

everyone knows I am serious about this—that may mean we have to work this weekend. I hope that is not the case. Today is Tuesday. But the rules are as they are and we may have to work through this. We cannot let a few people stop us from doing the people's business.

I think Senator McCONNELL and I have the same view; we discussed it this morning, that we want to move forward making sure all parties feel they have been part of the process. There is nothing we could do that would be perfect. So we can only do the best we can; that is, to work through this legislation with the art of compromise. We have had to do that on this piece of legislation.

So we will have to wait until the White House completes their meetings with the leadership on the Republican side. Hopefully, today, we can have a better direction as to when we can complete this.

I think the seriousness of what we are engaged in with Detroit and the financial bailout of the banking institutions and the financial apparatus of this country has been very hard and difficult, and we need to keep moving forward. As everyone knows, thousands of jobs have been lost, and we need to get our country back in a position where we are talking about and feel good about the jobs that are being gained, not the jobs being lost.

So having said that, Mr. President, I will be happy to answer any questions anyone has. They know how to get ahold of me.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

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

MORNING BUSINESS

Mr. REID. Mr. President, I ask unanimous consent that the Senate now proceed to a period of morning business, with Senators allowed to speak therein for up to 10 minutes each, and that the morning hour expire at 4:30 p.m.

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

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. CARPER. Mr. President, I want to take the next several minutes, as we are getting together back in the Cap-

itol, to discuss the possible future assistance the Federal Government might provide to our auto industry.

Coming down on the train, several people said to me—some for and some against the proposal—that they were not comfortable with the idea of giving money to the auto industry, and I said neither am I. I am not interested in giving money to the auto industry any more than I wanted to give money to the financial services industry.

I invite the people who are following this issue to go back in time to 1979, 1980, when Chrysler was going through a difficult time, and Lee Iacocca was the CEO of the company then. He called for Federal assistance. I think at the time they were interested in a Federal loan to Chrysler. We weren't interested in doing that then, but we agreed to provide loan guarantees so that if Chrysler could find financing elsewhere, the Federal Government would provide a backstop in the form of a guarantee of the loans; otherwise, Chrysler would not have been able to obtain the needed financing. We called on Chrysler to make some difficult decisions to reduce costs and make sure that in the long haul they would be successful and viable as a company.

At the time, Lee Iacocca told us: If we could make that Chrysler K Car, that is our ticket to salvation and redemption and profitability. He said we don't have the financial wherewithal to get there. The Federal Government agreed to provide a lifeline in the form of a loan guarantee. A number of States, including my State of Delaware, agreed to provide loans—direct loans in this case—to Chrysler. We negotiated a collateralized loan to Chrysler in 1980. In return for the Federal taxpayers taking on the risk in 1980 of the loan guarantees, we asked for an ability to participate in an upside. We wanted to make sure not just the shareholders and employees would benefit but that the taxpayers would benefit. We agreed to make loan guarantees in return for getting warrants—not warrants for anybody's arrest but a warrant that is a financial instrument that can be used to turn into stock and provide the potential, at least, for the Federal taxpayer to make some positive return on this investment.

As it turned out, when the deal was closed and Jimmy Carter signed the legislation in the early part of 1980, the stock for Chrysler was about \$5 a share. Under the terms of the agreement, the Federal Government was able to purchase Chrysler stock for \$13 a share. It didn't sound like a very good deal at the time. Nonetheless, we had that option to buy Chrysler stock at a future date at \$13 a share. Later, Chrysler built the K Car and returned to profitability. They made money and the value of the shares appreciated. The time came when the Federal Government decided to go to Chrysler and say we would like to use our warrants and buy the stock at \$13 a share. Then we turned around and sold them for \$30 a

share after that. The difference between the \$13 and the \$30 we sold them for led to an appreciation or accumulation of about \$310 million for taxpayers. The loan the State of Delaware made to Chrysler—the collateralized loan I negotiated as State treasurer—was paid in full. Not only did we get the principal back, but we made interest for the taxpayers of my State. The same thing occurred to the taxpayers of other States. Meanwhile, Chrysler agreed to make a number of concessions that there be a sharing of sacrifices made by labor and management and others to help make that company viable for the longer haul. Lee Iacocca worked for \$1 a year.

