.

They are important tax provisions, added by my colleague, Senator GRASSLEY, on the Finance Committee that I have been a strong supporter of, to help the victims of the floods we had in Iowa, to help them get back on their feet, to help the small businesses get back on their feet. It is vitally important to get our economy going back in the State of Iowa. That was in the bill last night.

There is also a provision in there to improve the prospects for the construction of ethanol pipelines—something vitally important to the fledgling biofuels industry that I have led on. It is important to get ethanol back to the east coast, where a lot of people live, from the Midwest where we produce it. That was also in the bill last night.

In addition, there was another thing in that bill last night that we have been trying to do for many years around here, and that is to get mental health parity. In other words, if you have health insurance, they would treat mental health, an addiction, just the same as they would any other health problem. We have been trying to get that for years, and we finally got it in the bill last night. That will make sure families struggling with mental illness do not have that challenge compounded by having to pay for it out of their pockets. It will be covered by their insurance. It is named after Senator Paul Wellstone and Senator PETE DOMENICI, both of whom worked very hard to get it passed.

Well, Mr. President, it was an overwhelming, bipartisan vote last night. There are a lot of reasons we need to come back, as I said, next year and make some changes, and we will do that. Hopefully, as I said, this will calm the markets.

Now, Mr. President, I want to ask consent for a number of articles to be printed in the RECORD at the conclusion of my remarks.

One is an article by Jonathan Koppell and William Goetzmann entitled ''The Trickle-Up Bailout.'' I will quote from one part of it. It says:

> The financial crisis is a liquidity crisis, yes, but it is ultimately a product of homeowner failures to pay. Unless this fundamental problem is fixed, we will continue to see—and need to treat—the symptoms. The proposed bailout ignores this. Yet the sum being demanded from taxpayers is almost certainly more than sufficient to pay off all currently delinquent mortgages.

They call this the ''trickle down,'' what we passed, rather than the ''trickle up'' bailout.

Mr. President, I ask unanimous consent that article be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. HARKIN. Mr. President, I will also ask consent that an article by Harold Meyerson entitled ''Slow Rise for a New Era'' be included in the RECORD. Again, I will quote from that article. Mr. Meyerson talked about this bill being passed. He said:

> If that happens—

If we pass this bill—

> the next move would be for Democrats to craft a solution more in the spirit of FDR:

Franklin Roosevelt.

> Save American capitalism by fundamentally reshaping it. They could direct the government to raise the amount of depositors' money it insures—

We did in the bill last night a little bit—

> to compel the banks to write down their losses, to recapitalize the banks by taking a significant equity interest in them, and to refinance beleaguered homeowners directly.

Mr. President, I also ask unanimous consent that article be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 2.)

Mr. HARKIN. Mr. President, I will also ask consent that a list of economists who signed a letter saying there are better ways to approach the problems we have in our financial institutions rather than what we did last night be printed in the RECORD. It is a letter that was sent to the Speaker and the President. They said:

> As economists, we want to express to Congress our great concern for the plan proposed by Treasury Secretary Paulson to deal with the financial crisis. . . .We see three fatal pitfalls in the currently proposed plan:
> (1) Its fairness. . . .
> (2) Its ambiguity. . . .
> (3) Its long-term effects. . . .

So, Mr. President, I ask consent that this list also be printed in the RECORD to show that—again, the one thing that bothered me in the hearings we had on this plan is, we only heard from the administration. We only heard from people who were for the plan. Why didn't we hear from other people, 200 other economists, Nobel prize-winning economists, who say there is a better way of doing this, folks?

I think when we come back in January, and perhaps even between now and January, we ought to be hearing from these people to see what changes we ought to make in this proposal when we come back in January.

I ask unanimous consent to have that letter and list printed in the RECORD at the end of my remarks.

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

(See exhibit 3.)

Mr. HARKIN. Lastly, Mr. President, I have an article by William Isaac, former head of the Federal Deposit Insurance Corporation. It is a Washington Post article dated September 27, entitled ''A Better Way to Aid Banks.'' I also ask unanimous consent that article be printed in the RECORD.

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

(See exhibit 4.)

