Purse Luncheon to highlight the tremendous success of past and current programs supported by the fund. These programs support women of all backgrounds and circumstances.

The Women's Fund provides financial assistance to Lotus House, for example, which is a shelter for homeless women and infants in Overtown, an area of Miami which is suffering from extreme poverty. Thanks to the generous assistance by the Women's Fund, the Lotus House is now providing career training for women who are seeking entry-level positions in the restaurant and hospitality industry. Programs such as these have changed the lives of thousands of young girls and women in our community.

One such woman is Tamara Brizard, a former Lotus House resident. Tamara was a single mother of three when she was referred to the Lotus House. During her time at the Lotus House, Tamara completed a course in food preparation. The training soon led to a job in the food service industry. With new skills and with a new job, Tamara has a place of her own, and she is now better able to provide for her three children. Of course, Tamara's story is just one of many successes achieved by the Women's Fund.

The Women's Fund of Miami-Dade is also a powerful voice for social change. Together with Miami-Dade County, the Women's Fund has launched a campaign to increase public awareness of local services that are available to victims of domestic violence. Termed ''Voices Against Violence,'' this initiative implores abused victims to speak up, to get help, and to be safe. Domestic violence is a plague on our society that demands our constant attention at the Federal, State, and local levels.

As an outspoken advocate of Federal initiatives to protect the victims of domestic violence and abuse, I am so proud of the efforts undertaken by the Women's Fund on this important issue.

The involvement of the Women's Fund in their relief work of Haiti is another inspiring story. In helping to rebuild this island nation, the Women's Fund and its supporters have shown their unwavering commitment to service and have shown their generosity of spirit.

According to Amnesty International, nearly half of all Haitian households are headed by women. Experience has shown that these women and girls will be the key in helping to rebuild Haiti and in helping to create a safe, stable, and prosperous nation. The Women's Fund is in a unique position to highlight this reality and to make sure that Haiti's future growth and transformation will touch all sectors of its society.

Since I have come to Congress, Madam Speaker, it has been one of my foremost objectives to ensure that women have equal opportunity to a higher education, that they are protected from harassment and intimidation in the workplace, and that they have access to life-saving health screening for heart disease and for breast cancer.

I am so grateful for the tremendous leadership of local organizations such as the Women's Fund in working toward these important and obtainable goals, and I look forward to collaborating with the Women's Fund of Miami-Dade in the years to come.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. DEFAZIO) is recognized for 5 minutes.

(Mr. DEFAZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. MORAN) is recognized for 5 minutes.

(Mr. MORAN of Kansas addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. CALVERT) is recognized for 5 minutes.

(Mr. CALVERT addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. FRANKS) is recognized for 5 minutes.

(Mr. FRANKS of Arizona addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. PAUL) is recognized for 5 minutes.

(Mr. PAUL addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

THE IMPACT OF THE GREAT 2008 FINANCIAL COLLAPSE

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 2009, the gentleman from California (Mr. GARAMENDI) is recognized for 60 minutes as the designee of the majority leader.

Mr. GARAMENDI. Madam Speaker, tonight, it is really important that America comes to understand how the great collapse of 2008 occurred and what its impact has been. I think they have a pretty good idea as to what the impact is. We see it back home. We see it from our constituents and from our own families as they face layoffs and as they face losing their homes and their mortgages that they are no longer able to afford.

How did all of this happen?

We want to discuss this tonight, and we want to discuss the effect that it is having on our constituents. At the same time, we want to talk about what we are going to do about it. How are we going to set straight the financial institutions of America?

We know that the collapse was largely caused by some extraordinary shenanigans on Wall Street. Shenanigans never should have been allowed to be played, but they were due to a lack of regulation on the part of the SEC and of others and due to an attitude that occurred during the 2000–2008 period of ''anything goes.'' The free market would somehow regulate itself. Well, it didn't. It actually put this Nation and the entire world on the edge of total collapse.

