I also told them, of course, that we have more to accomplish and they, the small businesses, need to be the focus of recovery efforts from this point on.

Another central tenet of improving the job market is included in the historic health care reform legislation we passed into law last month. As we all know, that bill greatly expands access to care in communities across the Nation, but what has gone less noticed is that the bill also greatly expands access to health care careers to help meet that new demand.

I was the Senator in the HELP Committee who was responsible for the health care workforce section of the bill we passed, and I worked to make sure we made numerous investments to create and sustain good-paying health care jobs. Our bill that is now signed into law includes incentives such as loan repayment programs, scholarships, and grants, all to help encourage students to go into high-need fields and to work in underserved areas. It invests in education, training, and retention efforts, not just for new health care workers but for those who are already working to provide quality care in our country. Investments in our health care workforce create jobs. They ease the strain on overworked health care professionals. And it is going to keep Americans healthy so they can be productive on the job.

Finally, I believe we need to pay particular attention to our efforts to hire our Nation's heroes, and they, of course, are our veterans. Right now, the unemployment rate for veterans who are returning from Iraq and Afghanistan is over 21 percent. More than one in five of the men and women who went and fought for our country are returning home only to have to fight to find work. These are disciplined, technically skilled, determined workers who nonetheless have been left to stand at the back of the line or have their resumes lost in a stack somewhere.

Over the last 2 weeks, I talked to many unemployed veterans in my home State of Washington about just what it is that is keeping them from finding work, and, frankly, what they told me was shocking. Many veterans told me they sometimes leave off the fact they are veterans from their resume because employers are looking at it as a negative rather than a positive because of the stigma of the invisible wounds of war. National Guard members talked of coming home to find they have been laid off because their job no longer existed at the company they left behind when they went to serve our country. Other veterans told me the Pentagon and VA transition programs just are not working for today. And they struggle to have employers understand how the technical skills they learned in the military will translate to help them in the civilian working world.

What I heard is unacceptable, and it has to change immediately. So next week I am going to be introducing a bill on the Senate floor that will take a look at why our military skills are not translating into skills that get them jobs when they come home. It will help our veterans get into apprenticeship programs and careers where I know they will excel. It will improve the military and civilian transition process. And we are going to set up a veterans business center within the Small Business Administration to help our veterans get the skills and resources to start their own businesses.

This week on the Senate floor, we have a chance to keep our unemployed workers afloat. It is an unemployment extension that is a lifeline. It is a lifeline that will help allow unemployed workers to continue looking for every job opportunity and to support their families in that process. But ultimately we need to get these workers into the boat. We need them to get good, stable jobs. That means supporting our community banks, reducing the tax burden on small businesses, and expanding opportunities for health care workers and our returning heroes—our veterans.

As I said earlier, the American people are watching us. They want us to have the same urgency they feel in their lives every day. They want to know their dinner table debates are our floor debates. They want to know that creating jobs is our No. 1 priority and that we will be at the back of those who are trying so hard to get back to work.

So I come to the floor to urge everyone to come together to pass this important extension of unemployment benefits, put politics aside for a couple weeks and months, and help us all work together to create job opportunities and get Americans back to work.

Thank you. I yield the floor, and I 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.

The ACTING PRESIDENT pro tempore. The Senator from Connecticut.

Mr. DODD. 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.

FINANCIAL REFORM

Mr. DODD. Mr. President, I rise this morning to try and set the record straight, if I can, on some of the rhetoric I have heard over the last 24 hours or so regarding the financial reform efforts I have been engaged in along with my colleagues on the Senate Banking Committee for the past 38 months.

I became chairman of the Banking Committee in January of 2007, about 38, 39 months ago. Since that time, of course, we have held countless hearings and meetings to deal with the financial crisis beginning in January and February of 2007. In fact, the very first hearings we held were on the foreclosure crisis in the Nation and trying to get the attention of the previous administration, Secretary Paulson and others, to pay attention to the situation that was emerging. Our economy was collapsing and too many people were losing their homes, an economic catastrophe was looming, and, frankly, there was not enough attention being paid initially to this issue by the previous administration. Nonetheless, we worked forward. So, today, we find ourselves on the brink of making an effort to deal with this problem.