Mr. HARKIN. Mr. President, to sum it up, as I said when I started, I reluctantly supported this bill. I hope it will calm the markets. But I am under no illusions that what we did last night solves the problem of why we got here in the first place. To that end, we have to come back. We have to have hearings. We have to bring in other people. We have to get a better handle on what was going on, and next year, with a new administration and a new Congress, I think one of the first things we have to do is to fix this, make it more equitable, make it more fair to the taxpayers of this country, and to get at the underlying fundamentals of why we are here and not just to be satisfied with stopping the bleeding, which is what we did last night.

So, Mr. President, with that, I yield the floor.

EXHIBIT 1

THE TRICKLE-UP BAILOUT

(By Jonathan G.S. Koppell and William N. Goetzmann)

The theory underlying the bailout plan stalled in Congress is that rescuing the finance industry will restore market stability and that the benefits will eventually trickle down to average Americans. Thus, solving the sub-prime mortgage crisis has morphed into a much larger challenge: reassembling the architecture of the financial markets, which seemingly requires giving the Treasury secretary nearly a trillion dollars and extraordinary latitude to pick winners and losers.

There is an easier and more politically palatable fix: Pay off all the delinquent mortgages.

The financial crisis is a liquidity crisis, yes, but it is ultimately a product of homeowner failures to pay. Unless this fundamental problem is fixed, we will continue to see—and need to treat—the symptoms. The proposed bailout ignores this. Yet the sum being demanded from taxpayers is almost certainly more than sufficient to pay off all currently delinquent mortgages.

If the government did this, all the complex derivatives based on these mortgages would be as good as U.S. Treasuries. Their fair value would jump to 100 cents on the dollar, rescuing teetering financial institutions. The credit markets would be resuscitated overnight. Foreclosures would stop.

Some will argue that it is grossly unfair to pay off the mortgages of borrowers who took risks and lost. In other words, why should my profligate neighbor be rewarded for overleveraging himself?

Because such unfairness is a small price to pay to avoid a rapid transition to a socialist economy, the collapse of our financial system (and its related global implications) and a frightening shift of economic power toward the executive branch. Why shell out $700 billion to Wall Street dealmakers and the companies they managed into this mess? Wouldn't it be preferable for individual homeowners to benefit directly?

Implementation could follow the example of the Home Owners' Loan Corp., which in the 1930s issued new mortgages to a quarter of American homeowners. The government could offer to refinance all mortgages issued in the past five years with a fixed-rate, 30-year mortgage at 6 percent. No credit scores, no questions asked; just pay off the principal of the existing mortgage with a government check. If monthly payments are still too high, homeowners could reduce their indebtedness in exchange for a share of the future price appreciation of the house. That is, the government would take an ownership interest in the house just as it would take an ownership interest in the financial institutions that would be bailed out under the Treasury's plan.

All this could be done through the Federal Housing Administration, with the help of Fannie Mae and Freddie Mac, which have the infrastructure to implement this plan rapidly. An equity participation structure would prevent thousands of foreclosed homes from being dumped on a strained housing market and would allow prices to reach a new equilibrium that is based on realistic demand for houses rather than on easy money or impending foreclosures.

Like the administration's proposal, this plan would result in the government owning assets. But these assets would be real estate, not complex derivatives whose true value would take weeks to discern. Homeowners would become partners with the government in resolving the crisis.

When Congress returns, lawmakers are likely to modify and then pass the administration's bailout proposal. They should consider ways to implement this bottom-up solution. Combining this approach with the government's proposal could greatly benefit taxpayers. Yes, the government's swift purchase of illiquid securities would stabilize compromised financial institutions and the credit markets. But the notion that taxpayers would benefit in the long run is pure speculation, particularly if the government overpaid for the securities. On the other hand, once a government-sponsored refinancing wave kicked in, the full value of the securities in the government's portfolio would be restored, and they could be sold off in an orderly manner, with Uncle Sam taking profits that would cover the cost of the bailout.

The public is rightly concerned that the administration's bailout would benefit only powerful financial institutions. No matter how it's done, rescuing the financial system is a large, complex gamble.