Joining me tonight are my colleagues from California and from Ohio. I would like to start with Congresswoman SPEIER. I was going to introduce Congresswoman SPEIER as the senate chairman of the California legislature's committee on banking and financial matters where she has gained extraordinary knowledge about the banking industry. She is going to share with us tonight her new position on the House Financial Services Committee.

Congresswoman SPEIER.

Ms. SPEIER. Thank you to my very good friend and colleague from California (Mr. GARAMENDI).

You know, as you were talking about the shenanigans, what we heard last week from the Senate Permanent Subcommittee on Investigations was deeply troubling to all of us, and the chairman, Senator LEVIN, did an outstanding job in focusing in on what was really going on at Goldman Sachs. So we started last week here on our House floor looking at Goldman Sachs' principles that they have espoused and that are on their Web site. We started ticking off what some of their principles were and then what some of their emails from some of their employees suggested they were really up to.

Tonight, I thought that we would just focus on one principle, at least for my part. One of their principles is: We stress creativity and imagination in everything we do. This is the top one up here.

While recognizing that the old ways may still be the best way, we constantly strive to find a better solution to a client's problems. We pride ourselves on having pioneered many of the practices and techniques that have become standard in the industry.

Now, an email from the vice president of Goldman Sachs, Fabrice Tourre, said: Standing in the middle of all of these complex, highly leveraged exotic trades he created without necessarily understanding all of the implications of those monstrosities, it's like a little Frankenstein turning against his own inventor.

Mr. Tourre called his Frankenstein creation a product of pure intellectual masturbation—the type of thing which you invent telling yourself, Well, what if we created a thing which had no purpose, which is absolutely conceptual and highly theoretical and which nobody knows how to price?

Mr. GARAMENDI. Is that the creativity that Goldman Sachs so prided itself on, creating something that was unpriceable, that nobody could figure out what it was and, therefore, it could not price it? But what did they do with this Frankenstein that was created?

Ms. SPEIER. Well, this is what is kind of interesting about it. These are some of the Frankensteins that they were creating.

Here is a tower, as they refer to it—the Soundview Home Loan Trust. If you look at the bottom there, at that little yellow tranche as they refer to it, there was, you know, some pretty bad stuff. These were mortgages that were poorly rated.

Mr. GARAMENDI. So, this was the packaging of the mortgages that were being sold to people who couldn't afford to pay their mortgages?

Ms. SPEIER. These were the mortgages that were then packaged and then sold to investors because, of course, they were grade A, and they would make them a lot of money. What happened here is they took this one tranche, and then they brought it over here. Now they are B grade.

So how do you take something that is a B grade and make it investment quality?

Mr. GARAMENDI. By lying? By defrauding somebody?

Ms. SPEIER. By being creative.

This is what Goldman Sachs did, and it was really well-described in a book by Michael Lewis, called ''The Big Short,'' in which he writes: In the process, Goldman Sachs created a security so opaque and complex that it would remain forever misunderstood by investors and rating agencies—the synthetic subprime mortgage bond-backed CDOs, or collateralized debt obligations.

He goes on to write: Triple B-rated bonds were harder to sell than triple A—no surprise—but there were huge sums of money to be made if you could somehow get them rerated as triple A, thereby lowering their perceived risk, however dishonestly or artificially.

So what did they do?

Goldman Sachs then went to the rating agency and said, Now, how is it that you rate these particular tranches? They found out. It was really a rating that went on by just looking at FICO scores. So the mortgages were not looked at based on whether they were no-doc loans or whether there was adequate income. They were rated based on a homeowner's mortgage FICO score.

□ 2000

So if you could somehow bump up the FICO score on these mortgages, you could turn a BBB into a AAA. And that's what they did. So then they went out and they sold the Abacus one that we heard about last week where John Paulson said he wanted to short all of them; so he put together the worst of the worst, and then Goldman made $15 million for actually servicing that particular instrument. Then Goldman went out and sold garbage to an unsuspecting American public. Oh, but they were sophisticated buyers, so therefore they knew what they were getting into. And that's the creativity of Goldman Sachs.

