

We have to get back to some sanity and do the basic things that work. We have got to stop taxing the people who run the businesses. We have to get liquidity to business owners so that they have money to invest. What we have to do is to stop all the red tape. We have to basically change the banking rules so that there is some liquidity that way. And particularly, we have got to get off of the big spending. We just can't keep running this kind of deficit. This is just something that will not work mechanically. And so we are going to have to make some tough decisions. What we are going to have to do is let free enterprise work again, because that's the thing that pulls us out of this mess is good old American freedom, just allowing the U.S. citizens to be unfettered, have a chance to keep some of what they make, invest in their businesses, invest in Americans, and stop this whole sort of covetousness idea that any time somebody makes any money, the government's got to take it away from them.

□ 1730

If we want jobs, if we want a strong economy, and if we want money for the government to be able to spend to pay the government's bills, we are going to have to allow freedom to flourish in America instead of trying to stomp it out, which is what we are doing. We are following the failed model of the Soviet Union, and we are stomping out freedom.

Thank you, gentleman. I really appreciate Pennsylvania for sending GT down. It is a treat to serve with you.

Thank you all.

RESIGNATION AS MEMBER OF COMMITTEE ON HOMELAND SECURITY

The SPEAKER pro tempore laid before the House the following resignation as a member of the Committee on Homeland Security:

HOUSE OF REPRESENTATIVES,
Washington, DC, May 5, 2010.

Hon. NANCY PELOSI,
Office of the Speaker, House of Representatives,
Washington, DC.

DEAR SPEAKER PELOSI: I respectfully wish to resign from the Committee on Homeland Security. I have been honored to serve on the Committee and have found my experience to be extremely rewarding.

Sincerely,

BEN RAY LUJÁN,
Member of Congress.

The SPEAKER pro tempore. Without objection, the resignation is accepted. There was no objection.

THE REFORM OF WALL STREET

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. Mr. Speaker, thank you so very much.

What we intended to talk about was the Wall Street meltdown and the necessity of the reform of Wall Street. However, having listened to our colleagues on the Republican side carry on for the last hour, there are some things that need to be said about their discussion.

HEALTH CARE

First of all, they started off with this issue of health care, with the government takeover of health care. That is absolutely not true. We have passed major health care reform, and it is not a government takeover. In fact, it builds on the present American system. There is some government—some very, very good government programs.

You tell me what senior in America wants to have Medicare done away with. None of whom I know. There is always room for improvement. In every program, there will be problems from time to time, but no senior of whom I am aware anywhere in America wants to do away with that government program.

What this bill really does is to help organize the American health care system so that it will be more effective and efficient and so that it will build on the private insurance system, which is much a part of America.

I know this business because I was the insurance commissioner in California for 8 years, and I regulated the insurance company. In this legislation, there is heavy-duty regulation of the insurance industry because there was a lot of talk—a lot of talk from our Republican colleagues—about a death panel. I'll tell you what the "death panel" is. It is the private insurance company that has heretofore denied coverage for people who have been seriously ill. When people would have illnesses, they would just dump them from the rolls. They would not insure people who had preexisting conditions.

I will tell my Republican colleagues and the American people that those days of insurance excesses and that those days of insurance discrimination are over. They are over. For men and women who are working their 8-, 10- and 12-hour shifts every day, they will be able to have their own doctors. That is what this reform does. It is not a government takeover. In fact, it builds upon the American system, which is unique here, and that is a fact.

TAXATION

They also talked about taxation. Well, let's understand that more than 80 percent of the Bush tax cuts went to the top 10 percent of wealthy people in America. They got the tax break, and the other Americans got the shaft. That is not the way we see tax cuts on our side. In fact, my colleague from Minnesota, who will join me in just a moment, was there to vote for the American Recovery and Reinvestment Act. That is the largest middle class tax cut in America's history.

The issue here is that Democrats will cut taxes for the working men and women—for middle class America. As

for the wealthy, that's where the Republicans are. They will cut the taxes of the wealthy every single time.

If you listened carefully to the previous discussion from our Republican colleagues, they said it very clearly. They were talking about taxes for those who have limited liability companies. You tell me. Do small businesses out there in my community—the painting contractors, the plumbing contractors—have limited liability companies? No. No. They are sole proprietors. Their taxes were cut by Democrats, and Republicans cut the taxes for Wall Street.

My good colleague from Minnesota (Mr. ELLISON), you had some thoughts about this as you were sitting there, listening to them talk about the things that are going on. Please share with us your thoughts.

THE REFORM OF WALL STREET

Mr. ELLISON. I thank the gentleman for yielding. I also thank the gentleman for holding down this Special Order tonight. It is very important to talk about the American economy, so let me dive right in, as there are a few facts the American people may want to consider.

Barack Obama took office on January 20. George Bush was the President that whole month. There were 741,000 jobs lost to the American economy. There were 741,000 jobs lost under the Republicans when they had the Presidency, even back when they had majorities in both the Senate and the House of Representatives.

I think this board is very revealing. On the vertical axis, it demonstrates Time, which is months during the year—'07 all the way to March 2010. On this vertical axis are Job Changes.

Here we see, in January 2008, Bush begins to lose jobs, and they very clearly go down to hit the very bottom when we see December 2008–January 2009.

What we see during the Obama administration is a steady climb back up from the abyss. Very recently, we have even seen positive job growth for a few months.

This is an important fact to point out in the very beginning because, as we talk about who ran the economy into the ditch, it is very clear that our Republican colleagues managed that on their own and that it is the Democrats who steered the American economy back to a point of safety.

Let me also say this: When it comes to financial deregulation—and of course, tonight, we're going to be talking about the Wall Street Reform Act and about accountability. The fact is it was during the Bush administration that the climb on foreclosures began and that we saw 2.8 million people face foreclosure. In the last year, we saw foreclosures begin, and we have yet to see an antipredatory lending bill passed under any Republican regime. While the Republicans were in the majority, they did not do anything about foreclosures. They did not do anything about predatory lending. They did not

do anything about yield spread premiums. They did not do anything about 2/28 mortgages and 3/27s. This is when people were being encouraged and persuaded to sign these fine-print, no-doc, low-doc mortgages. At the end of their teaser rate periods, they would see these mortgages explode, and they would find themselves in foreclosure.

The fact is the Democrats have taken the bull by the horns, and we have begun to right our ship of state to bring the American economy back to health. We have seen increases in the gross domestic product. Under the Democrats, we have seen increases in the number of jobs and decreases in the rate of unemployment. Thank goodness, we are here on the verge, hopefully, to pass Wall Street reform in order to really put the American economy back in the shape it deserves to be in.

I yield back to the gentleman.

Mr. GARAMENDI. Mr. ELLISON, thank you so very, very much for pointing out what was the history of the great 2008 collapse.

You saw those enormous job losses that were occurring during the Bush period and then the slow but steady improvement in the number of jobs that were lost so that now we are in a situation where we are actually seeing jobs added. We don't see the unemployment rate coming down as we would like to, but we are on the correct road, and we are making great progress on that.

I would like to ask my colleague to join us in carrying on this discussion, if you would.

Mr. DRIEHAUS. Thank you, Congressman GARAMENDI. I appreciate very much your taking the leadership tonight on this issue, which is so critically important.