This solution would start by helping ordinary Americans and would quickly spill over to revive the financial markets. Directly addressing the underlying cause of the crisis would help ensure that we would not be facing the same crisis again down the road. While Wall Street has only recently felt the bite of foreclosures delinquencies, communities across the nation will face greater financial and social fallout if the foreclosure crisis continues.

EXHIBIT 2

SLOW RISE FOR A NEW ERA

(By Harold Meyerson)

We are, just now, stuck between eras. The old order—the Reagan-age institutions built on the premise that the market can do no wrong and the government no right—is dying. A new order, in which Wall Street plays a diminished role and Washington a larger one, is aborning, but the process is painful and protracted.

It shuddered to a halt on Monday, when House Republicans, by 2 to 1, declined to support the administration's bailout plan. To lay the blame on Speaker Nancy Pelosi's speech (in which she even noted the work of House GOP leaders in crafting the compromise) is to miss the larger picture: The proposal asked Republicans to acknowledge the failure of the market and the capacity of government to set things right. It asked them to repudiate their worldview, to go against the beliefs that impelled many of them to enter politics in the first place.

So as America experienced a financial crisis, House Republicans experienced a crisis of faith. And on Monday, most of them opted to stick to their faith, whatever the financial consequences for the nation.

Many of the Republicans' counterproposals to the bailout bill were so wide of the mark that they can be understood only as faith-based solutions to empirical problems. Banks and investment houses are toppling like so many dominos, and, to solve this crisis of capital evaporation, House Republicans suggested reducing capital gains tax. Are we to believe that more investors didn't rush to rescue LehmanBearAIG-WaMuWachoviaEtc because they calculated that the tax on the capital gains they'd realize was too high?

Then again, the bill that the Republicans opposed was itself a transitional document—to some extent ushering in a new order, though designed chiefly to prop up the old. The bailout plan's political travails can be traced to its conception—a three-page proposal for the Treasury secretary, who is the immediate past CEO of Wall Street's most successful investment bank, to buy up financial institutions' bad loans at prices he would set, with no oversight and no aid to anybody else. End of story. The bill that went to the House floor Monday had been significantly improved: It created the possibility that the public would gain a limited equity interest in some banks in return for the public's largess; it restricted Wall Street CEO pay; it allowed for a stock-transaction tax to cover any public losses if such still existed after five years. But it had been stamped at birth as a bailout for Wall Street, by a Treasury Department that didn't see the glaringly obvious political problems that created.

It's possible that with a few cosmetic changes, the bill can be passed by the House tomorrow. Or it may be that the prospect of bailing out Wall Street with public funds offends so many House members at both ends of the political spectrum that it goes down to defeat again.

If that happens, the next move would be for Democrats to craft a solution more in the spirit of FDR: Save American capitalism by fundamentally reshaping it. They could direct the government to raise the amount of depositors' money it insures, to compel the banks to write down their losses, to recapitalize the banks by taking a significant equity interest in them, and to refinance beleaguered homeowners directly.

Already, it's clear that we will emerge from this crisis with fewer but bigger banks. As a result of the recent government-arranged consolidations and fire sales, three banks—JP Morgan Chase, Bank of America and Citigroup—will control roughly one-third of all deposits. They will be too big to fail. They will also be so big that they'll be able to set the price for money when Americans come borrowing.

As such, they will require tighter regulation than we've imposed on banks before. And that's hardly the only arena in which government will have to do more. With financial institutions de-leveraging and lending less, it will fall upon the government to invest more in the American economy—to diminish the effects of the recession that is coming down the tracks and to build the kind of infrastructure that will enhance American competitiveness in a global economy.

It's not just investment banks that have fallen by the wayside in the recent carnage; it's the ideology of unregulated capitalism—of Reaganism. And if Republicans cannot find a way to disenthrall themselves from their faith in their old gods, they may ensure that the GOP itself becomes one more casualty in the collapse of laissez faire.

(This letter was sent to Congress on Wed., Sept. 24, 2008, regarding the Treasury plan as outlined on that date. It does not reflect all signatories' views on subsequent plans or modifications of the bill.)