After listening to some of the rhetoric of the last 24 hours, I wonder if we are in not only the same Chamber in the same city but on the same planet when it comes to the efforts that have been made to try and reach bipartisan agreement to deal with financial reform. I have almost unlimited patience, as many of my colleagues know, but that unlimited patience is being tested by some of the comments I have heard. So I felt incumbent to respond this morning to some of these accusations about the effort being made to achieve a proposal on financial reform that might attract broad support in this Chamber, unlike other efforts that have been made over the past several years, as I have said repeatedly during the many months we have been working on this important legislation.

These are complex issues. We have gone through the most serious financial crisis since the Great Depression. That is how serious this is. In the words of financial leaders in this country and elsewhere, we were on the brink of a meltdown of the entire financial system in this country, and we came perilously close to having that occur. For those 7 million who lost their homes or the 8.5 million who have lost their jobs, it might as well have been a financial meltdown, not to mention the retirement incomes that evaporated and, of course, the loss of confidence in our future, along with health care and a variety of other things that have happened to working families in this country.

During the course of this debate, as critical as it is, of these complex matters that make up the structure of the architecture of our financial system, it is critical to the future of our economy and the livelihoods of millions of middle-class Americans across this Nation that this debate should not be sullied by misinformation or derailed by those who would try and make it just another partisan game. Playing politics with this issue is dangerous indeed. Unfortunately, the talking points deployed by the Wall Street lobbyists, in an effort to protect the status quo, leave my constituents and many Americans vulnerable to yet another economic crisis. Those arguments are littered with falsehoods—outright falsehoods—that I regret to say are now being repeated by people who should know better and, frankly, do know better.

So today and this morning I wish to set the record straight. I wish to start by attacking one of the wildest and, frankly, most dishonest objections to this legislation, which is the notion that it is somehow a partisan document. I consider the minority leader and the ranking member of the Banking Committee to be good friends. They are patriots, with whom I have worked over many years on many issues. Senator SHELBY and I have been working together for over 1 year on these issues, and I cannot, for the life of me, understand how anyone can claim with a straight face that what I have tried to achieve on this bill is a partisan effort. I have spent the last year seeking bipartisan consensus.

In February of 2009, over 1 year ago, with the new Obama administration freshly sworn in, I insisted from the very beginning that Senator SHELBY's staff be included in meetings with the White House and Treasury Department on all financial matters. When I had the opportunity to take over the chairmanship of the HELP Committee, the committee charged with the responsibility of writing the health care reform legislation, I chose to stay as chairman of the Banking Committee, in no small part because I received commitments from Senator SHELBY and others that we would work together on this financial reform legislation.

When I introduced a discussion draft of this proposal back in November—almost 6 months ago—Senator SHELBY indicated we had bipartisan consensus on at least 70 percent of the bill back in November. To get closer to a full agreement, I created four bipartisan working groups almost 6 months ago, each of which was charged with achieving real and meaningful progress in various sections of the bill. Even when Senator SHELBY and I found areas where we could not agree, I continued to reach out to other members of the committee, including my friend and colleague from Tennessee, Senator CORKER, and others, spending weeks working to try to achieve a consensus on financial reform. It is not even a slight exaggeration to say we spent countless hours—phone calls, meetings, e-mails, discussion drafts—day after day, week after week, month after month, to try to get closer and closer to a proposal our colleagues could support.

We can see the results. The bill we marked up in our committee last month was much changed from the proposal I made in November, the initial discussion draft, to reflect the work that had gone on over those many weeks and months and the ideas brought to the table by colleagues of both parties from members of that committee and others. My friends on the other side of the aisle may not like every line in the bill that will now be before us in a few short days, but at the very least let us not pretend the bipartisan work that produced this legislation didn't happen. It did happen. That is a disservice to yourselves—those who make these allegations—and their good staffs who worked hard over these many weeks with my Democratic staff and others to produce this product.