There is a tremendous amount of misinformation out there about what has gone on in terms of the financial markets. I happen to sit on the Financial Services Committee, so I've seen firsthand what we have been able to do in terms of structuring a fix for what is going on on Wall Street and for what happened on Wall Street.

Yet it would be a mistake just to talk about the fix without talking about the history. Far too often, the Republicans would have us believe that all of this history began in January of 2009, which is when Barack Obama took the oath of office and when we took the oath of office. The facts are far different, and I think it is important to help voters and folks out there to better understand exactly how we got to where we are.

I remember as a State legislator, when I served in the Ohio House from 2001–2008, that these issues of predatory lending and of foreclosure came up over and over again. I pushed Governor Strickland to create a foreclosure task force in the State of Ohio, and I was proud to serve on that task force. Yet what we realized way before the task force was formed was that so many of

these problems were Federal in nature. They were Federal in scope; though, the Federal Government was doing very little to regulate Wall Street, to regulate the mortgage industry.

My colleague Mr. ELLISON mentioned predatory lending and the failure to enact predatory lending legislation. I will remind the viewers and I will remind this body, Mr. Speaker, that it was in 2000 that Congresswoman Stephanie Tubbs Jones from Ohio—God rest her soul—introduced predatory lending legislation here in the House. They could have enacted that in 2000. They could have enacted it in 2001, in 2002, in 2003, in 2004, in 2005, and in 2006. Every year, she brought forward legislation concerning predatory lending because she understood the impact this was having in neighborhoods across Ohio and across the country, but they failed to act. We knew that these things were being created on Wall Street, things like mortgage-backed securities and credit default swaps, which backed up the mortgage-backed securities, and collateralized debt obligations, which backed those up. The vast majority of the people had no idea that these things even existed much less what they were doing.

What we soon found out was that these mechanisms on Wall Street were allowing for the bubble to occur, which then led to the collapse when we found out what was actually contained in them.

For just a minute, Congressman, I'll talk about how the risk was shifted, because this is fundamental to what happened. You know, years ago, you would go to a savings and loan or you would go to a bank, and you would try to get a mortgage on your house. The risk would be shared between the financial institution and the homeowner, and they would hold onto the paper. The financial institution would hold onto that mortgage paper, and it would be part of their investment portfolio; but that is not what happened in the 2000s.

What happened in the early 2000s was that investment vehicles were created on Wall Street that no longer required that bank or that savings and loan to hold onto that paper. They sold it immediately. They sold it immediately onto a secondary market that was created. These things were then brought together in thousands of mortgages, called "mortgage-backed securities." They were then sold to international investors, to pension funds—to all kinds of entities.

In the meantime, the rating agencies were rating these things at AAA despite the fact that many of the mortgages contained in these packages were bad mortgages. Oftentimes, they were 2- or 3-year adjustable rate mortgages to subprime borrowers. "Subprime borrowers" are simply borrowers who have poor histories of paying back in the first place.

So what behavior did this incentivize? Well, at the front end, I will tell you what it incentivized.

You had mortgage brokers and financial entities going out there trying to qualify anybody they possibly could for a mortgage at the highest prices they could possibly get because they were no longer holding onto the paper. It was no longer a long-term investment of the property value of that home; it was at the close of the deal. If it's at the close of the deal, you're going to close as many deals as you possibly can. That's why they were qualifying people who should never have qualified for mortgages. That is how this bubble was created.

Now, I have heard a lot of my colleagues come down here and blame the Community Reinvestment Act over and over again. If you listen to conservative talk radio, they say the banks were forced to lend into these neighborhoods and the banks were forced to make bad loans. Now, I've never come across a bank that didn't have the power to say "no" to a loan, but they would have you believe that it was the banks that were forced to do this because of the Community Reinvestment Act. So I just want to bring a few things to the attention of the public.

□ 1745

First of all, the Community Reinvestment Act was established in 1977. So if the Community Reinvestment Act was the problem, you would think that maybe we would have seen this in the 1980s and the 1990s. But we didn't because the Community Reinvestment Act wasn't the problem.

What the Community Reinvestment Act did was it provided incentives for financial institutions to go into neighborhoods where there were depositors in those financial institutions but folks weren't qualifying for loans because they had red-listed entire areas. They weren't required to make bad loans. They were just required to go into the neighborhoods and make good loans.

And if I can just refer to Ben Bernanke in a letter November 25, 2008, who said this, and he's responding to one of our Senate colleagues:

"Thank you for your letter of October 24, 2008, requesting the Board's view on claims that the Community Reinvestment Act is to blame for the subprime meltdown and current mortgage foreclosure situation. We are aware of such claims but have not seen any empirical evidence presented to support them. Our own experience with CRA over more than 30 years and recent analysis of available data, including data on subprime loan performance, runs counter to the charge that CRA was at the root of, or otherwise contributed in any substantive way to, the current mortgage difficulties."

The fact of the matter is over 80 percent of the bad loans that went into default, that caused the foreclosure crisis, over 80 percent, were from financial entities and nonfinancial entities that didn't even participate in the Community Reinvestment Act.

Mr. GARAMENDI. You have raised a very, very important point, and it's the history of how all of this came to pass, about a mortgage industry that had run amok, that had engaged in predatory pricing and predatory mortgages and selling products, mortgages and loans, that they knew the homeowner could not possibly afford, maybe during the teaser rate period, but when that teaser rate was over in a year or two and the rate readjusted and reset, it was all over. That's the history of what was going on. It was Wall Street and its minions out there throughout the United States, the mortgage companies, that were all playing a part of this game.

It comes down to basic American values that were not honored. The basic American value. You know, you work hard, you get a wage, you can get a home. But in this case, they were selling people products and mortgages that no way could they possibly afford, and they had no skin in the game. They had no ongoing obligations. You explained it so well, Mr. DRIEHAUS, how that was going on.

It comes back to certain values. Wall Street's value was greed is good. That's not an American value. That's a unique Wall Street value. Greed is not good. Greed leads to some real serious problems. You go back through all of the writings in the Bible and other religious writings down through the millennium, and it comes down to the same thing. Greed's not good, folks. Yet Wall Street was engaged in that very un-American practice of extraordinary greed, unbridled greed that led to the creation of these bogus and unsubstantiated mortgage instruments that were—by their own admission 2 weeks ago or a week ago when Goldman Sachs testified here, the guy that created them used some extraordinary language, that these were monsters, these were things that were unintelligible, that couldn't be understood and couldn't be priced, and yet that was Wall Street. Why did they do it? They did it because they wanted the money and they played the games.

This was a chart that was used last night by Congresswoman JACKIE SPEIER as she explained one of the things you talked about, Mr. DRIEHAUS, how Goldman Sachs would create a mortgage-backed security. In fact, this one didn't even have mortgages backing it. It was totally ephemeral. It was a figment of the imagination of Wall Street bankers. They created this thing.

Then down here at the bottom, these were the less risky portions of it. Each one of these are what they called tranches. They would sell it off, saying this was an A-rated. That's relatively good strength. Then down here at the very bottom, which was pure junk, they managed to get the rating houses, Standard and Poor's and other rating houses, to say, well, maybe this piece of junk is actually of some value if we go back and look not at the ability of

the homeowner to pay but rather at the FICO score. Well, they did, and they rated it as an A, and then they sold it to unsuspecting investors, and the result was, at the end of the day, junk is junk and the thing collapsed. So we had the great collapse of 2008. So what do we do about it now?