To the Speaker of the House of Representatives and the President pro tempore of the Senate: As economists, we want to express to Congress our great concern for the plan proposed by Treasury Secretary Paulson to deal with the financial crisis. We are well aware of the difficulty of the current financial situation and we agree with the need for bold action to ensure that the financial system continues to function. We see three fatal pitfalls in the currently proposed plan:

(1) Its fairness. The plan is a subsidy to investors at taxpayers' expense. Investors who took risks to earn profits must also bear the losses. Not every business failure carries systemic risk. The government can ensure a well-functioning financial industry, able to make new loans to creditworthy borrowers, without bailing out particular investors and institutions whose choices proved unwise.

(2) Its ambiguity. Neither the mission of the new agency nor its oversight are clear. If taxpayers are to buy illiquid and opaque assets from troubled sellers, the terms, occasions, and methods of such purchases must be crystal clear ahead of time and carefully monitored afterwards.

(3) Its long-term effects. If the plan is enacted, its effects will be with us for a generation. For all their recent troubles, America's dynamic and innovative private capital markets have brought the nation unparalleled prosperity. Fundamentally weakening those markets in order to calm short-run disruptions is desperately short-sighted.

For these reasons we ask Congress not to rush, to hold appropriate hearings, and to carefully consider the right course of action, and to wisely determine the future of the financial industry and the U.S. economy for years to come.

Signed

Acemoglu Daron (Massachusetts Institute of Technology); Ackerberg Daniel (UCLA); Adler Michael (Columbia University); Admati Anat R. (Stanford University); Ales Laurence (Carnegie Mellon University); Alexis Marcus (Northwestern University); Alvarez Fernando (University of Chicago); Andersen Torben (Northwestern University); Baliga Sandeep (Northwestern University); Banerjee Abhijit V. (Massachusetts Institute of Technology); Barankay Iwan (University of Pennsylvania); Barry Brian (University of Chicago); Bartkus James R. (Xavier University of Louisiana); Becker Charles M. (Duke University); Becker Robert A. (Indiana University); Beim David (Columbia University); Berk Jonathan (Stanford University); Bisin Alberto (New York University); Bittlingmayer George (University of Kansas); Blank Emily (Howard University); Boldrin Michele (Washington University); Bollinger, Christopher R. (University of Kentucky); Bossi, Luca (University of Miami); Brooks Taggert J. (University of Wisconsin); Brynjolfsson Erik (Massachusetts Institute of Technology); Buera Francisco J.(UCLA); Cabral Luis (New York University); Camp Mary Elizabeth (Indiana University); Carmel Jonathan (University of Michigan); Carroll Christopher (Johns Hopkins University).

Cassar Gavin (University of Pennsylvania); Chaney Thomas (University of Chicago); Chari Varadarajan V. (University of Minnesota); Chauvin Keith W. (University of Kansas); Chintagunta Pradeep K. (University of Chicago); Christiano Lawrence J. (Northwestern University); Clementi, Gian Luca (New York University); Cochrane John (University of Chicago); Coleman John (Duke University); Constantinides George M. (University of Chicago); Cooley, Thomas (New York University); Crain Robert (UC Berkeley); Culp Christopher (University of Chicago); Da Zhi (University of Notre Dame); Darity, William (Duke University); Davis Morris (University of Wisconsin); De Marzo Peter (Stanford University); Dubé Jean-Pierre H. (University of Chicago); Edlin Aaron (UC Berkeley); Eichenbaum Martin (Northwestern University); Ely Jeffrey (Northwestern University); Eraslan Hülya K. K. (Johns Hopkins University); Fair Ray (Yale University); Faulhaber Gerald (University of Pennsylvania); Feldmann Sven (University of Melbourne); Fernandez, Raquel (New York University); Fernandez-Villaverde Jesus (University of Pennsylvania); Fohlin Caroline (Johns Hopkins University); Fox Jeremy T. (University of Chicago); Frank Murray Z. (University of Minnesota).

