

Mr. OBAMA. Mr. President, today I am introducing a resolution honoring the life and contributions of Coretta Scott King. I hope all my colleagues will join me in this effort.

Mr. SARBANES. Will the Senator yield? Will the Senator place me on his resolution?

Mr. OBAMA. I am happy to.

RECESS

The PRESIDING OFFICER. Under the previous order, the hour of 12:30 p.m. having arrived, the Senate will stand in recess until 2:15.

Thereupon, the Senate, at 12:26 p.m., recessed until 2:15 p.m., and reassembled when called to order by the Presiding Officer (Mr. VOINOVICH).

NOMINATIONS OF BEN S. BERNANKE TO BE A MEMBER AND CHAIRMAN OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—Continued

Mr. BUNNING. Mr. President, I rise today to oppose the nomination of Dr. Ben Bernanke to be Chairman of the Board of Governors of the Federal Reserve. I am not one who relishes opposing President Bush's nominees or his policies. I have been supportive of an overwhelming majority of them, but I have opposed a nominee or two on a few occasions. This is one of those rare occurrences.

Dr. Bernanke has an impressive resume and career. He received his bachelor of arts in economics in 1975 from Harvard University. From there he headed off to Massachusetts Institute of Technology where he received his Ph.D. in economics in 1979. He was assistant professor of economics in the graduate School of Business at Stanford University from 1979 to 1983 and then became associate professor of economics at Stanford's graduate School of Business from 1983 to 1985.

Ben Bernanke then popped over to Princeton University. There he became a professor of economics and public affairs from 1985 to 1994. He stayed at Princeton and ultimately became chair of its economic department until 2002. He was then appointed to serve as a member of the Board of Governors of the Federal Reserve System by President Bush.

Dr. Bernanke was then tapped as chairman of the President's Council of Economic Advisers and he has held that post since June of 2005.

Of course, along with this academic and employment résumé, Dr. Bernanke has received many honors and fellowships along the way. He has also published many articles on a wide variety of economic issues, articles relating to monetary policy, inflation targeting, microeconomics, central banking, and many other issues relating to economic and monetary theories.

This all sounds very impressive, and it is. It is an economic elitist dream.

For some, it can be a nightmare. I hope he does not hold too many of the ivory-towered theories of academia for real-world wisdom as he heads off to be the next Fed Chairman.

I voted for Ben Bernanke in the Banking Committee and in the Senate to be the Fed Governor in 2002. I supported him to the Board of Governors at the Fed because of a private meeting we had.

Over the years I have had some great concern about the Federal Reserve and the way it operates. One of my biggest concerns is that the Federal Open Market Committee, the FOMC, suffers from "group think." It seems to me no one ever challenges the Fed Chairman. I rarely, if ever, witnessed or heard any of the Fed Governors publicly challenging or disagreeing with Chairman Alan Greenspan.

Chairman Greenspan has done an admirable job during his tenure at the Federal Reserve. He had a difficult task. Part of his job was to predict the future. However, I believe Chairman Greenspan has always erred on the side of raising interest rates. I am not alone with this opinion. History has shown he has made many mistakes in raising rates for too long. My problem is when he did that, not one Governor raised their voice. Instead, they either bit their tongue out of fear they would be viewed as not a team player or perhaps what might be worse is that they all agreed with each other and simply reinforced bad ideas.

Diversity of thought and dissension is, indeed, necessary within the Federal Reserve. After all, the Chairman of the Fed and its Board of Governors essentially have the greatest power over shaping our economy. And the economy affects every American.

I understand the argument that to have an FOMC rife with dissension might not be the best for the markets. I have heard the argument that it would rattle the markets and send Wall Street into a tizzy. Yes, overall, it is important the FOMC speak with one voice. However, the pendulum can swing too far from dissent. My fear is that the FOMC under Chairman Greenspan has arguably suffered from group think and that the FOMC has unintentionally become a rubberstamp for Chairman Greenspan's recommendations.

