

the bill we are being asked to consider does not even begin to solve these fundamental problems. In fact, it exacerbates them. It is almost as if the people who wrote this bill took the pulse of the American people and then put together a bill that endorses the very things they found most repugnant about the first bailout.

The proponents of this bill will make a lot of claims about what this bill does and does not do. But the American people did not go through the financial crisis, did not put up their own collateral to bail out Wall Street only to be deceived about the contents of this Wall Street bill.

We need some truth in advertising here, so let's look at what this bill actually does. Its authors claim the bill gives the government the authority to wind down failing firms with no exposure to the taxpayer. But as a factual matter the bill creates bailout funds, authorizes bailouts, allows for backdoor bailouts in the FDIC, Treasury, and the Fed, and even expands the scope of future bailouts.

It does this, first of all, by creating a new permanent bailout fund, a prepaid \$50 billion bailout fund, the very existence of which would, of course, immediately signal to everyone that the government is ready to bail out large banks the same way it bailed out Fannie Mae and Freddie Mac. So the same distortions—the very same distortions that developed within the housing market would inevitably develop in the financial sector. Didn't like Fannie Mae and Freddie Mac? How about 35 to 50 of them? That is what this bill would give us.

Second, it authorizes bailouts for creditors. In other words, it is not enough to bail out a bank; the people who invested in the bank would get a bailout too. Made a bad bet? No problem; the government will bail you out. Made a bad bet on a company that made a bad bet? No problem; the government will bail you out, too—provided, of course, that you are among the creditors favored by the White House. This is great if you are on Wall Street; it is not so great if you are on Main Street. It is great if you are in a union; it is not so great if you are not. This bill institutionalizes the picking of winners and losers and gives the government broad authority in choosing which creditors get paid in full and which ones do not.

Third, the bill gives the government a backdoor mechanism for bailouts by extending to the Federal Reserve an enhanced emergency lending authority that is wide open to abuse. It gives the Federal Deposit Insurance Corporation and Treasury broad authority over troubled financial institutions without requiring them to assume responsibility for their own mistakes. This means that unproductive firms which would otherwise go into bankruptcy would now be propped up by the government like zombies.

Fourth, this bill expands the scope of potential future bailouts—expands the

scope of potential future bailouts. It does this by authorizing a financial stability oversight council to designate nonbank financial institutions as potential threats to financial stability and, hence, too big to fail. So a new government board based in Washington would determine which institutions would qualify for special treatment, giving unaccountable bureaucrats and self-appointed wise men in Washington even more power to protect, promote, or punish companies at whim. These favored firms would then have a funding advantage over their competitors, leading to outsized profits and the extension of enormous additional bailout risk for taxpayers even beyond the largest banks.

Fifth, the bill does nothing to correct the massive market distortions that we all know were created by Fannie Mae and Freddie Mac. Job 1 in writing this bill should have been to address the inherent problems caused by these massive government-sponsored entities. This bill ignores that issue entirely.

The American taxpayer has suffered enough as a result of the financial crisis and the recession it triggered. They have asked us for one thing: Whatever you do, they say, do not leave the door open to endless bailouts of Wall Street banks. Whatever you do, the American people have said, do not leave the door open for endless bailouts of Wall Street banks. This bill fails at that one fundamental test.

If there were two lessons we should have drawn from this crisis, one is that if investors are reckless, then they should pay for their recklessness. If investors are reckless, they should pay for their recklessness. The other thing we should have learned is that Washington bureaucrats are horrible at seeing these kinds of crises develop. It should be beyond obvious that more bureaucrats will not prevent the kinds of problems other bureaucrats overlooked.

If you need to know one thing about this bill, it is that it would make it official government policy—official government policy—to bail out the biggest Wall Street banks. This bill would make it official government policy to bail out the biggest Wall Street banks. So if the administration is looking for bipartisan support on this Wall Street bill, they can start by eliminating this aspect of the bill, not because Republicans are asking for it but because community bankers, community bankers all across the country, and American taxpayers are demanding it.

Unfortunately, the administration evidently is more interested in using this debate as a political issue than in actually addressing, on a bipartisan basis, the many weaknesses that are currently built into our economy. For example, it has been reported that the senior Democratic Senator from Arkansas was working on a bipartisan solution to one of the key areas where reform is needed but that she was told by the White House in no uncertain terms

that it didn't approve of her efforts at forging a bipartisan deal. It has also been reported that the Democratic chairman of the Banking Committee backed out of bipartisan negotiations under pressure from the White House. The White House spokesman was even more explicit, saying late last month that the White House is not interested in compromising on this legislation. So the White House has been really quite clear. It plans to take the same approach on financial reform as it took on health care—put together a partisan bill, then jam it through on a strictly partisan basis. It should go without saying that this is not the kind of approach most Americans want in Washington, and it is not the kind of approach they were told they could expect from this administration.