Frenzen Jonathan (University of Chicago); Fuchs William (University of Chicago); Fudenberg Drew (Harvard University); Gabaix Xavier (New York University); Gao Paul (Notre Dame University); Garicano Luis (University of Chicago); Gerakos Joseph J. (University of Chicago); Gibbs Michael (University of Chicago); Glomm Gerhard (Indiana University); Goettler Ron (University of Chicago); Goldin Claudia (Harvard University); Gordon Robert J. (Northwestern University); Greenstone Michael (Massachusetts Institute of Technology); Gregory, Karl D. (Oakland University); Guadalupe Maria (Columbia University); Guerrieri Veronica (University of Chicago); Hagerty Kathleen (Northwestern University); Hamada Robert

S. (University of Chicago); Hansen Lars (University of Chicago); Harris Milton (University of Chicago); Hart Oliver (Harvard University); Hazlett Thomas W. (George Mason University); Heaton John (University of Chicago); Heckman James (University of Chicago—Nobel Laureate); Henderson David R. (Hoover Institution); Henisz, Witold (University of Pennsylvania); Hertzberg Andrew (Columbia University); Hite Gailen (Columbia University); Hitsch Günter J. (University of Chicago); Hodrick Robert J. (Columbia University).

Hollifield Burton (Carnegie Mellon University); Hopenhayn Hugo (UCLA); Hurst Erik (University of Chicago); Imrohoroglu Ayse (University of Southern California); Isakson Hans (University of Northern Iowa); Israel Ronen (London Business School); Jaffee Dwight M. (UC Berkeley); Jagannathan Ravi (Northwestern University); Jenter Dirk (Stanford University); Jones Charles M. (Columbia Business School); Jovanovic Boyan (New York University); Kaboski Joseph P. (Ohio State University); Kahn Matthew (UCLA); Kaplan Ethan (Stockholm University); Karaivanov Alexander (Simon Fraser University); Karolyi, Andrew (Ohio State University); Kashyap Anil (University of Chicago); Keim Donald B (University of Pennsylvania); Ketkar Suhas L (Vanderbilt University); Kiesling Lynne (Northwestern University); Klenow Pete (Stanford University); Koch Paul (University of Kansas); Kocherlakota Narayana (University of Minnesota); Koijen Ralph S.J. (University of Chicago); Kondo Jiro (Northwestern University); Korteweg Arthur (Stanford University); Kortum Samuel (University of Chicago); Krueger Dirk (University of Pennsylvania); Ledesma Patricia (Northwestern University); Lee Lung-fei (Ohio State University).

Leeper Eric M. (Indiana University); Letson David (University of Miami); Leuz Christian (University of Chicago); Levine David I. (UC Berkeley); Levine David K. (Washington University); Levy David M. (George Mason University); Linnainmaa Juhani (University of Chicago); Lott John R. Jr. (University of Maryland); Lucas Robert (University of Chicago—Nobel Laureate); Ludvigson, Sydney C. (New York University); Luttmer Erzo G.J. (University of Minnesota); Manski Charles F. (Northwestern University); Martin Ian (Stanford University); Mayer Christopher (Columbia University); Mazzeo Michael (Northwestern University); McDonald Robert (Northwestern University); Meadow Scott F. (University of Chicago); Meeropol, Michael (Western New England College); Mehra Rajnish (UC Santa Barbara); Mian Atif (University of Chicago); Middlebrook Art (University of Chicago); Miguel Edward (UC Berkeley); Miravete Eugenio J. (University of Texas at Austin); Miron Jeffrey (Harvard University); Moeller, Thomas (Texas Christian University); Moretti Enrico (UC Berkeley); Moriguchi Chiaki (Northwestern University); Moro Andrea (Vanderbilt University); Morse Adair (University of Chicago); Mortensen Dale T. (Northwestern University).

Mortimer Julie Holland (Harvard University); Moskowitz, Tobias J. (University of Chicago); Munger Michael C. (Duke University); Muralidharan Karthik (UC San Diego); Nair Harikesh (Stanford University); Nanda Dhananjay (University of Miami); Nevo Aviv (Northwestern University); Ohanian Lee (UCLA); Pagliari Joseph (University of Chicago); Papanikolaou Dimitris (Northwestern University); Parker Jonathan (Northwestern University); Paul Evans (Ohio State University); Pearce David (New York University); Pejovich Svetozar (Steve) (Texas A&M University); Peltzman Sam (University of Chicago); Perri Fabrizio (University of Minnesota); Phelan Christopher (University of Minnesota); Piazzesi Monika (Stanford University); Pippenger, Michael K. (University of Alaska); Piskorski Tomasz (Columbia University); Platt Brennan C. (Brigham Young University); Rampini Adriano (Duke University); Ray, Debraj (New York University); Reagan Patricia (Ohio State University); Reich Michael (UC Berkeley); Reuben Ernesto (Northwestern University); Rizzo, Mario (New York University); Roberts Michael (University of Pennsylvania); Robinson David (Duke University); Rogers Michele (Northwestern University).