Mr. GARAMENDI. So what Goldman Sachs was doing was essentially a very dishonest, disreputable, and quite possibly fraudulent scheme to rip off some investors somewhere. They may have been sophisticated, they may not have. But they were told that this was not a B-rated product but rather an A-rated product because Standard and Poor's, perhaps playing a game, and part of the game with Goldman, had reevaluated that particular tranche, that package of mortgages, and said now they are an A because we've taken a look at the FICO score of some of the underlying mortgage people who had taken out the loan.

So from the whole thing, where is the honesty in the business? Where is the element of good faith to the customer? Was Paulson the customer on one side of the deal, or was it the investor on the other side of the deal? And where is the good faith obligation that Goldman surely must have had?

Ms. SPEIER. And you know who bought a lot of Abacus, who was on the other side of the trade with Paulson who shorted them, so who was buying Abacus? You won't be surprised to hear AIG, will you?

Mr. GARAMENDI. AIG. Now, they received almost $200 billion of taxpayer money?

Ms. SPEIER. One hundred and eighty billion dollars, yes.

Mr. GARAMENDI. Now, when AIG got that money from the taxpayers in the TARP bailout, the Wall Street bailout, what did they do with that money? Did they give it to the homeowner that was going to lose their home, or did they give it to Goldman?

Ms. SPEIER. Well, interestingly enough, Goldman had purchased credit default swaps from AIG, and, of course, they were repaid in full by the taxpayers of this country, $12 billion worth, the highest recipient of money from those CDS's.

Mr. GARAMENDI. I think that book is misnamed, ''The Great Short.'' I think probably ''The Great Fraud'' would be a better name for the whole thing.

Ms. SPEIER. I just want to show you one last chart.

So this is the creativity of Goldman Sachs, creating these products, knowing they were bad, selling them off. And many of them were what are called synthetic CDOs. So they didn't actually have the mortgages on them. They were like a side bet on that tower we had seen in that earlier chart. But look at what happened to all of them. They were all, at one point or another, a percent of the tower that was, in fact, AAA—71 percent, 77 percent, 72 percent, 70 percent, 80 percent. But look what happened to them in the end. They all turned to junk. So they were rated improperly, so you can ding the rating agencies. They were manipulated by Goldman Sachs. And this is the kind of creativity on Wall Street that makes us proud.

Mr. GARAMENDI. Well, there certainly ought to be a law. And we're going to spend a few moments talking about the law. But first I would like to turn to our colleague from the great State of Ohio.

Please.

Ms. KILROY. Thank you very much for yielding.

I am pleased to join my colleagues on the floor this evening. And, of course, I work with Congresswoman SPEIER on the Financial Services Committee. And she very aptly talked about what was going on at Goldman and the effect that it has had on our economy. But this is not a case of just one bad company. We, unfortunately, had a culture all across Wall Street that allowed things like this to happen. And recently I asked Chairman FRANK if we could take a look at some of the practices of Lehman Brothers. And we did. We had a hearing on Lehman Brothers. We both participated in that hearing. Because Lehman Brothers gambled with the hard-earned money, the pension funds of countless Americans. Certainly people from Ohio, people from California's pensions, people from Colorado's pensions had been invested in Lehman products, and Lehman Brothers did not tell those investors or other investors that they were so over-leveraged that their financial picture was pretty bleak. Instead, they tried to disguise what was really going on at Lehman by this tricky accounting practice where they moved some of the problems off the balance sheet at the time when their quarterly report was due.