We can do better, and we must. Americans are still dealing with the fallout from the financial crisis. Getting this policy right should be our first priority. This bill gets it very, very wrong.

I yield the floor.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period of morning business for 1 hour, with Senators permitted to speak therein for up to 10 minutes each, with the Republicans controlling the first 30 minutes and the majority controlling the final 30 minutes.

The ACTING PRESIDENT pro tempore. The Senator from Florida is recognized.

FISCAL RESPONSIBILITY

Mr. LEMIEUX. Mr. President, I come to the floor today to speak on a topic I have addressed many times since I came to the Senate in the fall of last year. Having come from running a business and having worked in State government, every day it is still alarming to me the way Washington spends money. In no other place in America and perhaps no other place in the world is money spent by an organization without any reference to how much money is being taken in. Unfortunately, the situation has gotten to a point where it is completely unsustainable for this country.

We open our newspapers today and we read stories about Greece having to borrow money from the European Union, being so far in debt that the forecast of the country's viability is in question. Yet our country is headed on the same path, but few come to the floor of this Chamber and sound the alarm. I will continue to do that for

the remainder of the time I have here in this body because the future of this country is at peril.

While we have spent too much for many years, the rate and pace of that spending now is beyond control. But it need not be. We need not continue in the ways of spending more money than we can possibly pay back. Let me set the table, if I may, of the financial situation we are in.

Here in 2010, we are about the business of setting up the budget for 2011. You would think the first question we would ask would be, How much money do we expect to take in in 2011? Well, the number is about \$2.2 trillion. Yet the projected budget of how much we are going to spend is \$3.8 trillion. We will run a deficit in this year alone of \$1.6 trillion.

Now, these numbers are so big. Well, \$1 trillion—what is \$1 trillion? Well, \$1 trillion is \$1,000 billion—\$1,000 billion. A billion is 1,000 million. The numbers are so hard to fathom, but let me explain, if I can, in a way I have often talked about here on the floor. If you put dollar bills side to side, you could cover two football fields with \$1 million.

If one laid \$1 billion on the ground in one-dollar bills side by side, they could cover Key West, FL, which has a square area of more than 3 miles. They would blanket the city with one-dollar bills with \$1 billion. Mr. President, \$1 trillion will cover the State of Rhode Island twice. Every one of these dollars is a dollar taken from the American taxpayer, a dollar they could spend on families, on children's education, on homes, on needed repairs. We take those dollars and spend them. Now we spend them beyond an ability to pay them back. Right now, because of the money we borrow, more than \$200 billion a year goes to interest payments alone, paying for the money we should not have spent in the past. At our current rate of spending, according to this administration, by the end of this decade, we will have another almost \$10 trillion in debt, making our total debt \$22 trillion.

At that point, our interest payment each year will be \$900 billion. At that point, the budget breaks. At that point, what we call mandatory spending on entitlements, such as Social Security and Medicare and Medicaid, will be all of the budget plus the interest. There will be no money for defense, no money for homeland security, for any of the other programs in government.

If we have this impending crisis, if we are driving the car toward the wall, why aren't we making any changes? Today I am filing legislation to enact a change, enact a mechanism, an architecture to have a discussion on the floor in this Chamber and in the House to find a solution to put America back on a stable financial path. The bill is what I call the 2007 solution. In 2007, the economy was still going strong. It was not until December of that year that we found ourselves beginning the recession.

If I go home to Florida, as I did this past weekend, and talk to Floridians and ask: Could you live on what you had in 2007? Based on these difficult times, my constituents had more money in 2007 than they do in 2010. Why shouldn't the Federal Government be able to live on what we spent in 2007? Why can't that be enough? If we did that, if we froze spending across the board at 2007 levels, when the economy was still going strong, before we injected all this stimulus money, if we go back to a place of normalcy—and, trust me, there was plenty of redundant and wasteful spending in 2007—let's go back to that as a framework. If we were to cap our spending at 2007 levels, by 2013, we would balance the budget and start running a surplus. By 2020, instead of having a \$22 trillion national debt that is unsustainable, we would have a \$6 trillion national debt. We would have cut it in half. We would have preserved the American dream for our children and grandchildren.