Rotella Elyce (Indiana University); Roussanov Nikolai (University of Pennsylvania); Routledge Bryan R. (Carnegie Mellon University); Ruud Paul (Vassar College); Safford Sean (University of Chicago); Samaniego Roberto (George Washington University); Sandbu Martin E. (University of Pennsylvania); Sapienza Paola (Northwestern University); Savor Pavel (University of Pennsylvania); Schaniel William C. (University of West Georgia); Scharfstein David (Harvard University); Seim Katja (University of Pennsylvania); Seru Amit (University of Chicago); Shang-Jin Wei (Columbia University); Shimer Robert (University of Chicago); Shore Stephen H. (Johns Hopkins University); Siegel Ron (Northwestern University); Smith David C. (University of Virginia); Smith Vernon L. (Chapman University-Nobel Laureate); Sorensen Morten (Columbia University); Spatt Chester (Carnegie Mellon University); Spear Stephen (Carnegie Mellon University); Stevenson Betsey (University of Pennsylvania); Stokey Nancy (University of Chicago); Strahan Philip (Boston College); Strebulaev Ilya (Stanford University); Sufi Amir (University of Chicago); Tabarrok Alex (George Mason University); Taylor Alan M. (UC Davis); Thompson Tim (Northwestern University).

Troske Kenneth (University of Kentucky); Tschoegl Adrian E. (University of Pennsylvania); Uhlig Harald (University of Chicago); Ulrich, Maxim (Columbia University); Van Buskirk Andrew (University of Chicago); Vargas Hernan (University of Phoenix); Veronesi Pietro (University of Chicago); Vissing-Jorgensen Annette (Northwestern University); Wacziarg Romain (UCLA); Walker Douglas O. (Regent University); Walker, Todd (Indiana University); Weill Pierre-Olivier (UCLA); Williamson Samuel H. (Miami University); Witte Mark (Northwestern University); Wolfenzon, Daniel (Columbia University); Wolfers Justin (University of Pennsylvania); Woutersen Tiemen (Johns Hopkins University); Wu Yangru (Rutgers University); Yue Vivian Z. (New York University); Zingales Luigi (University of Chicago); Zitzewitz Eric (Dartmouth College).

EXHIBIT 4

[From the Washington Post, Sept. 27, 2008]

A BETTER WAY TO AID BANKS

(By William M. Isaac)

Congressional leaders are badly divided on the Treasury plan to purchase $700 billion in troubled loans. Their angst is understandable: It is far from clear that the plan is necessary or will accomplish its objectives.

It's worth recalling that our country dealt with far more credit problems in the 1980s in a far harsher economic environment than it faces today. About 3,000 bank and thrift failures were handled without producing depositor panics and massive instability in the financial system.

The Federal Deposit Insurance Corp. has just handled Washington Mutual, now the largest bank failure in history, in an orderly manner, with no cost to the FDIC fund or taxpayers. This is proof that our time-tested system for resolving banking problems works.

One argument for the urgency of the Treasury proposal is that money market funds were under a great deal of pressure last week as investors lost confidence and began withdrawing their money. But putting the government's guarantee behind money market funds—as Treasury did last week—should have resolved this concern.

Another rationale for acting immediately on the bailout is that bank depositors are getting panicky—mostly in reaction to the July failure of IndyMac, in which uninsured depositors were exposed to loss.

Does this mean that we need to enact an emergency program to purchase $700 billion worth of real estate loans? If the problem is depositor confidence, perhaps we need to be clearer about the fact that the FDIC fund is backed by the full faith and credit of the government.

