

President, and it is time for him to realize that the buck stops with him, as President Truman said.

If President Bush is serious about passing legislation quickly, he should address our country and make his case. Then he should seek to work with Members of both parties to reach a reasonable solution that American workers, families, small and large businesses all desperately need.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

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

ORDER FOR RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. REID. Mr. President, we have had a Senator object to a very important hearing taking place this afternoon. Therefore, we are going to have to recess at probably about 2:30 subject to the call of the Chair.

It is my understanding that the distinguished Republican leader is going to come to speak in an hour, hour and a half, but perhaps around 2:15. I ask unanimous consent that the Senate stand in a period of recess following the remarks of the Republican leader subject to the call of the Chair.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. REID. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. DORGAN. Mr. President, is the Senate in morning business?

The PRESIDING OFFICER. That is correct.

Mr. DORGAN. I ask unanimous consent to speak for up to 30 minutes.

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

THE ECONOMY

Mr. DORGAN. Mr. President, I have often described on the floor the lyrics of Bob Will's and the Texas Playboys' song from the 1930s:

The little bee sucks the blossom and the big bee gets the honey; the little guy picks the cotton and the big guy gets the money.

Never is that more true than what we see today with the prospect of unbelievable financial bailouts and the mechanics of what is happening on Wall Street and the wreckage of the financial system. I wish to show my col-

leagues this about the bailouts by the administration. Everybody is talking about a \$700 billion proposed bailout by the Federal Reserve and Treasury Secretary Paulson. In fact, the Federal Reserve previously committed \$29 billion so J.P. Morgan could buy Bear Stearns, the investment bank that was failing. In addition, the Fed opened its discount window for direct loans to non-regulated banks for the first time since the Great Depression. We understand that this program and two other Fed loan programs total some \$300 billion. There is another \$300 billion for the Federal Housing Administration, and about \$200 billion for Fannie and Freddie; JPMorgan Chase for Lehman financing, \$87 billion; AIG insurance, \$85 billion; \$50 billion for money market funds that was offered as a guarantee; and now the prospect of \$700 billion is pending. That isn't just \$700 billion; that totals \$1.7 trillion. Even if the Congress decides not to provide the \$700 billion bailout that is being requested, there already exists \$1 trillion that have been offered to try to stabilize the financial system.

Now, the question is, How did we get into this mess? What caused this wreckage? What do we think we should do about it? I wish to talk for a bit about what caused this. I take no pride in being right 9 years ago as one of eight Senators who voted against the Financial Modernization Act. That act was a bunch of folks who sold to the Congress the proposition that what we put in place for protection in the 1930s, during the Great Depression, to separate banking from more speculative enterprises, such as real estate and securities—the decision was that that is old-fashioned, don't keep doing that; let's allow these companies to merge, to create massive financial holding companies—a kind of financial cafeteria under one roof. Let's bring them together, and you can build firewalls inside the organization. So the Financial Modernization Act was passed.

I said on the floor of the Senate then that within 10 years I believe we will see massive bailouts that will be paid for by the American taxpayer. I regret that I was right. It should not have happened, however. I wish to talk about what has happened as a result of taking down the basic protections. Let me go back to the start of two things—one I mentioned—the Financial Modernization Act, which took apart the protections. Second, a group of people came to this town boasting that they weren't interested in regulating. People were put into positions where they were supposed to regulate and decided not to regulate. Those two pieces together, taking apart the protections in law and putting in place people who wanted to be willfully blind in deciding not to regulate, steered us right toward the cliff. Here is what began to happen across the country. Most Americans saw this because you could not miss it. You wake in the morning and perhaps you brush your teeth or you shave in

front of a mirror and you might have a small television set that you are watching, seeing what is going on, and the advertisements come on—and they are always louder than the programs. The advertisements say: Hey, if you have been bankrupt or if you have bad credit, you can get a loan from us. Do you think you are paying too much for your home loan? Are your house payments too high? Get a loan from us.

This was the biggest mortgage bank in the country, Countrywide. They advertised this:

Do you have less than perfect credit? Do you have late mortgage payments? Have you been denied by other lenders? Call us.

America's biggest mortgage bank was saying: Have you got bad credit? Call us. Want a loan? Call us.

Millennia Mortgage said this in their advertisements:

Twelve months, no mortgage payments. That's right, we will give you the money to make your first 12 payments if you call in the next 7 days. We pay it for you. Our loan program may reduce your current monthly payment by as much as 50 percent and allow you no payments for the first 12 months. Call us today.

So Millennia Mortgage was saying: Get a mortgage from us. We will pay the first 12 months. They didn't say, of course, that that money you are not paying is going to go on the back end of the loan, with interest, and will substantially increase the cost of your loan.

Zoom Credit, in their advertisement, said this:

Credit approval is just seconds away. Get on the fast track at Zoom Credit. At the speed of light, Zoom Credit will preapprove you for a car loan, a home loan, or a credit card. Even if your credit is in the tank, Zoom Credit is like money in the bank.

Again, they say that even if your credit is in the tank, Zoom Credit is like money in the bank.

Zoom credit specializes in credit repair and debt consolidation, too. Bankruptcy, slow credit, no credit—who cares?

That is what they advertise. I don't know who the president of Zoom Credit was or who the president of Millennia was. I know who the president of Countrywide was. I know he is out of that company. That company is now collapsed and sold. He ended up with somewhere north of \$140 million in unbelievable outer-space compensation. I don't know who these company presidents were, but I assume the brokers and CEOs of these companies were wallowing in money. They were all wallowing in money like hogs in a corn crib, grunting and snorting, making out like bandits—billions of dollars. In fact, in the 9 years that have led up to this period, the bonuses on Wall Street were \$200 billion. I am not talking about salaries. I am talking about bonuses. In 9 years, it was \$200 billion. It was \$33 billion last year alone. So everybody is making money. They are advertising to people: got bad credit, bankrupt, slow pay, no pay? Doesn't matter. Come to us and get a mortgage.