If you look at the quarterly report, you would not get the real story from Lehman because of this practice called Repo 105. They did this very deliberately. And they had become, like Goldman, very leveraged into the subprime mortgage market, the Alt-A mortgage market, and even came up with this product called an Alt-B. And Lehman Brothers, which is an investment house, did not have the same level of regulation that, say, a community bank in one of our localities would have if they were engaging in mortgage practices. Nobody was watching them. The SEC wasn't watching enough, and investors and advisors who maybe would be sophisticated investors who could look at a balance sheet, they weren't getting the right picture either because of this on- and off-balance sheet practice of disguising the true financial picture. When Lehman did this, when they gambled in the subprime market, when they increased, bought more, bought more, bought more to try to make up for the losses and tried to hide what was really going on, they hurt not just the sophisticated investor; they hurt hardworking Americans.

I asked for some public records. One of our pension funds told us that they took an actual loss of over $100 million as a result of this between December of 2007 and September of 2008. Over $100 million. That's just one. I'm getting information from the other public pension funds in Ohio. And this isn't right that they are allowed to gamble and not listen to the alarms that were sounded in their own company by the risk managers or the fixed asset manager. Instead, those people who were trying to tell the truth were forced out. And it's that same story: Everything's just fine, don't look over here at what's on the off-balance sheet accounting tricks and give a different picture to the world.

We need to hold the Lehman Brothers and the Goldmans to account, and it is time to really talk about real financial reform, real Wall Street reform so that they are not allowed to hurt hardworking Americans and put their life savings in jeopardy again.

Mr. GARAMENDI. I know that the two of you both on the Financial Services Committee spent most of last year, 2009, working on a major reform that actually passed the House in December. Now, I had the good fortune of being elected in November, arriving here just in time to vote for the health care bill and to take some credit by voting for the reform that the two of you and the other members of the committee brought to the House floor. It was a very, very significant reform and dealt with many of the underlying issues that both of you have discussed.

Let's spend just a few moments talking about some of the critical elements of that reform bill. As I recall, there was a Consumer Protection Agency in the reform bill, and there were also some definitions about the kinds of things that the banks could engage in. And in most recent days, we've seen the Senate wrestling with this issue. We saw the Republicans trying to stop the Senate from enacting a reform bill by Senator DODD. Well, they tried for a few days, for a couple of weeks, and ultimately the American public following the Goldman Sachs hearing in the Senate said enough, and the Republican effort to stop the bill collapsed, and now that's moving along. So we're in the final stages, I believe, of passing a very significant reform of Wall Street so that we can focus on Main Street rather than on the excesses of Wall Street, bringing the money back to Main Street, to local banks making loans, and Wall Street getting its comeuppance.

So would you share with us some of your thoughts about the reforms.

Ms. SPEIER. The interesting thing is the Consumer Financial Protection Agency, which now on the Senate side is being billed as a bureau within the Fed, was really the brainchild of Professor Elizabeth Warren from Harvard Law School. And she likened it to the Consumer Product Safety Commission, which we have. I mean you buy a toaster. It's warranted to operate, not to electrocute you. And yet we have nothing of the same nature to protect us as consumers from fraudulent techniques that are being used by credit card companies, by mortgage brokers.

This one chart that showed this CDO, this was $38 million. It was actually sold and resold 30 times, 30 times, and created losses of over $280 million.

Now, derivatives haven't been regulated in this country because Congress passed a law in 2000 prohibiting Congress from regulating derivatives. It was part of the financial services industry wish list, and none of us were there at the time.

Mr. GARAMENDI. The three of us will not take credit for that bill.

Ms. SPEIER. No, we won't.

Mr. GARAMENDI. We were not in Congress when they passed that terrible piece of legislation.

Ms. SPEIER. But imagine to allow these kinds of complex instrumentalities to be in the marketplace and not be regulated. That's what will be regulated as we move forward with financial reform. There will be a protection agency for consumers that will help us understand, hopefully—as I understand it, a credit card statement form contract was 1 page and 700 words in 1985. Today it's something like 30 pages. The Consumer Financial Protection Bureau will provide greater assistance to Main Street.