The long and short of it is that it worked. That was in 1980. It worked for over a quarter century. Chrysler has gotten themselves into trouble because they began relying more and more on large inefficient vehicles—SUVs, trucks, and relatively few fuel-efficient cars or fuel-efficient light trucks or SUVs. In the end, by this time last year, roughly 70 percent of what Chrysler was building was energy-inefficient cars. During the CAFE increases last year, among the companies that pushed back initially was Chrysler. They have had to begin pivoting, if you will, to move from a product line where up to 70 percent of the vehicles were light trucks and SUVs, relatively few cars, and not many very fuel efficient, to one where not just the light trucks and vans and SUVs were energy efficient but also the cars. You cannot do that. Chrysler cannot do it, and Ford and GM cannot move within a year, or even 2 years, from a product line that is woefully inefficient in terms of fuel economy to one that is highly efficient. It has taken a period of time.

I am encouraged by the progress they are making at Chrysler. They are a couple of years out from being where they need to be, given the marketplace and what consumers are asking for.

Meanwhile, over at Ford, about 2 years ago, they largely redefined the company, including the logo, to begin a major transformation. Under the leadership of Bill Ford and Alan Mullaley, former head of Boeing, who was brought in to run Ford a couple years ago, they began a transformation not 12 months ago but more like 2 years ago to move to vehicles such as the Focus and Fusion. They are in a better position now as people are buying fewer vehicles and are looking for energy-efficient vehicles. There is some neat, nifty technology and items for the vehicles as well, with the partnership they have worked out with Microsoft.

Over at GM, meanwhile, GM is hopefully about to introduce, in a year or year and a half, what I call the most advertised car that has never been built, the Chevrolet Volt. I saw it unveiled at the Detroit Auto Show about a year and a half ago—a plug-in hybrid, flex fuel vehicle with the potential of getting not just 40 miles out from the garage in the homes in the morning,

but a potential for getting 80 to even 90 miles per gallon by using an alternative onboard fuel system, a propulsion system, not to propel the car but to recharge the battery. Unfortunately, we have not built the battery yet. Nobody has built a battery yet that can do that or designed one that will work at minus 10 degrees Fahrenheit or 110 degrees Fahrenheit. They have worked for 10 years under all kinds of conditions. Efforts are underway in many countries to win a race to build that battery. The Federal Government has provided a fair amount of financial support, investing in technology to make sure we get to the finish line ahead of our foreign competitors. It is an important race. GM, I think, stands to benefit from this, and so do the folks who work there and those who have shares with GM. So do the rest of us, frankly.

Let me come back to what I said earlier, about the conversation I had with several people on the train coming from Wilmington today. They said to me: We didn't like the fact that you gave all that money to the banks, and we don't like the idea of giving all that money to the auto industry. If you look at what we have done with the financial institutions, we have, under the legislation, created a so-called TARP. Under that legislation we authorize the Treasury to invest in the banks, to take an equity position. With the moneys we have infused or invested into most of these banks, we bought preferred stock. That preferred stock pays initially 5 percent per year, and later 9 percent if it is not bought back by the banks. In addition, we get options, much as we did with Chrysler in 1980, that could be converted into shares of stock that we can benefit from—not just we but the taxpayers can benefit from.

The idea there was to make the investment with the possibility that if there is an upside or rebound by the financial institutions that asked for this investment, the taxpayers have the opportunity to participate in the profits, as we did with respect to Chrysler all those years ago. The money that we are now talking about, or will be debating, whether to make available for working capital for the auto companies—let me add that only Chrysler and GM have indicated an interest in drawing down this money. Ford said: We think we are OK. Maybe later we will need a line of credit. For now, we think we are all right.

That is good news. So what we are working on is an approach where we, just as we invested in the financial institutions in order to get back preferred stock that pays 5 to 9 percent and also carries the possibility of warrants that we can turn into profit-making stock shares later, we want to do the same thing with our auto industry.