If stronger action is needed, the FDIC could announce that it will handle all bank failures, except those involving significant fraudulent activities, as assisted mergers that would protect all depositors and other general creditors. This is how the FDIC handled Washington Mutual. It would be easy to announce this as a temporary program if needed to calm depositors.

An additional benefit of this approach is that community banks would be put on a par with the largest banks, reassuring depositors who are unconvinced that the government will protect uninsured depositors in small banks.

I have doubts that the $700 billion bailout, if enacted, would work. Would banks really be willing to part with the loans, and would the government be able to sell them in the marketplace on terms that the taxpayers would find acceptable?

To get banks to sell the loans, the government would need to buy them at a price greater than what the private sector would pay today. Many investors are open to purchasing the loans now, but the financial institutions and investors cannot agree on price. Thus private money is sitting on the sidelines until there is clear evidence that we are at the floor in real estate.

Having financial institutions sell the loans to the government at inflated prices so the government can turn around and sell the loans to well-heeled investors at lower prices strikes me as a very good deal for everyone but U.S. taxpayers. Surely we can do better.

One alternative is a ''net worth certificate'' program along the lines of what Congress enacted in the 1980s for the savings and loan industry. It was a big success and could work in the current climate. The FDIC resolved a $100 billion insolvency in the savings banks for a total cost of less than $2 billion.

The net worth certificate program was designed to shore up the capital of weak banks to give them more time to resolve their problems. The program involved no subsidy and no cash outlay.

The FDIC purchased net worth certificates (subordinated debentures, a commonly used form of capital in banks) in troubled banks that the agency determined could be viable if they were given more time. Banks entering the program had to agree to strict supervision from the FDIC, including oversight of compensation of top executives and removal of poor management.

The FDIC paid for the net worth certificates by issuing FDIC senior notes to the banks; there was no cash outlay. The interest rate on the net worth certificates and the FDIC notes was identical, so there was no subsidy.

If such a program were enacted today, the capital position of banks with real estate holdings would be bolstered, giving those banks the ability to sell and restructure assets and get on with their rehabilitation. No taxpayer money would be spent, and the asset sale transactions would remain in the private sector where they belong.

If we were to (1) implement a program to ease the fears of depositors and other general creditors of banks; (2) keep tight restrictions on short sellers of financial stocks; (3) suspend fair-value accounting (which has contributed mightily to our problems by marking assets to unrealistic fire-sale prices); and (4) authorize a net worth certificate program, we could settle the financial markets without significant expense to taxpayers.

Say Congress spends $700 billion of taxpayer money on the loan purchase proposal. What do we do next? If, however, we implement the program suggested above, we will have $700 billion of dry powder we can put to work in targeted tax incentives if needed to get the economy moving again.

The banks do not need taxpayers to carry their loans. They need proper accounting and regulatory policies that will give them time to work through their problems.

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

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

JUSTICE FOR VICTIMS OF TORTURE AND TERRORISM ACT

Mr. HARKIN. Mr. President, I know this is kind of a hectic time in Congress. We are trying to get bills passed. People want to get home to campaign and for the election. But I want to highlight a very important bill I am working on with my colleague, Congressman BRUCE BRALEY from the State of Iowa.

I would like to urge my colleagues to take the time to look at this important measure. It is H.R. 5167, the Justice for Victims of Torture and Terrorism Act. I am hopeful when we are back in November—and we will be back on the 17th doing business—we will be able to pass this bill and send it to the President for his signature.

Let me highlight some of the bill's most important aspects. H.R. 5167 will finally provide justice for American prisoners of war and civilians who were taken hostage and tortured by Saddam Hussein's regime.

These victims include 17 American prisoners of war who were tortured under Saddam Hussein's regime and who sought compensation through the courts. These victims also include CBS reporter Bob Simon and his cameraman, Roberto Alvarez, who were captured and tortured along with the POWs.

These brave POWs were beaten and starved by Saddam Hussein's regime, and they were awarded compensation from a U.S. judge until the Bush administration lawyers intervened in the case and said it should be thrown out.