We need an FOMC that is truly independent. It must be independent from the Congress and the executive branch. We cannot have a Fed that is influenced by the President. We certainly know the Fed does not pay any attention to Congress. For the FOMC to function properly, its members must challenge the Chairman. No Chairman should be able to dominate. There must be intellectual sparring so all members are heard and the FOMC can come up with the best decision for the country.

The Federal Open Market Committee needs independent voices. Dr. Bernanke promised me he would be an independent voice as a member of the

FOMC. He promised me he would stand up to the Chairman if he thought he was being rolled. Sadly, I have not seen very much evidence of him being independent. I never saw him vote, not once, against the Chairman. I never, ever saw him challenge the Chairman. And as far as I can tell, they never had a disagreement.

As important as it is for the FOMC member to be independent, it is more important the Chairman be independent. The Fed Chairman must not give in to outside pressures. Monetary policy decisions must be made for the good of the country and not for political considerations. When Dr. Bernanke was a Fed Governor, I did not witness him showing independence from the Chairman at all. During his tenure as a Fed Governor, there were 23 votes taken by the FOMC committee. Not once did Dr. Bernanke vote against Chairman Greenspan. I don't think that is independence; that is group think. He did not show independence as a Fed Governor. How can we be sure he will be an independent person as Chairman of the Fed?

The pressures to go along for a quick political fix will be even greater. Will he stand up to the President? Will he stand up to the New York Times, the Washington Post, the Wall Street Journal? Will he stand up to the business and economic pundits in the broadcast media or anyone else when they call for rate increases or decreases? I am not convinced he will. The past is prologue. I hope I am wrong.

It is mainly for this reason that in 2005 I opposed his confirmation as Chairman of the President's Council of Economic Advisers. I hope Ben Bernanke proves to be a fine Chairman of the Federal Reserve. I hope he uses his vast knowledge of our economy to make correct monetary policy decisions. I hope he gains the trust of Wall Street, much like the last two chairmen.

Dr. Bernanke has talked about bringing more transparency to the Fed. I hope he does this. I hope he continues to be plain spoken.

One other reason I oppose Dr. Bernanke is because he says he will continue the policies of Chairman Greenspan. That does not sit well with me. I hope this is not completely true. I hope Ben Bernanke refrains from talking about things outside the purview of the Federal Reserve. One of my biggest problems with Chairman Greenspan was that he talked about everything under the sun: tax policy, trade deficits, budgets, fiscal policy, the Nation's oil patch. The Fed's jurisdiction is narrowly scoped to monetary policy, but if you asked Chairman Greenspan about monetary policy, he would talk about everything under the Sun without ever answering your questions. If you asked him something that had nothing to do with monetary policy, he was more than happy to give you a clear and concise answer. Hopefully, Dr. Bernanke will be a different

kind of chairman in that respect. Hopefully, he will talk only about monetary policy and not interfere with tax and fiscal policy. Those matters should be left to the legislative branch and other areas of the executive branch.

Also, Chairman Greenspan's problems were not just the fact that he talked outside the monetary policy arena. Yes, Chairman Greenspan's tenure held relatively low inflation with growing economic conditions. However, his record came about from the creation of a fat market bubble that ultimately popped. Then there was a housing bubble. It led to an unbalanced economic recovery fueled by cash raised from soaring home prices. This resulted in record household debt and negative consumer savings rates.

We also witnessed the endless bailouts of Chairman Greenspan. There was the 1997 Fed bailout of the Asian crisis. There was the long-term capital management bailout in 1998. We had a financial crisis and the Fed got involved with Mexico and all this led to a huge trade and Federal budget deficits. This was all further affected by record energy prices which raised the cost of goods and services.

After almost 20 years, Chairman Greenspan is now acknowledging some of the bad consequences of his decisions. He said inflation may be creeping in. But Chairman Greenspan leaves knowing that his mess will fall to his apprentice, Ben Bernanke.

Yes, Dr. Bernanke has an impressive resume. But the question is whether he knows what is waiting for him around each economic corner. It is indeed ironic that Dr. Bernanke finds it necessary to continue the Greenspan policies. I hope this is not true. This would be disastrous. These policies have not been the best for our economy.