And, by the way, you mentioned the Community Reinvestment Act. I was the insurance commissioner in California for 8 years, and I watched the banks use the Community Reinvestment Act to bring bank offices and branches into the underserved communities. It ended the redlining. It's a very, very good law. If only the insurance industry had a similar law so that they would provide insurance products in those communities, but it doesn't. The Community Reinvestment Act isn't to blame here. Greed, unbridled greed is the problem.

And to our Republican friends that ranted for the previous hour about government regulation, we need it, serious government regulation of Wall Street.

Let's talk about where we go from here. Mr. DRIEHAUS.

Mr. DRIEHAUS. I think it's a good point, Congressman. There was no regulation. There was no regulation of mortgage-backed securities. There was no regulation of credit default swaps. So when folks get up and say we have enough regulation on Wall Street, well, there may be regulation, but the regulation was in the wrong place.

So if you look at the bill that came through the House when it comes to regulatory reform, we focused on some sound principles. First, the creation of a Consumer Financial Protection Agency, an independent agency that provides consumers with information, good information, about the products that they are being offered. Now, this isn't a crazy idea. You know, we often said in the State of Ohio that you were safer purchasing a toaster than you were a home loan because you had more consumer protections purchasing a toaster. And that's true. You have consumer protections when it comes to purchasing a vehicle. You have consumer protections if you purchase toys for your kids. But you don't have those same consumer protections when it comes to a home loan.

Mr. GARAMENDI. That's in the bill that you and the other members of the Financial Services Committee put together. It was voted on here on this floor in December, as I recall. I had the pleasure of being elected in November, and I was here for that vote. Very, very important.

I am going to just put this up here, and maybe the three of us together can refer to this as we go on. Right there, number one, consumer protection, watchdog with teeth.

I know, Mr. ELLISON, you were talking to me earlier about some of these things.

Mr. ELLISON. Yes. If the gentleman would yield, I want to just say that this is an excellent list and really helps

listeners to sort of zero in on some of the key features that we will elaborate on right now.

Let me just give my own take on consumer protection. There are about seven different agencies that had some responsibility for consumer protection. The Federal Reserve Bank, for one, has some responsibility. Actually, it was in 1995 that Congress passed a law that said that the Fed could regulate in the area of mortgage lending, and they didn't do so.

What this Consumer Protection Agency would do is to say, you know what? We're not going to spread the responsibility so that everybody says, well, I thought somebody else was going to do it. What we do is we concentrate it and say we hold this agency responsible for consumer protection. The Fed, as you know, is responsible for monetary policy and responsible for unemployment, keeping the economy going for employment. It also has responsibility historically for consumer protection. What we're saying is that it makes sense for an agency which will have the responsibility for rulemaking with regard to consumer protection, enforcement of consumer protection rules, and examination of companies that have a responsibility to comply, to make sure that if you are going to sell a product, a financial product, a loan, that the terms are clear, that people understand the terms, that people know what they are getting into, that there's transparency, that there is real information that a person could make a good decision on. And then also there might be some products that are just completely and patently unfair that consumers ought to be able to not have to be part of.

Let me just say there's something going on here when we do financial transactions known as information asymmetry. Let's just face it, folks. Look, I'm a 46-year-old man. I bought only one house in my life. I have been at a closing once and only once. I went to college. I even went to law school. I was a State legislator. I am no match, no match at all, for somebody who wants to sell me a mortgage that maybe I don't want. The terms and conditions are just too opaque. It's too much information. If you've ever been to housing selling, you're just signing documents, one right after another. People don't get it. We need a Consumer Protection Agency that will say, look, this has got to be a fair transaction, this has got to be disclosed, it needs to be clear, and that way we may be able to have some good decision-making and better decisionmaking on behalf of consumers.

Mr. GARAMENDI. Mr. DRIEHAUS. Mr. DRIEHAUS. I appreciate that. And picking up on that point, the CFPB is critical to provide consumers information. But if you go back down to No. 5 on that list, strengthening community banks, this strengthens community banks because so much of the problem occurred outside of the financial institutions in the first place.

Many of these subprime mortgages, many of these bad loans didn't originate with community banks. The community banks were doing the right thing. But there was no regulation of the behavior of these nonfinancial entities. So for the first time, the CFPA will step in and provide regulation over the product itself. So it doesn't matter how you structure your entity to avoid regulation. The regulation will come in the form of the product. So if you're offering a consumer product which is determined to be a bad product for consumers, you will be prohibited from offering that, regardless of the type of entity that you are.

This is important because banks are very wary of regulators and for good reason, especially community banks, who have regulators coming in all the time to make sure that safety and soundness is being complied with and to make sure that consumers are being treated fairly. But what the CFPA gets at isn't additional burdens on community banks, but it's going after those previously nonregulated entities to make sure that they are following the law and that the products they are offering are fair and that the disclosures they are providing are clear, that they're transparent, and consumers know what they are getting themselves into.

Mr. ELLISON. Could I ask the gentleman a question?

Mr. GARAMENDI. Please.

Mr. ELLISON. And I will ask both gentlemen a question.

Now, if the Consumer Protection Agency is going to actually provide regulation to nonbank lenders, most of whom generated these subprime and predatory loans, will that help community banks by taking away the competitive advantage some of those unregulated lenders had?

Mr. DRIEHAUS. Yes, I believe it will absolutely strengthen the community banks.

And as you know, many of the community banks were provided additional protections, Mr. Speaker, by making sure that the CFPA was only part of the regulatory structure when we went into community banks so that we didn't place yet an additional burden in terms of an examination on that community financial institution.

So I believe this is an additional protection because for far too long, these entities were existing outside of a regulated marketplace, which put community banks, the guys that were doing the right thing, the guys that so many of us rely upon, and lend to small businesses, lend to people trying to purchase their homes—they were at a competitive disadvantage, and this really does strengthen those community banks because it forces everybody to have an even playing field.

Mr. GARAMENDI. It's really very, very important that we do focus on the community banks. This is Main Street. This is where the small businessman—the men and women that own the local

grocery store, the shop, the person who is the carpenter, the painter, this is where they will get the money that they need, the loan that they need to carry on their business. It's the community banks. But what has happened in America over the last decade is a concentration of economic strength in the hands of just a few.

□ 1800

A very, very few of the large banks, Wall Street banks now, control 80 percent or more of the American financial strength. We need to take that into account, not only because it will give the community banks an opportunity to compete and to have capital available to them so that they can make those loans, but also because of this problem of too big to fail. Too big to fail. That's what happened over the course from 2000—maybe beginning in the nineties—until 2008, when the great collapse occurred. The banks grew bigger and bigger and fewer and fewer so that at one point just a handful controlled most of the financial assets of America. And they grossly mismanaged those assets. AIG, a famous name. Lehman Brothers, another bankrupt company. All of the games that they played, those roosters came home to roost and the droppings were on American homeowners and the hardworking men and women of America that lost their jobs as a result of Wall Street excesses.

So now what are we going to do about too big to fail? The Senate, which is now moving a piece of legislation that would accompany the House bill, which we passed 4 months ago, that piece of legislation may be amended to say that no financial institution in America can control more than 10 percent of the financial strength of this Nation. That is something I really like. Back in college, I learned about the need for competition. I took an economics class. You have to have competition. You've got to have a lot of players. You've got to have a robust free market. Well, we don't really have that in the financial institutions anymore because they've grown too big. Well, if we just make them a little smaller: You get to 10 percent, I'm sorry, you're going to have to shed some business. We'll have to have others pick up the rest of it. But this too big to fail is part of the reform bill. Exactly how it's going to come out of the Senate, we don't know for sure. But it is certainly going to deal with this issue.