I have four small kids—we just had a baby 2 weeks ago—Max, Taylor, Chase, and Madeleine, 6, 4, 2, and 2 weeks. My greatest fear is, someday one of my kids is going to come to me, when they are an adult, after they have gone to school, and say: Dad, we are going to move to India or Brazil or Ireland or some other country. The opportunities in those countries are better than the ones in the United States. Dad, your generation and the generation before so mismanaged this government that you ruined the American dream. Our taxes now are so high to pay for the debt for things you spent in the past. Our entitlements are so weighty we can't afford them. We are going to leave.

The 2007 solution would solve that problem. How does it work? Every year under this bill, the majority leader of the Senate and the majority leader in the House would have to come to the floor and file a procedure to allow for 50 hours of debate on this floor and on the floor of the House of Representatives to decide how we are going to make cuts to stay within 2007 levels. If the majority leader doesn't do it, the minority leader has the opportunity. If the minority leader doesn't do it, any Senator can do it. Then we will have to, for the first time, have an adult conversation about priorities. Maybe then we would call in the agency heads of the different agencies of government who have had 10, 15, 20 percent-plus increases year after year in their budgets for more than a decade, and we would say: Can you make some cuts? Can you do things more efficiently?

American businesses for the past 3 years have been making tremendous cuts because they have to. We don't make cuts in our agencies. Our agency heads don't meet with the members of their organizations, the tens and thousands of workers who work in the different agencies, and say: Can we do things differently? Can we do things more efficiently?

This morning I had the opportunity to speak to a friend of mine who is about to become speaker of the house of the Florida House of Representatives, a man named Dean Cannon. Right now the Florida legislature is in session. They have to balance their budget, a very unfamiliar notion in Washington, DC. They are cutting billions of dollars from the Florida budget, as they did last year and the year before, because revenues are down because the economy is hurting. They have three choices. They can make cuts, raise taxes, or find new sources of revenue. Right now they are going through the process of cutting because they have to. They are making responsible leadership decisions. That process does not happen in Washington, DC. Under this bill, a framework would be provided that would require that debate. It would require that focus.

The majority of my colleagues are more interested in new programs than making the programs we have run more efficiently and effectively. We cannot afford new programs. We cannot afford the programs we have now. If we keep blindly looking off and pretending we don't have this crisis, the car is going to hit the wall. Our children are going to be in a situation where they can't fulfill the American dream. The 2007 solution says we are going to have a debate for 50 hours on the floor of this Chamber every year about how we can get back to 2007 levels. It doesn't specify where the cuts should be. Shall we make cuts in the Defense Department? Do we need to reform our entitlement programs? Is there waste, fraud, and abuse in Medicare? We would have those discussions. It would be our governing, focusing principle for at least 50 hours. Do we not have 50 hours to figure out whether we can run government more efficiently and effectively?

There are hundreds of billions of dollars we could cut out of the Federal Government and not impact our constituents back home. I am convinced of it. Do we not think there is 10 percent waste in Federal agencies that have not made cuts for more than a decade? If we cut 10 percent across the board in Federal agencies, we would save more than \$100 billion a year; 20 percent gets us close to \$300 billion. Businesses, families, State governments are doing this right now and have been doing it for years. The 2007 solution, which I hope my colleagues on the other side of the aisle will embrace, says: Let's have a discussion. Let's have the architecture in place to get back to a level of sustainable spending. If we did that, if we were principled about it, we could save this country. It is to that point. The debt is cascading out of control.

I came to this body in September of last year. I stand on the floor of the Senate in April, and we have gone \$1 trillion more in debt since I arrived, \$1 trillion in a 6- or 7-month period. It took us until 1980, from 1789 to 1980, to go \$1 trillion in debt. We did it in 6 or

7 months. Our spending is out of control. We need a solution. We need a framework for a governing leadership discussion. I believe the 2007 solution bill can do that.

I hope my colleagues will embrace this provision. I hope we can create an architecture to put America back on the right path. I know there are people of good conscience on both sides of the aisle, including the man who sits in the chair today, who care about this spending problem. If we could get past partisanship, if we could get past rhetoric and focus on this issue, we could save America.

I yield the floor and suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mrs. MURRAY. Mr. President, I ask unanimous consent to speak under morning business on the Democratic side.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mrs. MURRAY. Thank you, Mr. President.

UNEMPLOYMENT AND JOB CREATION

Mrs. MURRAY. Mr. President, last Sunday at midnight thousands of people in my home State of Washington, who have lost their jobs through no fault of their own, had the rug pulled out from underneath them. That is because these men and women, who wake up each day to scan the classified ads and send out resumes and travel to interview after interview, had the unemployment benefits they count on suddenly cut off. In losing that critical support, they lost an important source of security they need to help them stay in their homes or make rent and the stability that allows them to continue to afford to look for work.