These victims were, again, denied justice by the Bush administration when President Bush vetoed H.R. 1585, the fiscal year 2008 National Defense Authorization Act, which would have allowed Americans tortured by Saddam Hussein's regime to pursue justice in U.S. courts.

This bill, H.R. 5167, is the result of a bipartisan compromise that passed the House unanimously—unanimously—on September 15. The bill gives the Government of Iraq 90 days to resolve the claims of American victims of Iraqi torture and terrorism for minimal amounts before the waiver that was put into last year's DOD bill would be terminated. As a result of the bipartisan compromise made in the House, the waiver would remain in place as long as the President certifies that Iraq has not settled commercial claims or that the administration is engaged in good-faith negotiations with Iraq to settle the claims of the victims. Let me point out, the compensation due these victims would not be U.S. taxpayer money but coming from the Iraqi treasury. It is time these victims are compensated. This bill will allow that to happen.

Right now, the Iraqi Government is depositing billions—billions—of dollars in U.S. banks in the U.S. and billions in other places around the world. Surely—surely—they can help compensate the 17 American prisoners of war and others who were tortured and beaten under Saddam Hussein.

So, again, as I pointed out, it passed the House unanimously. I urge my colleagues to take a look at this bill. I am hopeful when we come back in November we can take it up and pass it unanimously just like they did in the House.

With that, Mr. President, I yield the floor and 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. SALAZAR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

TRIBUTE TO SENATORS

WAYNE ALLARD

Mr. SALAZAR. Mr. President, I rise today to pay tribute to my friend and colleague, WAYNE ALLARD, the senior Senator from Colorado. As all of us in the Senate know, Senator ALLARD will retire from the Senate at the end of this legislative session.

Senator ALLARD is a Coloradan through and through. Raised on a ranch in Walden, CO, a very small town in the northwest corner of our State, he found his calling in animal medicine. He followed this passion to Colorado State University at Fort Collins, where he received his doctorate of veterinary medicine. Even today, he proudly wears his tie as a Colorado State University Ram. At CSU, WAYNE met his future wife Joan who was studying microbiology at the time.

After graduating, WAYNE and Joan built the Allard Animal Hospital in Loveland together. They made their home there. They had two wonderful daughters, Christi and Cheryl. Living and working in Loveland, WAYNE developed a passion for public service. He developed a passion for the good that could come from serving in politics.

He began his political career in the Colorado State Senate. There, he served the people of Weld and Larimer Counties in the State legislature for 7 years. A strong believer in preserving the idea of citizen legislators, Senator ALLARD championed a Colorado law that limits legislative sessions to 120 days, a law that is still in our Constitution today. It works to ensure that Colorado representatives are able to spend the bulk of their time in their communities as opposed to the corridors of the State Capitol.

In 1991, the people of the fourth congressional district elected Senator ALLARD to the U.S. House of Representatives. Five years later, Coloradans elected him to serve as Colorado's United States Senator.

Throughout his career on the Federal level, Senator ALLARD has been a strong voice for fiscal responsibility and ensuring the security of America at home and abroad. He has used his position on the Senate Appropriations Committee to champion priorities important to Colorado. He has played an active role on the Senate Budget Committee to restore integrity to the government's use of taxpayer dollars.

Yet, even as Senator ALLARD served in Washington, he has never forgotten where he came from and who he works for. He was always traveling throughout Colorado, engaging his constituents, hearing their hopes and concerns. It is there, in those communities of Colorado, that Senator ALLARD feels most at home.

I have been privileged to work with WAYNE ALLARD in the Senate for the past 4 years. We fought together for clean and safe drinking water for the communities in the Lower Arkansas Valley and through the construction of the Arkansas Valley Conduit which we hope will happen in the next several years. We worked to ensure the Animas La-Plata Water Project in southwest Colorado and making sure that project is fully funded to implement the historic settlement between Colorado and its Indian tribes. Over the past few months, we came together to move judicial nominees for the Federal Court in Colorado through the often contentious Senate confirmation process. It has been a productive and fulfilling partnership.

Now, to be sure, Senator ALLARD and I have not always seen eye to eye on a number of issues. But in spite of our differences, I have always respected him. He works hard. He is humble. He loves the people of Colorado.