Mr. ELLISON, I know that you worked on this.

Mr. ELLISON. Well, the gentleman, I'm glad, talks about this issue of too big to fail. If either the gentleman from Ohio or California want to elaborate, I'd just like to pose to both of you gentlemen a question, and that is: If some banks are too big to fail, are there then other banks that are too small to save?

Mr. GARAMENDI. Well, now that's an interesting question. Clearly, we

have institutions that are too big to fail. That's where the TARP legislation that was the last act—one of the last acts of the Bush administration—came into being. The Treasury Secretary, Mr. Paulson, who actually was the CEO of Goldman Sachs, as I recall, came to this House, came to the Senate, and said, Oh, my. Oh my. The world is going to collapse unless you immediately cough up a trillion dollars to the banks to stabilize the banks. Fortunately, this House said, Wait a minute. Let's see what we're doing here. Instead of a 1-page bill giving the Treasury Department a trillion dollars, the TARP program was put in place. And it did stabilize the financial institutions but it was a clear sign that Wall Street banks had become too big. AIG. How much have they taken? Twenty-three billion dollars of our money. Are we going to get it back? We don't know.

Mr. DRIEHAUS, if you will carry on here. I know that you were involved in that TARP legislation. Share with us.

Mr. DRIEHAUS. Getting back to the issue of too big to fail, because I think this is really a critical issue for people to get their arms around. I think it's important that we have strong capital markets; that the private sector works well in providing capital to allow our businesses to grow, to allow people to invest in the economy. That's critically important. But the issue of too big to fail really comes back to our responsibility, because when an entity is too big to fail, then it suggests that they go well beyond losses that might just impact the shareholders or losses that might just impact the owners or the employees of a business, but in fact it impacts all of us.

We then have a responsibility so that when the harm that's caused by these institutions is so great that it impacts the public good, then the United States Congress has a responsibility. In this case, the foreclosure crisis. Not only have we seen the greatest recession in our lifetimes but we have seen neighborhoods just devastated by foreclosures all across this country. Certainly, in the State of Ohio, where I come from.

The cost is enormous. That's not being repaid by Goldman Sachs. Lehman Brothers isn't around to do it. The big investment firms on Wall Street aren't there when we're having crime in our neighborhoods due to the foreclosures. It's the residents and the local governments that are left to pick up the pieces. That's what we mean by too big to fail.

So never again will we allow an entity to get so big that its failure will cause such a calamity not just to the economy but to our neighborhoods, to our communities, and obviously to jobs across the country. So we've put mechanisms in place to prohibit entities from growing that large. And if they are so large that their collapse would have this tremendous impact, we provide for a provision to allow the Fed to

wind them down and allow Treasury to wind them down—not at taxpayer expense but at their own expense and at the expense of financial entities who are contributing to a pool. We don't believe in the government bailouts. We are trying to put an end to government bailouts. What we are trying to do is allow these to be dissolved in a way that's fiscally responsible. That's what we mean by too big to fail.

Mr. GARAMENDI. That's a very, very important point about how things will move forward. It's also extraordinarily difficult for me to understand the Republican Party in this matter. On the Senate side, at the moment it looks as though they want to maintain the status quo. They want to maintain business as usual. That business as usual took this economy and nearly the entire world's economy into the tank. We need change. We need to put in place the reforms so that these kinds of financial meltdowns don't occur again. And for too big to fail, the use of wise processes within the government to unwind those companies that are too big, bring them back to size; when they're in financial trouble, unwind it and to bring us back to some sane situation.

There are a couple of other things that are in this thing that are really important. This number three of the kinds of reforms that the Democrats want to put forward: Stop Wall Street firms from betting against their customers. Also, Wall Street is not a gambling house. Wall Street isn't the shore of New Jersey or Las Vegas. Wall Street is where the financial strength of this Nation and indeed the world should be, based on fundamental American values of fair play, of honesty, of no games, straightforwardness, of visibility, of what is going on.

We have seen far too much of Wall Street hiding the ball, of gambling as though they were some casino in Las Vegas, and creating products and selling products that they know are detrimental to their customers' well-being—their financial well-being. So this is part of the reform that's going to go into place when the Republicans in the Senate finally allow the Senate to move forward with its reform.

I know you were involved here in the House as you took up this issue, Mr. DRIEHAUS. Share with us, if you would, some of the things that took place that are in the House reform.

Mr. DRIEHAUS. I think it's critically important as you move through this list to help people better understand exactly what it is that we're doing. One of the big issues that comes up time and time again is the issue of transparency. Because transparency was a big problem. It wasn't that the regulations didn't necessarily exist on some of these products, but people didn't know what was in the products. And so the Wall Street banks were intentionally hiding the risk associated with some of these derivative products.

Derivatives by their very nature are derived from other capital. But they're

critically important. They're critically important to our system, our economic system, because they provide capital investment that creates jobs in our economy. So we don't want to stop derivatives. We want to create investment vehicles. Derivatives are okay, but these investment vehicles need to be transparent. That's all we're asking through the legislation, is that the risk associated with the product be clear so that the people investing in these products know the risk associated with their investment. This is basic. This is basic finance, that people asking to invest in products should know the risk associated with those investments. That's what we're trying to achieve through the regulatory reform bill.

Mr. GARAMENDI. It's one of those basic American values that Wall Street seems to have forgotten and the Republican Party seems to want to be absent from Wall Street, and that is honesty, transparency. That is, explain what this product is all about, and also, the requirement that when you're selling something in a financial institution, you have the obligation of good faith to your customer; that you're being honest—a fundamental American value that was largely forgotten by Wall Street. As this reform goes into place, I think we will see it returned, because it will be the law. Sometimes you simply have to say you have to change because the law now requires you to be honest, to be straightforward, to be transparent; that is, to explain your product.

I notice that we have now been joined by your colleague from Ohio, the gentlewoman, Ms. KAPTUR. She has a chart up there that I think goes right to the heart of this. If you would, please, share with us.

Ms. KAPTUR. Thank you very much. I appreciate the gentleman yielding this evening and I thank you both for sponsoring this Special Order. Part of our responsibility is to restore trust in the most important financial institutions in our country—restore trust to the American people in those—and to change the laws in order to make sure that that trust in our capital markets and in our banking system is restored. We're a long way from doing that, and financial reform is a part of it. I hope that the bill improves as it moves through the Senate.

The chart that I brought to the floor tonight—and this is just one chart. I would like to put in the RECORD, CBS News Investigates Goldman Sachs' Revolving Door, with a full list of individuals just from that company. There are many other companies, but the kind of incredible power that they wield in this city.

If you just look at Goldman Sachs and then at people from Goldman Sachs who came to work for the government of the United States in the highest positions, you begin to question whether they were representing the public interest or their personal interest in many of the dealings that occurred on Wall Street.