Mr. GARAMENDI. Well——

Ms. KILROY. I think it's really important when you take a look at what went on in Wall Street after Bear Stearns collapsed. The SEC and the New York Fed went into these major Wall Street investment houses and were there trying to look things over but either didn't have the statutory authority or the expertise to really take a look at these mortgage instruments or really take the kind of action that would have protected consumers, and even not waited until you got to a situation with Bear Stearns but had gone in there much earlier and looked at it from the eyes of the consumer. Not how it's doing for Wall Street traders but what is its impact on consumers, the subprime mortgage solicitations and all the things that went on around this. It's so important, I think, that we do have a Consumer Protection Agency as part of Wall Street reform.

Mr. GARAMENDI. And part of that Consumer Protection Agency focuses directly on the mortgage market out there and deals with those mortgage companies that were selling subprime mortgage opportunities to people that had really no ability to pay it back. So those people may have invested whatever money they had in a home, and when it came time for the resetting of the interest rates, they couldn't afford it. They lost their investment. They lost their home. They may have also lost their job because of the collapse of the mortgage industry and the housing industry, and so 8 million Americans were out of work. And as both of you have very, very well described, the situation in which those Americans that may still have their job may very well have lost a good portion of their pension either directly through Lehman Brothers' collapse or through the crash of the stock market.

□ 2015

The combination wiped out 401(k)s. The word around was they no longer were 401(k)s, they had become 201(k)s.

So we really need to have that consumer protection agency in place to monitor Wall Street, to monitor the mortgage lending markets out there, to make sure those products are appropriate for individuals. Without it, we are going to go right back into the same kind of problem that nearly took down this country's economy and the world economy.

Ms. SPEIER, it looks as though you want to add another element to this discussion about what the law should be.

Ms. SPEIER. The interesting element of the subprime market was that those who were selling the product, the originators of the loans, weren't holding on to any of the instrument. They had no skin in the game. It was sold off to Wall Street, where they put them in these tranches and then sold them off again and again.

One of the things that is required in this new bill is that you will have to have some skin in the game, that you will have to have reserves, that you cannot leverage, like we have seen happen over the last couple of years.

But the interesting thing about the subprime market that just came to light, the industry also realized these people weren't equipped. If you were a $14,000 a year gardener in East L.A., you couldn't afford a $700,000 home. But since there was no documentation, since it was going to be sold, and after the teaser rate was no longer available to you, you were going to come back and refinance that loan again, so the fees to the originator, to the bank, would be generated again. So there was this huge churning that was going on in the industry as well.

Mr. GARAMENDI. So ultimately we wound up with a situation in which the financial industry had set up a scheme to sell mortgages to people who couldn't possibly pay those mortgages over time. They were often sold with teaser rates, low interest rates for a year or two, and then it reset to a much higher rate so the payments would be impossible to make at that point.

Then they took those products, those individual mortgages, put them all together and repackaged them into this magnificent tower of——

Ms. SPEIER. Tower of shame.

Mr. GARAMENDI. We have to find a good adjective, but the tower of shame. Then they took individual pieces of those products, took them out and repackaged them——

Ms. SPEIER. As a side bet. As a side bet. So they stayed in this tower, but they took them out in a manner that allowed you to just bet for and against them, and as long as there was someone on the sell side and someone on the buy side, it was fine with Wall Street.

Mr. GARAMENDI. So on the buy side, they would be giving information that was inaccurate, that Standard & Poor's, the rating industries of the world would go out and use some, I don't know, gimmick to re-rate this tranche, this piece of that tower, rerate it as though it was more valuable and more secure than it really was. So we really had a cabal here, and that is why the regulation of Wall Street is so critically important to us as individuals, in our homes, in our ordinary life, in our ability to keep a job.

It is also important for the financial system of America. Banking is crucial to the economy, and when you get a banking industry that is playing financial games rather than simply making loans, we are going to find ourselves in trouble. The creativity of Goldman Sachs, we now know from the hearings. We also know that other major banks and mortgage lending companies were playing similar games.