If Members wish to vote against the bill, they can do that. That is their right to do so. They can go on record in support of leaving their constituents vulnerable to more lost jobs, more foreclosures, more shuttered small businesses, more wiped out retirement accounts. It is up to each individual Member to decide for themselves that is the vote they wish to cast when it comes to this effort. But the outcome of this debate will, mark my words, affect the economic security of ordinary Americans, and they deserve to know the truth of what has happened.

Today, I wish to talk about bailouts. Nobody likes them.

Under our proposal, they will never happen again. As the President said in his State of the Union Address, bailing out some of the large banks whose own mismanagement caused the crisis was "about as popular as a root canal." That, of course, happened under the previous administration, I should note.

But serious legislators of both parties realized that we had no choice. Our system was so broken that these companies had become too big to fail. If we did nothing else, our entire economy could collapse, we were told.

You would think that if you wanted to avoid being backed into that corner again, if you wanted to avoid more bailouts, you would oppose efforts to protect the status quo. But Wall Street special interests needed a way to defend this broken system. After all, for many of them, the kind of mismanagement that costs us millions of jobs is the way they pad their profits and pay their lobbyists. So they turned to Frank Luntz, their political strategist.

Let me tell you what he came up with. I will quote from Mr. Luntz's memo that was leaked, I will quote from his partisan memo:

> The single best way to kill this legislation is to link it to the big bank bailout.

No matter what is proposed, no matter what is in the bill, no matter what protections it includes, call it a bailout. It is a naked political strategy. If it succeeds and this legislation goes down, and another crisis sinks the American economy, then the next recession and all of the damage it will bring to the working families of this country will have happened for the sake of that false talking point that Mr. Luntz has been proposing. I don't expect Frank Luntz to care about the truth of what we are engaged in here. That is not his job. He is a political strategist. He is to provide political talking points to people when you want to defeat something. I don't expect the bank lobbyists and special interests to care about the truth; they don't seem to worry about that. But the American people deserve better from us in this Chamber.

That is why I have been so dismayed over these last 24 hours to hear Members of this body repeat the utter falsehood—concocted by special interests whose jobs and pensions are plenty secure, thank you very much—that this bill will lead to more bailouts.

Frank Luntz suggested that allies of the big banks say:

> If there is one thing we can all agree on, it's that the bad decisions and harmful policies by Washington bureaucrats that in many ways led to the economic crash must never be repeated.

The minority leader, speaking yesterday, said:

> If there's one thing Americans agree on when it comes to financial reform, it's this: Never again should taxpayers be expected to bail out Wall Street from its own mistakes. We cannot allow endless taxpayer-funded bailouts for big Wall Street banks. That's why we must not pass the financial reform bill that's about to hit the floor.

Remember what Frank Luntz said:

> The single best way to kill any legislation is to link it to the big bank bailout.

It is straight from the Wall Street special interest talking points. That is what they are determined to do to defeat this bill—suggest somehow that there is a bailout provision in this bill. Nothing could be further from the truth.

The bill, as drafted, ends bailouts. Nothing can be more clear in the legislation. For the very first time, our Nation will have someone with the job of monitoring risks to the financial system and sounding the alarm before those risks can take down the entire system, as it almost did. The bill imposes sufficient standards on Wall Street firms that create those risks.

Our bill establishes a financial stability oversight council to monitor risks and requires the Federal Reserve to write strict rules, including stronger requirements regarding capital, leverage, liquidity, and risk management on the largest financial companies, making it hard for them to get too large and limiting the risk they represent. Cracking down on the biggest players is critical to ending bailouts.

If a Wall Street firm does become too large or too complex and poses a grave threat to our financial stability, the Federal Reserve has the power to restrict its risky activities, restrict its growth, and even to break up those institutions. I will repeat that. If a Wall Street firm becomes too large and too complex, the Federal Reserve has the power under our bill to prohibit those activities, including even breaking up those institutions.