For example, you have an individual during the last administration that worked for President Bush by the name of Joshua Bolten. He was the President's Chief of Staff during the time when the TARP was voted through this Congress in the bailout in the fall of 2008. He had been the director of OMB through most of the Bush administration. But what a lot of people don't know is that before that he had been the Executive Director of Legal Affairs for Goldman Sachs based in London. That is the bank's chief lobbyist to the European Union. So when you look at the collapse of institutions in Europe, whether it was Dresdner Bank in Germany or Societe Generale, which was a counterparty in the AIG insurance situation, those deals were brokered through London. And there he sat for the whole decade of the nineties, putting together the architecture that then collapsed in this decade.

But he's not alone. It's important that people understand this just didn't start in 2007 or 2008 or 2005. The pieces were put together starting in the 1980s, and then the foundation stones and all the regulatory changes were made that allowed this type of hyperinflation of the housing market and the pyramiding of equity to a point that it simply couldn't hold. These men were a part of that.

If you look at the former Secretary of Treasury in the past administration, before President Obama and during President Clinton, he had come from Goldman Sachs, Robert Rubin, and he was Secretary of the Treasury from 1995–1999, when so much of the deregulation was done. But they all go back to Goldman Sachs. That's the beehive. The bees come out, they go somewhere else, and then they come back. We have to begin to unpeel this and unwind and understand who these individuals are. We heard the name of Hank Paulson, who was Secretary of the Treasury during the period time that the bailout was voted. He was the CEO of Goldman Sachs. So they come in, collect a little bit of honey, and then they go back. What the American people have to understand is what exactly did they do; who made these decisions.

Now, we have over at the Secretary of Treasury the chief of staff to the Secretary of Treasury, Mark Patterson. Guess where he came from? Goldman Sachs. And the recent general counsel from the White House, Mr. Craig, he left the White House. Where did he go? Goldman Sachs.

□ 1815

So it rises above party. We have to stand up for what's right for America, and we have to unwind these private interests that have caused such harm to our country.

[From CBS News Investigates, Apr. 7, 2010]

GOLDMAN SACHS' REVOLVING DOOR

(By Paula Reid)

A CBS News analysis of the revolving door between Goldman and government reveals at least four dozen former employees, lobbyists

or advisers at the highest reaches of power both in Washington and around the world.

THE INFLUENCE AND POWER OF GOLDMAN SACHS

For example, former Treasury Secretary Henry Paulson is a former Goldman CEO; Arthur Levitt, the head of the Securities and Exchange Commission is a now a Goldman adviser; and former House Majority Leader Dick Gephardt is now a paid lobbyist for the firm.

Our alphabetical list:

JOSHUA BOLTEN

Government: President George W. Bush's Chief of Staff from 2006–2009; Director of Office of Management and Budget from 2003–2006; White House Deputy Chief of Staff from January 20, 2001–June 2003.

Goldman: Executive Director of Legal Affairs for Goldman based in London, aka, the bank's chief lobbyist to the EU from 1994–1999.

KENNETH D. BRODY

Government: President and Chairman of the Export-Import Bank of the United States (1993–1996).

Goldman: Former general partner and member of the Management Committee at Goldman Sachs where he worked from 1971–1991.

KATHLEEN BROWN

Government: Former California State Treasurer.

Goldman: Senior Advisor responsible for Public Finance, Western Region.

MARK CARNEY

Government: Governor of the Bank of Canada since 2008.

Goldman: Mr. Carney had a thirteen-year career with Goldman Sachs in its London, Tokyo, New York, and Toronto offices. His progressively senior positions included Co-Head of Sovereign Risk; Executive Director Emerging Debt Capital Markets; and Managing Director, Investment Banking. He started at Goldman in 1995.

ROBERT COGORNO

Government: Former Gephardt aide and one-time floor director for Steny Hoyer (D-MD.), the No. 2 House Democrat.

Goldman: Works for [Steve] Elmendorf Strategies, which lobbies for Goldman.

KENNETH CONNOLLY

Government: Staff Director of the Senate Environment & Public Works Committee 2001–2006.

Goldman: Vice President at Goldman from June 2008–present.

E. GERALD CORRIGAN

Government: President of the New York Fed from 1985 to 1993.

Goldman: Joined Goldman Sachs in 1994 and currently is a partner and managing director; he was also appointed chairman of GS Bank USA, the firm's holding company, in September 2008.

JON CORZINE

Government: Governor of New Jersey from 2006–2010; U.S. Senator from 2001–2006 where he served on the Banking and Budget Committees.

Goldman: Former Goldman CEO. Worked at Goldman from 1975–1998.

GAVYN DAVIES

Government: Former chairman of the BBC from 2001–2004.

Goldman: Chief Economist at Goldman where he worked from 1986–2001.

PAUL DIGHTON

Government: Chief Executive of the London Operating Committee of the Olympic Games (LOCOG).

Goldman: Former COO of Goldman where he worked for 22 years beginning in 1983.

MARIO DRAGHI

Government: Head [Governor] of the Bank of Italy since January 2006.

Goldman: Vice chair and managing director of Goldman Sachs International and a member of the firm-wide management committee from 2002–2005.

WILLIAM DUDLEY

Government: President Federal Reserve Bank of New York City (2009–present).

Goldman: Partner and Managing Director. Worked at Goldman from 1986–2007.

STEVEN ELMENDORF

Government: Senior Advisor to then-House minority Leader Richard Gephardt.

Goldman: Now runs his own lobbying firm, where Goldman is one of his clients.

DINA FARRELL

Government: Deputy Director, National Economic Council, Obama Administration since January 2009.

Goldman: Financial Analyst at Goldman Sachs from 1987–1989.

EDWARD C. FORST

Government: Advisor to Treasury Secretary Henry Paulson in 2008.

Goldman: Former Global Head of the Investment Management Division at Goldman where he worked from 1994–2008.

RANDALL M. FORT

Government: Assistant Secretary of State for Intelligence and Research from November 2006–Jan 2009.

Goldman: Director of Global Security 1996–2006.

HENRY H. FOWLER

Government: Secretary of the Treasury from 1965–1968.

Goldman: After leaving the Treasury Department, Fowler joined Goldman Sachs in New York City as a partner.

STEPHEN FRIEDMAN

Government: Chairman of the President's Foreign Intelligence Advisory Board and of the Intelligence Oversight Board; Chairman Federal Reserve Bank of New York from 2008–2009; former director of Bush's National Economic Council. Economic Advisor to President Bush from 2002–2004.

Goldman: Former Co-Chairman at Goldman Sachs and still a member of their board. Joined Goldman in 1966.

GARY GENSLER

Government: Chairman of the U.S. Commodity Futures Trading Commission since 2009; Undersecretary to the Treasury from 1999 to 2001; Assistant Secretary to the Treasury from 1997–1999.

Goldman: Former Co-head of Finance for Goldman Sachs worldwide. Worked at Goldman from 1979–1997.

LORD BRIAN GRIFFITHS

Government: Head of the Prime Minister's Policy Unit from 1985 to 1990.

Goldman: International Advisor since 1991.

JIM HIMES

Government: Congressman from Connecticut (on Committee on Financial Services) since 2009.

Goldman: Began working at Goldman in 1990 and was eventually promoted to Vice President.

ROBERT D. HORMATS

Government: Under Secretary of State for Economic, Energy and Agricultural Affairs-designate since July 2009; Assistant Secretary of State for Economic and Business affairs from 1981 to 1982.