Over the last 2 weeks, I have traveled throughout my State, talking to my constituents and discussing our economy and working to support job-creation efforts, and I have to say the frustration is very clear. It is written on the faces of so many in my State who just cannot seem to get a break, who have come close to being hired but have been told the time is just not right, they should come back next month or next year. These are people who are struggling job seekers, and they do not hold back when describing what they continue to face. It is an emergency. It is an emergency that affects their ability to pay their bills, their ability to put food on the table, and their ability to keep their job search going. It is an emergency that

time and again we have worked hard here to respond to, but time and again we have faced opposition to do that.

Before we left for the recess, we had an opportunity to pass an extension of the unemployment benefits, to respond to that emergency in our job market, and to avoid the uncertainty job seekers across the country now face. Democrats put an unemployment extension out on the table. It was a proposal that was similar to extensions we have done routinely in difficult times, and, as we all know, times have seldom been more difficult. But it has become an all too familiar story now: Those on the other side of the aisle said no and put obstruction before assistance, politics before people, and point-scoring before the needs of those who have lost their jobs.

This week, we have a chance to make things right. The legislation we are trying so hard now to pass this week is very straightforward. This bill will get unemployment insurance to millions of struggling families who rely on it to meet their basic needs, to pay their mortgage, and afford school. It will restore the safety net that is critical to keeping our economy stable. It will give those people who are looking for jobs the means to afford to keep looking for them. And it will keep our economic turnaround on course. It is aimed at helping real families with the real problems they face every day.

But make no mistake, the consequences of not reaching a compromise and passing this bill are just as real. Today, families in every single one of our States are sitting around their kitchen table trying to figure out how they are going to make it through the weeks and months ahead without these payments. Oftentimes, they have spent their day calling employers and going to job fairs with long lines and very few opportunities, filling out more job applications. These families are now looking to us for the help they need in a time of crisis. But every evening these families are turning on the nightly news to hear another story about gridlock in our Nation's Capital. They see this Senate being forced to jump through procedural hoops and endure endless delay tactics to get even emergency legislation passed. They see politics clouding policy, obstruction impeding process, and, do you know what, they are really getting sick of it.

So today I urge all of us to come together and move forward with the same urgency those who have lost their unemployment have, that we join together the way we did to pass the Children's Health Insurance Program or fair pay for women in the workplace or small business tax cuts. We need to restore the faith of the American people and pass this critical extension.

But for those who are fighting to get back to work and support their families once again, unemployment obviously is not enough. We need to be taking every step we can to improve the job market unemployed workers wake

up to face every morning because while there certainly have been signs of improvement, we have a lot of work left to do. I certainly believe that work starts with helping our small businesses, which are the heart and soul of our economy.

Growing up, my dad ran a five-and-ten-cent store on Main Street—actually Main Street—in Bothell, WA. All six of my brothers and sisters and I worked there. From an early age, we swept floors, we stocked the shelves, we worked the register. And when small businesses like ours struggled, we all knew the consequences. We saw it in the till at the end of the day. We saw it in the families who were coming to buy things from my dad. Small businesses really were the economic engine of Main Street then, and, do you know what, they still are today.

But what I hear time and again today is that while Wall Street is doing a whole lot better, Main Street is still really struggling and that the small community banks, which are a major source of capital in all of our communities, are not lending. When small banks, which are the lifelines of our small businesses, do not lend, then credit is not flowing, businesses are not hiring, and recovery is not coming to Main Street. That is exactly why I have introduced legislation that would redirect TARP dollars to buy toxic assets such as bad mortgages off the books of our community banks at home to help free up their credit and get them lending to our small businesses again. We have done enough for Wall Street. It is past time we concentrate on helping our small businesses and local employers.

Another way to help improve local job markets and all those who are looking for work is to, of course, lessen the tax burden on our small businesses so they can afford to hire new workers. Over the recess, I had the opportunity to talk to owners of local bakeries and motels and marketing companies and a lot more throughout my entire State, and, do you know what, they all told me the same thing. They want to hire and they want to expand. They even see new opportunities. But the risks for them now are just too great. What they need from us is certainty and security. I told them we are working to provide them with just that. I told them the health care reform bill we just passed includes a 35-percent tax credit that small business owners can receive immediately to help them cover their workers. I encouraged them to hire unemployed workers who have been out of work for more than 60 days because we now are giving them an exemption from their payroll taxes for those new employees. I told them now is the time to make big purchases they want because we have worked to pass legislation that will allow them to write those purchases off immediately. I told them we have worked to ensure that the Small Business Administration is increasing its local lending efforts. But