Additionally, our bill extends oversight to dangerous nonbank financial companies, such as AIG, that could pose a risk to our financial stability, as it did.

It prohibits banks and other financial institutions that own banks from engaging in proprietary trading, making risky bets with money that doesn't even belong to them.

Second, our bill eliminates the Federal Reserve's ability to prop up individual institutions using what is called the 13(3) authority, another way to stop banks from thinking that they could be bailed out if in fact they engage in activities that cause them to begin to fail. The Fed's lending authority is strictly restricted, not expanded, as some have claimed.

Third, our bill sets up predictable, orderly, and safe processes for shutting down dangerous Wall Street firms that fail without endangering the entire economy. No financial firm will ever again be ''too big to fail.'' Quite the opposite. We insist that the provisions be in place so that it can never again make the claim that they are too big to fail.

Large, complex financial companies will be required to submit plans for their own shutdown—we call them living wills—if the company goes under. Companies that fail to produce a realistic plan will be hit with tougher capital requirements, restricted in how much they can grow, and even can be broken up.

Most large financial companies would be resolved through the normal bankruptcy process. That is the presumption in our bill—receivership.

Where bankruptcy is not an option, the bill creates a mechanism for the FDIC to unwind those companies. The management will be fired, shareholders will be wiped out, and creditors will take their losses. Middle-income families on Main Street won't have to pay a penny. The largest Wall Street firms would have to put up money for a $50 billion fund to cover the costs of liquidating the failed financial firm, and any shortfall will be made up by the largest and riskiest financial firms. Why should the American taxpayer have to pay for unwinding these companies? They should put up the money themselves. Let them pay for the unwinding that goes on. Don't charge it to the American taxpayer. Our bill includes those provisions.

Wall Street doesn't like this fund, and they are plenty content to let taxpayers continue to pay the price for industry mistakes. Let me be clear, despite what their apologists may claim, these funds can only be used by the FDIC and only used to liquidate the failed company, not prop it up.

To review, our bill imposes tougher standards on large, risky Wall Street firms. It eliminates the Federal Government's capacity to bail out individual companies. It requires that financial firms write their own shutdown plans and even pay for the liquidation process if it is needed.

Here is what I have to say to Wall Street. If you have a better idea, let's hear it. If you have other ideas, let's debate them. But if all you have is black-and-white talking points that bear no relation to reality, don't reflect the efforts that have gone on for months to try to produce a proposal that might gain broad support here in this Chamber, then get out of the way and let the serious legislators work. Don't write this off by quoting a political strategist's talking points, when all of this effort has been made over these many months.

I am told by my staff—and I have dealt with 42 pieces of legislation in 39 months—that about 37 have become the law of the land. I made a determination as chairman to work together, wherever possible, to achieve common points. So my history is to try to achieve that wherever possible, and I take great offense at the suggestion that it has been otherwise.

The outcome of this debate affects the economic security of every single American and every single American family. What we have been through, we should never have to go through again. Our bill takes steps to try to achieve that. It is not that we are going to stop every economic crisis in the future. That would be a foolish suggestion. But what we have done is fill in the gaps that allowed this crisis to occur and provide tools for the coming generation so they can address future economic crises and still allow for the vitality of a financial services sector to produce jobs, create wealth, allow credit to flow and capital to form so our economy can prosper again.

Trying to achieve those three goals has been the hallmark of what I have tried to put together with the bill, along with my colleagues on the committee. I believe we have done a good job in achieving that. I would be the last one to claim perfection. If people have other ideas, that is what the process is for. But to castigate it and label it as nothing more than a partisan debate and suggest that somehow what we have done here is to perpetuate ''too big to fail'' is poppycock. It is unfortunate that at this hour in this debate, that is all we hear from on the other side.