Goldman: Vice Chairman of Goldman Sachs International and Managing Director of Goldman Sachs & Co. He worked at Goldman Sachs from 1982–2009.

CHRIS JAVENS

Government: Ex-tax policy adviser to Iowa Senator Chuck Grassley.

Goldman: Now lobbies for Goldman.

REUBEN JEFFERY III

Government: Under Secretary of State for Economic, Business, and Agricultural Affairs from 2007–2009; Chairman of the Commodity Futures Trading Commission from 2005–2007.

Goldman: Former Managing Partner of Goldman Sachs Paris Office. Worked at Goldman Sachs from 1983–2001.

DAN JESTER

Government: Former Treasury Advisor.

Goldman: Former Goldman Executive.

JAMES JOHNSON

Government: Selected to serve on Obama's Vice Presidential section committee but stepped down.

Goldman: Board of Director of Goldman Sachs since May 1999.

RICHARD GEPHARDT

Government: U.S. Representative (1977 to 2005).

Goldman: President and CEO, Gephardt Government Affairs (since 2007). Hired by Goldman to represent its interests on issues related to TARP.

NEEL KASHKARI

Government: Interim head, Treasury's Office of Financial Stability from October 2008–May 2009; Assistant Secretary for International Economics (confirmed in summer 2008) Special assistant to Treasury Secretary Henry Paulson from 2006–2008.

Goldman: Vice President at Goldman Sachs from 2002–2006.

LORI E LAUDIEN

Government: Former counsel for the Senate Finance Committee in 1996–1997.

Goldman: Lobbyist for Goldman since 2005.

ARTHUR LEVITT

Government: Chairman, SEC 1993–200; Goldman: Advisor to Goldman Sachs (June 2009–present).

PHILIP MURPHY

Government: U.S. Ambassador to Germany since 2009.

Goldman: Former Senior Director of Goldman Sachs where he worked from 1983–2006.

MICHAEL PAESE

Government: Top Staffer to House Financial Services Committee Chairman Barney Frank.

Goldman: Director of Government Affairs/Lobbyist (2009).

MARK PATTERSON

Government: Treasury Department Chief of Staff since February 2009.

Goldman: Lobbyist for Goldman Sachs from 2003–2008.

HENRY "HANK" PAULSON

Government: Secretary of the Treasury from March 2006 to January 2009; White House Domestic Council, serving as Staff Assistant to the President from 1972 to 1973; Staff Assistant to the Assistant Secretary of Defense at the Pentagon from 1970 to 1972.

Goldman: Former Goldman Sachs CEO. Worked at Goldman from 1974–2006.

ROMANO PRODI

Government: Two time prime minister of Italy.

Goldman: From March 1990 to May 1993 and when not in public office, Mr. Prodi acted as a consultant to Goldman Sachs.

STEVE SHAFRAN

Government: Advise to Treasury Secretary Henry Paulson.

Goldman: Worked at Goldman from 1993–2000.

SONAL SHAH

Government: Director, Office of Social Innovation and Civic Participation (April 2009); advisory board member Obama-Biden transition Project; former previously held a variety of positions in the Treasury Department from 1995 to early 2002.

Goldman: Vice President 2004–2007.

FARYAR SHIRZAD

Government: Served on the staff of the National Security Council at the White House from March 2003–August 2006; Assistant Secretary for Import Administration at the U.S. Department of Commerce in the Bus Administration.

Goldman: Global head of government affairs (Lobbyist) since 2006.

ROBERT K. STEEL

Government: Under Secretary for Domestic Finance of the United States Treasury from 2006–08.

Goldman: Former Vice Chairman of Goldman Sachs where he worked from 1976–2004.

ADAM SCORCH

Government: COO the SEC's Enforcement Division (October 2009–present). He was 29 years old at the time of his appointment.

Goldman: Former Vice President at Goldman Sachs where he worked from 2004–2009.

RICHARD Y. ROBERTS

Government: Former SEC commissioner from 1990 to 1995.

Goldman: Now working as a principal at RR&G LLC, which was hired by Goldman to lobby on TARP.

ROBERT RUBIN

Government: Treasury Secretary from 1995–1999; Chairman of the National Economic Council from 1993–1995.

Goldman: Former Co-Chairman at Goldman Sachs where he worked from 1966–1992.

JOHN THAIN

Government: CEO resident of NYSE (2004–07).

Goldman: President and Co-Chief Operating Officer from 1999–2004.

MARTI THOMAS

Government: Assistant Secretary in Legal Affairs and Public Policy in 2000. Treasury Department as Deputy Assistant Secretary for Tax and Budget from 1998–1999; Executive Floor Assistant to Dick Gephardt from 1989–1998.

Goldman: Joined Goldman as the Federal Legislative Affairs Leader from 2007–2009.

MASSIMO TONONI

Government: Italian deputy treasury chief from 2006–2008.

Goldman: Former Partner at Goldman Sachs from 2004–2006.

MALCOLM TURNBULL

Government: Member of the Australian House of Representatives since 2004.

Goldman: Chairman and Managing Director, Goldman Sachs Australia from 1997–2001 and Partner with Goldman Sachs and Co. from 1998–2001.

SIDNEY WEINBERG

Government: Served as Vice-Chair for FDR's War Production Board during World War II.

Goldman: Worked at Goldman from 1907–1969, eventually becoming CEO after starting as a \$3-a-week janitor's assistant.

KENDRICK WILSON

Government: Advisor to Treasury Secretary Henry Paulson.

Goldman: Senior investment banker at Goldman where he worked from 1998–2008.

ROBERT ZOELLYCK

Government: President of the World Bank since 2007.

Goldman: Vice Chairman, International of the Goldman Sachs Group, and a Managing Director and Chairman of Goldman Sachs' Board of International Advisors (2006–07).

Mr. GARAMENDI. Thank you very much. That history is not a good chapter in America, and these men that were involved in all of this, to whom did they owe their allegiance?

I've said many times, it's about the fundamental American values. I know that in my community, a small community in California of farmers and hardworking men and women, that they go to work every day and they expect to be paid a fair wage, but they don't expect to make that wage by cheating somebody, by playing a financial game. They expect to make it by working hard and carrying on for their family.

Mr. DRIEHAUS, if you would share with us some of the additional experiences that you had on the Financial Services Committee.

Mr. DRIEHAUS. Well, I would just share with you and share with everyone here that the reality is that, from a legislative standpoint, nothing has changed. Despite the fact that we're in the worst recession that we've ever experienced—we all know what caused this. We know how we got here. We know the lack of regulation on these very sophisticated financial instruments caused the mortgage meltdown which led to the recession. But the fact of the matter is, legislatively, nothing has changed in statute.

We passed a good bill out of the House—

Mr. GARAMENDI. Back in December.

Mr. DRIEHAUS. We passed a good bill that had a lot of measures. Subsequent to that, after it went over to the Senate, there has been stalling by the Republican Senators. We've had closed-door meetings by leadership of the Republicans in the House and in the Senate, both here in Washington and on Wall Street, because the financial firms on Wall Street like the status quo. We've seen their profits. They're back to the days of big bonuses. But our neighborhoods are still struggling. Our neighborhoods are still trying to get out of the foreclosure crisis that has impacted them, and it's going to be years before they come out of that crisis. It's the most important thing that we can do here is make sure that this never happens again, but our Republican colleagues in the Senate are standing in the way. At least here, the Republicans just voted "no," but they couldn't stop the process from moving forward.