So that is what we are trying to do as Democrats, is to rein in Wall Street, to set new rules in place that will force the banks to be banks; not to play risky financial games, but rather to do the everyday lending, taking deposits, making a loan that is sound, and making those loans on Wall Street.

What is happening in Ohio? What do you see from your constituents in Ohio about Main Street? Is Main Street a place where the banks are making loans?

Ms. KILROY. I hear from so many of my constituents, people in business, people who are developers, that the ability to obtain capital and then to expand their business, to hire more people, just isn't there. They are not being able to get the loans. It is really important to get that moving again so we can get our Main Street economy, our real economy, going again.

Too much of the money is somewhere else in the pipeline. We need to get it out there to Main Street. I know several of us are working on a number of bills and issues to help expand Small Business Administration loans and others, but we need to get the banks in a position where they are doing the kind of lending that helps small business and mortgages that make sense, because there is the right kind of documentation, down payment, and other finances are in order.

Mr. GARAMENDI. The statistics are really frightening in what has happened with Wall Street. If you take a look, what is really happening is Wall Street is not making loans, and many of the small banks, the community banks, don't have the capital to make the loans, so the capital is being tied up in these huge banks. So what we are really looking to do as part of this reform is to push the capital down to the local banks, down to the Main Street banks, so that they can make loans to people.

However, if you take a look at the large banks, the leading United States banks in 2009, they reduced the number of loans that they made by 7.4 percent. It was the steepest drop in lending by the large banks since 1942, and that was the beginning of World War II.

The 22 firms that received the most bailout money, this is the Wall Street bailout money, cut small business loans by $12 billion in 2009. Meanwhile, and this was the point you were making a moment ago, the top 38 largest financial firms gave out $145 billion in record pay to their employees in 2009. That was an 18 percent increase from 2008, which was also a very high year.

So what is happening here is that Wall Street's philosophy seems to be all about greed for them and poverty for the rest of the Nation. That has got to end. What we need is this reform of Wall Street. We need to put in place very clear rules: No more games with derivatives. If you are a banker, you are a banker. You are not a loan shark on the street selling a bad loan. You are a banker. You are to take deposits. You are to make loans that are sound and secure, and make those loans on Main Street, not to another Wall Street shark.

So what we want to do is take the derivatives out of the banking business. If somebody wants to play the games of a gambler, they are not going to gamble with taxpayers money. They are not going to gamble with depositors money. They are going to have to do that separate and apart from banking.

Fortunately, the Senate bill seems to be moving in that direction. So when it passes the Senate and comes back to the House in a conference committee, I really want to see derivatives out of the banking business. Let them be handled by Wall Street firms that are not banks. If they want to play the game, let them play the game there. I think that will make a difference back in Main Street, back in Concord and Walnut Creek in my district.

Ms. KILROY. If the gentleman will yield, I agree that we really need to have strong regulation of derivatives and, of course, make them much more transparent. But the point you have made just now about the Wall Street pay is interesting. One of the things that I think infuriates people is when they see they are being hurt, jobs have been lost, shops have closed up, and yet they see the people that are responsible for taking our economy to the brink of disaster are getting that kind of a reward.

Also we need to see the corporate boards and the corporate shareholders take some more responsibility for what their corporations are doing. I think some of them want to do that. One of the things I would like to see happen is that shareholders get some kind of a say, some kind of an up-or-down vote on this kind of compensation. And not only do they get to vote, but I think when you have shareholders that may be hedge funds or pension funds or mutual funds, that they need to disclose also how their proxies are being exercised in these decisions about pay.

Mr. GARAMENDI. You mentioned the issue of Wall Street pay. The numbers are really astounding. In 2007, before the collapse, Wall Street paid out $137 billion to its employees. In 2008, in the midst of the great collapse, they actually reduced it. They went down to $123 billion. But in 2009, while unemployment in America was hovering well over 10 percent, and in California 12 percent, in 2009, the Wall Street fat cats paid themselves $145 billion.