The Presiding Officer will recall a year or so ago when we passed CAFE legislation. In it we passed section 136, which said we want to provide as much

as \$25 billion so that the auto companies can modernize their plants for the principal purpose of building more energy-efficient vehicles. We feel that is what is needed—high quality and good productivity. But that is one of the major things needed to be competitive in the world today: energy-efficient cars, trucks, vans, and so forth.

That \$25 billion is not going to be available, apparently, right away to go into plant modernization.

The idea is to take as much as \$15 billion of that \$25 billion to make available to Chrysler and General Motors. The idea is not to give them this money; the idea is to invest this money in ways they can use it for working capital to get them through the next several months and, in the meantime, to require, under the guidance of what has been called a czar or an oversight board whose job would be to act almost as a bankruptcy judge, to make sure that further savings are realized by both Chrysler and GM but to ensure there is some further givebacks not just from labor, not just from management, not just from bondholders, not just from dealers, and not just from lenders but all the above. It is a concept that makes sense. The idea of here is \$15 billion, and we hope you can get better and repay the money down the line, is not what we are interested in doing.

We want to improve the likelihood that we will get back every dime we lend of this \$15 billion and more, if needed, later on. But we want to make sure the companies, particularly Chrysler, Ford, and GM, make the additional changes they need to increase the likelihood that they will be viable for a long period of time.

I close by saying we are seeing a real transformation in our economy. We used to be a big manufacturing country. We are less so today. Some people say that is fine, we will be a service economy, we will provide financial services and legal services, we will have insurance companies, maybe we will grow some food to feed ourselves and some of the rest of the world. But at the end of the day, we still need to make things. We still need to make things that people here and around the world want to buy.

One of the things I believe we need to make are cars, trucks, and vans. It has been that way for a long time. It needs to continue to be that way going forward.

I have had the privilege of representing and working for the people of Delaware, gosh, since 1976, when they elected me their State treasurer. We have had two auto assembly plants in my State for 50, 60 years—a Chrysler plant and a GM plant. The Chrysler plant is going to close at the end of this month. It is painful to me, and I know all the people who work there, the retirees, all who bought their vehicles and supported the plants in ways large and small over the years. But the writing is on the wall. My fear is that is going to happen.

As this happens and we see plants such as our plant in Newark, DE, the Chrysler plant, close, it is important we also remember the people who are losing their jobs there, the folks who have not enough experience, enough time to retire and be eligible for benefits. As they prepare to close the doors at the Chrysler plant in Newark, DE, I wish to make sure the folks who are losing their livelihood have the opportunity to be trained for other jobs in my State or other States that will enable them to be gainfully employed, to make a decent income for themselves and to support their families.

One of the things we can do, in addition to providing, if you will, a loan guarantee or direct loan with strong conditions to these auto companies, is remember our responsibilities to those who are left behind and those left behind without the prospect of ever working again in the auto industry.

There are some countries around the world—Finland comes to mind, Denmark, and a couple others—that do a good job. As industries grow up, mature, the nature of the job market, the industries in those countries change. Some countries around the world do a very good job of helping people whose skills for building, whether it is cars or buggies or buggy whips, are no longer appropriate—retraining people, supporting them for a period of time, giving them the social support net they need but then training them for jobs that need to be done, in this case, in the 21st century.

There you have it, some thoughts. My hope is we will come back and have a robust debate for the remainder of this week, and before this week is over we will vote not to give away \$15 billion to Chrysler or to GM but that we will vote to be willing, as we did in 1980, to make an investment that has a potential upside, not just for the people who work in the companies, not just for the people who own shares of those companies but also for the American taxpayers. If we do take on this risk, there needs to be a reward for the taxpayers whose money is at risk.

Mr. President, thank you for this opportunity. 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. DURBIN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

THE PRESIDING OFFICER (Mrs. MCCASKILL). Without objection, it is so ordered.

TRIBUTE TO EINAR DYHRKOPP

Mr. DURBIN. Madam President, this past Saturday, 1 day before the 75th anniversary of the attack on Pearl Harbor, a survivor of a different World War II kamikaze bombing died quietly at his home in Shawneetown, IL, at the age of 82.