We, as a Congress, have an obligation to the people. We, as a Congress, have an obligation to the people to ensure that the crisis that we found ourselves in never happens again. We do that through strong regulatory reform. We've passed a strong measure in the House. We're waiting upon the Senate to tell the American people that we won't let this happen again. That is our

responsibility, and that's what we need to impress upon people as we move forward.

Enough of the closed-door meetings with Wall Street; it's time to act on behalf our constituents.

Mr. GARAMENDI. Let's be very clear that those closed-door meetings were the leadership of the Republican Party sitting down with Wall Street and talking about how to preserve the present system that led to this great collapse.

You said something that just ticked me off—not at you, but at the situation—and it's the Wall Street bonuses. At a time when hardworking men and women, more than 8 million Americans were losing their jobs as a result of the financial games of Wall Street, 8 million—in my district, tens of thousands of men and women that worked hard every single day to put bread on their table for their family, to keep their roof over their head lost their jobs because Wall Street was playing financial games, thinking of the financial market as some sort of gambling casino while my constituents were losing their houses, losing their jobs, forced to go on unemployment, losing their health insurance.

What was going on, on Wall Street? Well, here it is: Wall Street was paying some of the highest salaries and bonuses ever in America's history. In 2007, before the collapse, look at that, \$137 billion, \$137 billion in pay and bonuses. During the great collapse in 2008, when 750,000 people were losing their job every month, Wall Street was paying its fat cats \$123 billion. And then in 2009, using the recovery money, using our taxpayer money, what did Wall Street do? They paid themselves \$145 billion.

There ought to be a law—in fact, there ought to be a tax law that says when you get a fat-cat bonus and you've taken your company into virtual bankruptcy, we're going to tax that bonus and we're going to bring it back. We're going to bring it back to the local bank so that they can make a real loan to real businesses and put aside the financial gains. There ought to be a tax on those kinds of unconscionable bonuses and pays that are going to these Wall Street fat cats that nearly brought down the world's financial economy. There ought to be a law, and that law is being held up now by the Republican Party. We need Wall Street reform right now.

Ms. KAPTUR. Would the gentleman be kind enough to yield?

Mr. GARAMENDI. I would be delighted to yield.

Ms. KAPTUR. Congressman GARAMENDI, I want to compliment you and Congressman STEVE DRIEHAUS of Ohio for putting this information on the RECORD.

I think it's important to state that at the beginning of the financial crisis, these large institutions, the six of them that are the most culpable—JPMorgan Chase, Morgan Stanley,

HSBC, Wells Fargo, Citigroup, Goldman Sachs—had one-third of the capital in this country, one-third of the assets in those institutions. And while they were taking all those bonuses and while this Nation has gone through this terrible washout, they now command 66 percent. They doubled the size and their importance inside this economy.

So while they're taking those horrendous bonuses, they've also been gobbling up institutions. States like my own are losing their money center banks. The fees that banks that didn't do anything wrong are having to pay have gone up extraordinarily. We don't know if some of them will make it. But they are just huge leviathans that are taking over this economy, and look at what they've done.

Mr. GARAMENDI. More like tyrannosaurus rexes.

Ms. KAPTUR. I love that.

Mr. GARAMENDI. Did you say at the beginning of this crisis in 2007 they had something like one-third of the financial assets—

Ms. KAPTUR. That's right.

Mr. GARAMENDI. And today the largest five have over 60 percent?

Ms. KAPTUR. Sixty-six percent.

Mr. GARAMENDI. Sixty-six percent. Now we really have a serious problem called "too big to fail." Now we're in a very, very serious problem.

I want to refer back to this chart that we were using before. The legislation does deal with this issue of too big to fail.

Now, we passed a good bill out of here in December that dealt with this, but on the Senate side there are some Senators who are progressive and thinking about this and they're saying, Wait a minute. Maybe we should limit to 10 percent, no company can have more than 10 percent of the total assets. When you get that big, that's it. You're going to have to shed assets. Someone else is going to have to pick it up.

But now we have seen even more concentration in Wall Street. We can't wait any longer for the reforms. We can't wait any longer. America can't wait any longer. How many more hardworking men and women are going to lose their job as Wall Street continually declines to provide loans to Main Street?

Ms. KAPTUR. Yes.

Mr. GARAMENDI. Let's take a look at some of the facts about that.

I heard you, in one of our discussions, talk about this and the effect in your community in Ohio, the men and women, the small businesses, their inability to get loans. Why don't you pick that up and share some of the stories.

Ms. KAPTUR. I just did that again this weekend. I went into a bakery in our district, and the owner said, Marcy, I could hire three more people and I want to add some machines and so forth because I've got orders I can't fill, but I can't get operating loans from the bank.

Credit is frozen across this country because they are these big, giant, inefficient institutions, and credit needs to be more decentralized. We need more financial institutions not fewer financial institutions. And the financial reforms that this Congress should pass should go to that level to restore a robust, competitive financial system in this country. And, by the way, we not only have to make the future better; we have to go back and catch the crooks that put us on this path.

I have a bill, H.R. 3995, that would add 1,000 agents to the FBI, to the SEC, and to the FDIC in order to fully investigate and go after these big institutions, because what happened after 9/11 was that the White Collar Crime division of the FBI was reduced to 75 investigators, 75. The SEC has 25 going after the largest financial institutions in this country? We need to, both on the civil side and the criminal side, investigate and prosecute.

When you have this level of implosion in an economy and a few people are getting very rich and everybody else is suffering, doesn't that tell you that something was fundamentally wrong? Some people say it was rigged, that control fraud may be, in fact, what has riddled through the system from the very top down through every community that we represent. So H.R. 3995 would add 1,000 more agents and help beef up prosecution in this country.

Mr. GARAMENDI. Well, just before we took the floor here for this discussion, I was listening to our Republican colleagues say that government regulation is wrong. Well, no, not in the case of Wall Street. The statistics you just gave us, did you say the FBI had 75 agents for all of the United States to deal with Wall Street?

Ms. KAPTUR. Yes.

Mr. GARAMENDI. At a time when the Wall Street behemoths were going from 33 percent of their total financial wealth in the Nation to 66 percent? And 30-something people for the Securities and Exchange Commission?

I hope your bill passes. We need watchdogs. We need watchdogs with teeth that are willing to bite into the arrogance and the greed of Wall Street. We need those people there to watch and to make sure that the kind of financial rip-offs that occurred that nearly took down this Nation's economy—and the world's economy with it—and put hardworking men and women that were out there on the production lines in your community, that were building the homes in my community, the farmers, they're out of work. They are unemployed. Why? Because of the extraordinary greed, arrogance, and mismanagement of Wall Street thinking that the financial institutions of America are nothing more than a Las Vegas casino, where a bet is placed on a product that they could not even describe. Enough already. Enough already.

The Republican Party has got to come to its senses and give us the op-

portunity to pass a strong financial reform of Wall Street. The people in my district, my homeowners, my small businesses are trying to get a loan at a time when we're seeing more and more concentration of power on Wall Street.

Ms. KAPTUR. Would the gentleman yield?

Mr. GARAMENDI. I would be delighted to share with you.