I hope Dr. Bernanke does not follow too closely in the footsteps of Chairman Greenspan in his approaches. But regardless, he just might inherit a mess from Chairman Greenspan. If so, I hope he can clean it up.

I hope there is no damaging recession or financial crisis looming. If so, I hope Ben Bernanke does not live up to his nickname of "Helicopter Ben," and throw the U.S. mint's printing presses into overdrive.

I have no personal qualms with Dr. Bernanke. We simply differ on opinions. I do not relish opposing President Bush's nominees. But, regretfully, I must oppose Dr. Ben Bernanke to be Chairman of the Federal Reserve.

Mr. President, I ask unanimous consent that I be recorded as being opposed to Ben Bernanke's nomination upon its approval.

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

Mr. BUNNING. 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. SHELBY. 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. SHELBY. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator yields back his time.

Does the Senator from Kentucky yield back his time?

He does.

The question is on Calendar No. 440. The question is, Will the Senate advise and consent to the nomination of Ben S. Bernanke, of New Jersey, to be a member of the Board of Governors of the Federal Reserve System?

The nomination was confirmed.

Mr. SHELBY. I move to reconsider the vote.

Mr. BUNNING. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question is on Calendar No. 441. The question is, Will the Senate advise and consent to the nomination of Ben S. Bernanke, of New Jersey, to be Chairman of the Board of Governors of the Federal Reserve System?

The nomination was confirmed.

Mr. SHELBY. I move to reconsider the vote.

Mr. BUNNING. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

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

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

Under the previous order, the President will be immediately notified of the Senate's action.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

The Senator from Oregon.

Mr. WYDEN. Mr. President, I ask unanimous consent to speak for up to 30 minutes as in morning business.

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

TAXES AND HEALTH CARE

Mr. WYDEN. Mr. President, while Senators talk about prebutter and rebuttal speeches before the State of the Union speech, I hear middle-class folks saying "drop the butts and make our lives easier." I know because in January, when I was home, I held 21 community meetings. The big issues then were those where the second word was

"bill"—medical bills, gas bills, heating bills, mortgage bills, college bills, and especially tax bills.

It is not hard to see why those are the issues. Middle-class folks in this country are not keeping up. Even their wages do not keep up with inflation. And while they want a better life for their kids—the way their parents wanted for them—they stay up nights worrying that they cannot make it happen.

So today I want to spend a few minutes discussing just two issues: taxes and health care. I believe in each of these two issues Congress could work on a bipartisan basis for genuine relief for the middle class. We may not hear about it tonight, but as middle-class folks begin pulling together their 1099s, their W-2s, their schedule this and schedule that, and all of what they have to do to comply with filling out their tax forms, I simply wanted to come to the floor and say it does not have to be this way.

I brought, today, just part of what constitutes the regulations and rules for complying with taxes in America. One of the experts in the field told me there have been more than 14,000 amendments to the Tax Code since the last major overhaul in 1986. It comes to almost three for every working day in America.

This year, Americans are going to spend \$140 billion on tax compliance. Americans are going to spend more money complying with the tax rules than the Federal government is spending on higher education in our country.

I have come to the floor today because I want to make it clear I do not think it has to be that way. I have developed an alternative. My one-page 1040 form is just 30 lines long. Take your income from all sources, subtract your deductions, take your credits, send it off to the IRS, and you can even add a note: I'm done. Have a nice day.

I filled this out myself, and that in and of itself is a little bit of a revolution because it has been a long time since a member of the Senate Finance Committee or someone in the other body on the Ways and Means Committee could fill out their own tax form.

What happens today? More than three million people, for example, have to essentially fill out their taxes twice. They have that alternative minimum tax staring at them. Scores of families are pulling together shoe boxes full of receipts, shouting across the living room, "Honey, can you find that receipt for the copier that we bought months ago?" because part of it is for business and part of it was used for the family. I say it does not have to be this way.

I have shown that you can have a one-page 1040 form. The President's advisory committee report that came out in the fall had a similar form—I do not happen to agree with all they did, but their one-page form isn't that much longer than mine. For purposes of Government work, we could put the two of