I believe a lot of that money was our taxpayer money that we put in Wall Street to shore up the banks, and instead of making loans to Main Street, to the contractor, to the fellow that wanted to manufacture more ladders, that wanted to improve his business and hire people, instead of making loans to them, it appears to me that they took the money that was used to bail out Wall Street, to stabilize the economy and stabilize the banks, they took that money and they put it in their own pockets. That is reprehensible.

There was a bill here circulating, it hasn't passed, but I think it ought to pass, where these Wall Street bonuses, of which this $145 billion is part of, I think it ought to be taxed. I think about an 80 or 90 percent tax on those bonuses in which they used our taxpayer money, that we ought to get that money back, and we ought to take that money back and put it into the local banks so that their financial situation is shored up so that they can make loans to the businesses in our communities, and tell Wall Street, folks, the big ripoff is over. The big short is over. The big fraud is over. There is going to be a law. There is going to be a tough law regulating Wall Street, reining in the excesses of those fat cats on Wall Street who came to the U.S. Senate with such arrogance that somehow they were the kings of the world, that they were the financial managers of the world and they could create out of nothing.

Wasn't there an Aesop's fable about spinning gold from wool? Maybe that is what those characters were doing. They were creating something that had the appearance of value, but actually had no value, and it nearly cost us the American and the world economy. It also cost some 10 percent, almost 11 percent of every working man and woman in this country, their job.

That is reprehensible. And it is time for Congress, it is time for the Senate—excuse me, Congress did its thing back in December—it is time for the Senate to pass a strong bill, send it back, let's get this thing done, and let's rein in Wall Street.

Ms. KILROY. I absolutely agree with you. I voted for the House bill. I supported the House bill. I would welcome an even stronger bill in the Senate if they would pass something along those lines to make sure that the excesses of Wall Street are reined in, that there is appropriate regulation, that these exotic products don't bring our economy down again, that there is accountability, and if somebody, some big house gets in economic difficulty, that it is not in the position where the government and the taxpayers have to rush in and bail them out.

We need to make very clear that there is not going to be a taxpayer-funded bailout, and that there needs to be the kind of resolution authority or some kind of orderly method to protect the rest of the economy from a company that has gotten into trouble.

Mr. GARAMENDI. There is something I learned long ago at the University of California when I was taking an economics class, and that was the American private system of the economy was dependent upon competition, and that laws were put in place more than a century ago to eliminate concentration so that there are many, many players in the marketplace.

It seems as though we have forgotten, or at least the Republican administration in 2000 to 2008, forgot that one of the key ingredients in a free market system is many, many competitors.

□ 2030

But what happened during the decade of the nineties and 2000–2008 was a concentration in the banking industry so that now just a handful of companies, huge megabanks, control an enormous proportion of the American economy. And there's a proposal that has now been made by the Senator from, I believe, Delaware to limit all financial institutions to no more than 10 percent of the financial market, so that when they get to 10 percent, they can no longer grow. They would have to shed the business and, in that way, keep many, many players in the business. So there would be good competition and, simultaneously, create a situation in which no one bank would be too big to fail, thereby eliminating the need for a taxpayer bailout.

I kind of like that idea. It goes back to something I learned many, many years ago in an economics class about the role of competition and the need for many, many players in the marketplace. We'll see what happens with that, but financial regulation law in its final form has to deal with this issue of too big to fail. I don't want, you don't want, I don't believe the American public want to see another financial bailout with our taxpayer money going to Wall Street so they can fatten their wallets on our hard-earned money. So we'll see what happens here. We know things are coming back.

But let's not end this discussion in a down mood. If we take a look at where the American economy is going, these lines here in the red are the Bush years, and this is the unemployment rate actually growing during the final years of the Bush period so that we were losing about 800,000 jobs a quarter in the final quarter of the Bush period. Now, when Obama came in, we see the beginning of the turnaround with the unemployment—monthly unemployment statistics changing so that, yes, the first month of the Obama administration, in January, February, it was the same as the last month of the Bush administration. But now we see a steady decrease in the number of people losing their jobs.