Ms. KAPTUR. What is unbelievable is the public relations on this, because companies like Goldman Sachs now have whole new lobbying offices here in Washington to hire people to try to convince us that the real is unreal. And what they're saying is that, well, you know, it isn't our fault that this happened. It's the fault of those Americans down there who lost their jobs and they maybe won't be able to pay their mortgages, right? Well, wait a minute. Wait a minute. Why did they lose their jobs, and why can't unemployment benefits at least be used in the interim to help people stay in their homes for the next year until we can try to get this economy to recover?

And so the very institutions that are not working out loans at the local level and making billions and billions of dollars more in profits and in bonuses are saying to us, Oh, it's not our fault. It's the fault of the American people who wanted to own a house. You know, it's really their problem that they got put out of work, when, in fact, these institutions aren't loaning money to our small businesses that want to employ people. They're not doing mortgage workouts at the local level. They are not taking any principle write-downs, which they could do, and in a formal FDIC bank regulatory process that would happen. They're not serious. They're not serious at the bargaining table. They are not even returning calls to our Realtors at the local level. We're trying to reach accommodation on short sales. We've been trying to reach accommodation on short sales for 2 years. They're standing up the Realtors across this country as we get more and more foreclosures around this Nation. We have to focus on the big six.

Mr. GARAMENDI. Well, the big fix is available. The big fix is to reform Wall Street, to stop the kind of greed that has nearly destroyed this Nation's economy and the world economy along with it.

The bill that was passed by the House of Representatives in December is a good, strong bill. We beg our Republican colleagues over in the Senate to stand aside. If you don't want to work towards a decent reform, then get out of the way and let the Democratic Party put in place a strong reform that will bring Wall Street to its senses, that will once again make Wall Street a legitimate, honest, transparent place where the financial inner workings of this Nation can take place. That's our plea, and we need to have it done, not next month. We need to have it done this week.

Thank you so very much. I yield back my time, Mr. Speaker.

□ 1830

HONORING BOBBY COX

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

Mr. GINGREY of Georgia. Mr. Speaker, I would like to honor one of the greatest managers in the history of major league baseball, Bobby Cox, the manager of my hometown team, the Atlanta Braves. He is an icon in the managing profession, and after giving selflessly to the Braves for over 25 years, I want to congratulate him on his retirement at the end of this season. Mr. Speaker, I am proud that he is my constituent in the 11th Congressional District of northwest Georgia.

A lifetime man of the game, Bobby played in both the minor and major leagues for 12 years. At the age of 30, he retired as a player and launched a coaching career which will go down in history as one of the best in the game. Bobby's first coaching job allowed him to manage the Braves, but he left Atlanta in 1982 to work with the Toronto Blue Jays.

Bobby realized success quickly in Toronto as he led the Blue Jays to the American League East Crown in 1985. For these efforts, he was named Major League Manager of the Year by the Baseball Writers Association of America, the Associated Press and the Sporting News.

After his winning seasons in Toronto, Bobby returned to Georgia to work with the Braves again in 1985, this time

as general manager. It was then that he began creating a baseball empire, by restructuring the team from the farm system up through the major leagues. In the 1990s, he was back in the dugout as manager of the Braves, and he led them to five National League pennants, one World Series Championship, and 14 consecutive division titles. He was named Manager of the Year once again, and to this day he is still the only coach to win Manager of the Year in both the American and the National Leagues.

Bobby has won over 2,000 games and is the all-time winningest coach in Braves history. Bobby has made a name for himself amongst his players by being a true "players" coach and always going to bat for his team and his players. That passion and love for the game have earned him another distinction, Mr. Speaker: The all-time record for the most ejections from the game.

Mr. Speaker, Bobby's skills, dedication, and attitude will be missed in both the Braves dugout and also in the stadiums wherever the Braves have played. He will continue to assist the organization by advising the minor league teams in the Atlanta area. Bobby's imprint on the Atlanta Braves organization will undoubtedly be remembered and revered for years to come.

- Mr. PRICE of North Carolina, for 5 minutes, today. Mr. ETHERIDGE, for 5 minutes, today. Mr. DRIEHAUS, for 5 minutes, today. Ms. WOOLSEY, for 5 minutes, today. Mr. PASCRELL, for 5 minutes, today. Mr. FALCOMA, for 5 minutes, today. Ms. KAPTUR, for 5 minutes, today. Mr. GRAYSON, for 5 minutes, today. Mr. DEFAZIO, for 5 minutes, today. Mr. QUIGLEY, for 5 minutes, today. (The following Members (at the request of Mr. POE of Texas) to revise and extend their remarks and include extraneous material:) Mr. PAUL, for 5 minutes, May 6. Mr. POE of Texas, for 5 minutes, May 12. Mr. JONES, for 5 minutes, May 12. Mr. MORAN of Kansas, for 5 minutes, May 12. Mr. WOLF, for 5 minutes, today. Mr. GINGREY of Georgia, for 5 minutes, today. Mrs. SCHMIDT, for 5 minutes, today. (The following Members (at their own request) to revise and extend their remarks and include extraneous material:) Mr. BLUMENAUER, for 5 minutes, today. Mr. OLSON, for 5 minutes, today. Mr. BRIGHT, for 5 minutes, today.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. DRIEHAUS) to revise and extend their remarks and include extraneous material:)

ADJOURNMENT

Mr. GINGREY of Georgia. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 35 minutes p.m.), the House adjourned until tomorrow, Thursday, May 6, 2010, at 10 a.m.

BUDGETARY EFFECTS OF PAYGO LEGISLATION

Pursuant to Public Law 111-139, Mr. SPRATT hereby submits, prior to the vote on passage, the attached estimate of the costs of the bill H.R. 1722, the Telework Improvements Act, as amended, for printing in the CONGRESSIONAL RECORD.

ESTIMATE OF PAY-AS-YOU-GO EFFECTS FOR H.R. 1722, THE TELEWORK IMPROVEMENTS ACT OF 2010, AS AMENDED

Table with columns for fiscal years 2010-2020 and 2010-2015/2010-2020. Row: Statutory Pay-As-You-Go Impact. Net Increase or Decrease (-) in the Deficit.

Pursuant to Public Law 111-139, Mr. SPRATT hereby submits, prior to the vote on passage, the attached estimate of the costs of the bill H.R. 2421, the Mother's Day Centennial Commemorative Coin Act, as amended, for printing in the CONGRESSIONAL RECORD.

CBO ESTIMATE OF PAY-AS-YOU-GO EFFECTS FOR H.R. 2421, THE MOTHER'S DAY CENTENNIAL COMMEMORATIVE COIN ACT, AS PROVIDED BY THE HOUSE COMMITTEE ON THE BUDGET ON MAY 3, 2010

Table with columns for fiscal years 2010-2020 and 2010-2015/2010-2020. Row: Statutory Pay-As-You-Go Impact. Net Increase or Decrease (-) in the Deficit.

H.R. 2421 would authorize the U.S. Mint to produce a \$1 silver coin in calendar year 2014 in commemoration of the centennial anniversary of Mother's Day. The legislation would specify a \$10 surcharge on the sale of those coins (a credit against direct spending), which would later be paid to certain nonprofit organizations that fund health care research (an increase in direct spending).

Pursuant to Public Law 111-139, Mr. SPRATT hereby submits, prior to the vote on passage, the attached estimate of the costs of the bill H.R. 5160, the Haiti Economic Lift Program Act of 2010, as amended, for printing in the CONGRESSIONAL RECORD.