The door is still open. We are not yet on the floor debating this bill. I will have meetings with Senator SHELBY and others. My patience is running out. I have extended the hand, and I have written provisions in the bill to accommodate various interests. I will not continue doing this if all I am getting from the other side is a suggestion that this is a partisan effort. We have been through it over and over on the floor for the last year and a half. I think the American people are sick of it. They want to see us work together to achieve results that benefit them, not some political party, or narrow ideology, and certainly not the narrow interests on Wall Street.

In the coming days, I will give you a bill I think we can vote for and stand up and proudly support and, more importantly, one that we can say to the American people we will not have to go through what we have been through in the last 2 years, and never again should another generation face the kinds of risks we did because of the gaps that existed in our financial regulatory structure.

I ask unanimous consent that the entire Frank Luntz memo be printed in the RECORD. I want the public to read it so they will know what we are up against here with this political chicanery.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE LANGUAGE OF FINANCIAL REFORM

(By Dr. Frank Luntz, Jan. 2010)

THE FINANCIAL REFORM CLIMATE

SETTING THE CONTEXT

This document is based on polling results and an Instant Response dial session conducted after the House of Representatives passed ''Financial Reform'' legislation and prior to the Senate's consideration of the bill. The document helps capture not just how Americans feel about the ''financial crisis'' (they believe it still exists) and potential reform initiative (they're against)—and how they want to address the issue (carefully).

When it comes to the financial crisis, there is one clear consensus—the crisis is a stain on the fabric of America's economy that will linger for years to come. The impact of the crisis is real and has reverberated throughout every part of our society. Rule #1:

When addressing the crisis, never forget its impact on your audience. Above all else, never EVER minimize the pain.

1. Americans are divided on the cause of the crisis. The consequences of the crisis may be undeniable, but its cause is debatable.

—To conservatives: government policies caused the bubble and its ultimate crash. Fannie Mae, Freddie Mac, the Federal Reserve, and the Community Reinvestment Act all had a role in the catastrophe. The government inflated economic bubbles with easy credit policies. Interest rates were kept intentionally low. Low-income families were encouraged to become homeowners despite the knowledge that many would never be able to pay them back. Government bought and backed these subprime loans, essentially encouraging brokers to find more subprime clients—risk be damned.

—To liberals: the roots of the crisis lie in Big Business and the marketplace. Mortgage companies peddled adjustable rate mortgages without ever explaining the future costs. Credit card companies flooded college campuses with high interest credit cards. Wall Street firms traded mortgage-backed securities and created credit default swaps that played key roles in the economic calamity. Contracts written in legalese, coupled with the risks of adjustable rate mortgages, were never explained to the average consumer—perhaps intentionally. Those that blame the market are passionate about the need for more reform.

—But to a majority of Americans believe that individuals who ran up their credit cards and took out mortgages they couldn't afford are also responsible for the calamity that ensued.

What industries bear the brunt of the blame? Home mortgage companies (33%) and banks (31%) are seen as primarily responsible. But it is not the companies so much as the leadership of the companies that are to blame. . .

But the largest percentage of Americans believes ''all of them'' played a role in today's economic conditions.

2. You must acknowledge the need for reform that ensures this NEVER happens again. Despite the different perspectives on the causes of the crash, there is an agreement that the crisis must be addressed—that changes must be made so the mistakes that led to this point are never repeated. The status quo is not an option. The system failed

us—all of us—and the causes of the failure must be corrected.

3. Now, more than ever, the American people question the government's ability to effectively address the issue. Billions in handouts to Wall Street. A stimulus bill that isn't creating jobs. Cash for Clunkers. Health Care. A ''Credit Card Bill of Rights'' that increases fees and interest rates on consumers. The American people believe Washington has gone wrong, and these legislative initiatives have become symbols of Washington's inability to do anything right. A majority of both Republican and Democrats believe that. . .

WORDS THAT WORK

If there is one thing we can all agree on, it's that the bad decisions and harmful policies by Washington bureaucrats that in many ways led to the economic crash must never be repeated.