This is a result of three things happening. The first is the Wall Street turnaround, the Obama administration getting control of Wall Street in the early months of 2009, followed by a very courageous action taken by Congress, which was called the American Recovery Act. The stimulus bill. That began to put people back to work or keep people employed. I know that in California it was an extremely important piece of the puzzle of keeping our schools open, keeping teachers in place, and then preventing further erosion of the economy. So as that began to take hold, we began to see the number of people losing their jobs on a month-to-month basis declining so that now, in the last month, we are actually seeing the number of people employed rising—getting jobs, rising.

We still have an extraordinarily high unemployment rate. We are not even close to being home yet. So we've got a lot of work to do. Part of that work is to make sure that Wall Street doesn't ever again put at risk the job of a family, put at risk home mortgages, put at risk the American economy and, indeed, the international economy. So that's where we are headed. We've got some more work to do.

Ms. KILROY. We do have more work to do.

Mr. GARAMENDI. If you would like to wrap this up from the perspective of Ohio, one of the States hardest hit for many, many years now, but a State that's coming back with leadership such as yours.

Ms. KILROY. You're correct that things are improving and also correct that we're not out of the woods yet. The Recovery Act in Ohio, as in your State, helped keep teachers; police cadets were able to get another class going in the city of Columbus, Ohio; keep firefighters on the job, keep teachers teaching in schools.

We also put money in the pockets of hardworking Americans with the biggest tax cut in our history to make sure that middle-class families benefited from that Recovery Act. People who were unemployed or on food stamps also got a raise—not the kind of raise that Wall Street gets, but they got a raise. We know that that money goes directly back into the local economies. That helps build that path to economic recovery.

We'll continue to focus on jobs, on our economy, and on holding Wall Street accountable, and passing a strong Wall Street regulation bill. I look forward to working with you on that.

Mr. GARAMENDI. Well, there's been some very good work done, but the job is not finished. We're seeing a stabilization of the American economy. We've got a long, long way to go. One major piece of that is the work that is now going on in the U.S. Senate. I beg them to send us back here to Congress a very strong regulatory bill on Wall Street. Rein in the excesses. Provide the transparency so that everyone can see exactly what the product is and how the game is being played. Push the derivatives out of the bank business so that that's all separate; the collateralized debt obligations, transparent. Regulate it. Regulate the derivatives, and make sure that we never get back into this again.

Maybe in the next month or so we will finish this critical piece of work. It's, hopefully, going to be done with the support of the Republicans. We know that for a long time they tried to stall it here in Congress, but, fortunately, the Democrats were able to put our bill out, send it over to the Senate. Now, with the Republicans in the Senate backing away from their support of Wall Street, hopefully, we'll get that bill over here; we'll finish this job and do what is absolutely necessary for the American economy and, indeed, for the world's economy.

So, with that, let's let this night pass and we'll get back to work tomorrow morning.

HEALTH CARE BILL REVISITED

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 2009, the gentleman from Texas (Mr. BURGESS) is recognized for 60 minutes as the designee of the minority leader.

Mr. BURGESS. I come to the floor tonight for the leadership hour on our side to talk more about this health care bill that we passed 6 weeks ago, because it was a pretty sweeping piece of legislation. We passed it kind of quickly. A lot of people may not have understood everything that was contained therein or the implications of the things contained therein. So from time to time it is worthwhile to study a little bit about what we did and how we got there and maybe why it was done, and, if anything, a look at what is ahead over the horizon for the people of this country as they begin to adjust to life with this bill.

Let me just say at the outset that I did not vote for this bill. I do not approve of this bill. The process was flawed. In fact, the process was absolutely toxic to this House, to the United States Congress—in fact, to the country at large. Never before has a piece of legislation this sweeping and with this sweeping in scope and its impact on the daily lives of the American people, never before has a bill this large passed with only the support of one side of the aisle. In fact, never has a bill like this passed that did not at least have some measure of popular