This is your critical advantage. Washington's incompetence is the common ground on which you can build support.

Ordinarily, calling for a new government program ''to protect consumers'' would be extraordinarily popular. But these are not ordinary times. The American people are not just saying ''no.'' They are saying ''hell no'' to more government agencies, more bureaucrats, and more legislation crafted by special interests.

Incredibly, these results are PRIOR to efforts to educate voters about the inherent problems of the legislation. One reason why initial support for more government action is rooted in the simple belief that government cannot effectively regulate the financial markets at any level . . .

4. Public outrage about the bailout of banks and Wall Street is a simmering time bomb set to go off on Election Day. To put it mildly, the public dislikes taxpayer bailouts of private companies. Actually, they HATE it.

In fact, a vote in favor of creating a permanent bailout fund of private companies is like committing political hari-kari. Frankly, the single best way to kill any legislation is to link it to the Big Bank Bailout.

WORDS THAT WORK

Taxpayer-funded bailouts reward bad behavior. Taxpayers should not be held responsible for the failure of big business any longer. If a business is going to fail, no matter how big, let it fail.

5. The public is angriest about lobbyist loopholes. Part of public perception that Washington cannot do anything right is the belief that lobbyists write most of the bills. The American people are tired of add-ons, earmarks, and backroom deals—but they are mad as hell at ''lobbyist loopholes.'' This bill is riddled with such loopholes. You must put proponents of the legislation on the defensive, forcing them to attempt to justify the ''lobbyist loopholes'' and exemptions placed in the bill:

—Why were pawnbrokers exempted?

—What about car dealers?

—Vegas casinos and their credit lines?

The power of this argument cannot be underestimated. When participants in our dial sessions heard that the casinos and pawnbrokers were exempted from the legislation, someone remarked, ''We have become the Roman Senate.''

Highlight the exemptions. Broadcast them. Remind them, ''The legislation is filled with lobbyist loopholes that exclude certain wealthy, powerful industries from regulations.'' As Churchill would say, that statement is the ''soft white underbelly.'' When the participants were presented a list of nearly a dozen objections to the bill, the lobbyist loopholes blew away virtually every other argument against the legislation.

6. You must be an agent of change. We have spent so much time in this analysis on general economic perceptions because that's what you need to address. You have to be on the side of change. Always. The financial crisis is not a theoretical economic textbook concern. The pain felt by the crisis is real and omnipresent. Retirement funds were depleted. Homes were foreclosed. Jobs were eliminated. The status quo is unacceptable. However, it's wrong to assume government can correct the problem without addressing its role in the crisis, yet that is what Congress is trying to do. What to say? ''It addresses market excesses but keeps government excesses in place.'' The American consumer wants more easily understood contract language so that consumers have all the information they need.

7. Demand accountability—government accountability. Despite creating economic conditions comparative to the Great Depression, it is important to ask some basic questions—What government regulator lost their job for their hand in the crisis? What government policies were changed? What laws were repealed? The obvious answer is none.

WORDS THAT WORK

We don't need another Federal government agency. We don't need bigger government. What we need is a better approach that promotes accountability, responsibility and effective oversight.

Yet, Congress is poised to add another Washington agency with more Washington bureaucrats on top of existing laws and regulations. In fact, the proponents of the new government agency and regulations are the same members of Congress who created and supported the housing bubble.

WORDS THAT WORK

The architects of failure are now designing the rescue. Many of the same members of Congress responsible for the legislation that helped create the housing bubble and the Wall Street financial crisis are now attempting to create another new government agency with an unlimited budget and almost unlimited regulatory powers.

I'm sorry to say this but they don't know what they're doing. They have gotten it wrong time and time again and now they want to do it yet again.

The perceived incompetence of Washington extends to its leadership. Barney Frank, the Chairman of the House Financial Services Committee, is an example. Frank's favorable rating is 13%. His unfavorable rating is 30% (though a majority don't give him any rating at all—so don't make him the enemy. Washington is the enemy.)

8. More bloated government bureaucracy is not the solution. We're witnessing out-of-control federal spending. The Government takeover of health care and other industries has Americans questioning the competence of government. They want smarter solutions, not more of the same. ''A new agency with new bureaucrats is not change we can believe in.'' It's not change at all. As our dial session participants agreed, ''It's another agency to clean up a mess from a different agency.''

WORDS THAT WORK

The financial crisis hurt all of us. Homes were lost. Jobs were destroyed. Businesses closed. There is enough blame to go around. We need a solution to the problem, not more of the same. Creating another costly government bureaucracy on top of existing bureaucracy isn't a solution—it helped cause the problem. This time, let's get it right.

9. Devil is in the details. Every bill passed by Congress is larded up with pork, handouts, and earmarks. The American people have lost faith in Congress, and no matter how good a bill sounds, they want to know ''What is in the fine print?''

10. Caution: Unintended consequences ahead. The government caused the Savings and Loan crisis by changing the rules. Congress jacked up fees and interest rates on consumers after enacting the ''Credit Card Bill of Rights.'' What will be the effects and impact of the CFPA? How will small business be affected? Will choices be limited? Will consumer fees be impacted? Evidence suggests the answer is definitely ''yes''.

LANGUAGE FINDINGS

11. Enforcement of current law trumps creation of new laws. Despite the need for reform, the public believes real reform means ensuring current laws are enforced rather than adding another layer of agencies, laws, regulations, and red tape on top of the existing agencies, laws, regulations, and red tape.

WORDS THAT WORK

We don't need more laws. We need better enforcement of current laws. We don't need more bureaucrats. We need the people in charge to do their jobs as they were meant to be done. We don't need layers and layers of additional federal bureaucracy. What we need is to instill accountability, responsibility and effective oversight to what is being done already.

12. The bailout provisions get the most visceral reaction. It is not often you come across an issue where people of all political stripes come together so stridently on an issue. Taxpayer bailouts of CEOs and companies are such an issue.

WORDS THAT WORK

Bailouts for Wall Street. Government takeovers of insurance companies. Trillions of taxpayer dollars to bail out CEOs and their risky investment schemes. And now Congress is preparing to enact legislation to pass a law with $4 trillion more for more bailouts. Should people who write the financial reform laws be the same ones who helped cause the crisis? Should taxpayers be punished and the big banks and credit card companies be rewarded? The time has come to take a stand. Oppose the big bank bailout bill.

13. ''Bureaucrats'' are worse than ''bureaucracies.'' While Americans don't like bureaucracy, they loathe bureaucrats even more. In fact, America's disdain of bureaucrats is almost as high as Americans' dislike and mistrust of lobbyists.

14. Americans want to end the legalese and confusion in contracts. The strongest argument in favor of the CFPA is the claim the agency would somehow end confusing contracts written by lawyers in language only lawyers can understand. When was the last time a government agency made things easier to comprehend?

WORDS THAT WORK

We must require greater transparency and more easily understood contract language so that consumers have all the information they need.

15. Just the facts, ma'am. In the testing of the ads and other communications, it is clear that Americans want more than just red meat rhetoric. You have to give them two concrete facts to prove your case—or you will be just another special interest group playing politics with their lives. Two facts. Two statistics. Two clear-cut statements of evidence.

16. Personalize the impact. It's small business owners, and not small businesses, that will be harmed by this legislation. Yes, they recognize small business as a key component of the economy, but stronger arguments against creation of the CFPA lie elsewhere. Americans want to support small businesses, but are more willing to support a person who owns a small business. Make it personal.

17. It's not ''reform.''—This is not a reform bill. It is the ''Stop the Big Bank Bailout bill.'' This is important.

18. Small business ownership is about the American Dream. The most popular images of small business owners both projected optimism with signs saying ''grand opening'' or ''open.''

WORDS THAT WORK

Owning a small business is part of the American Dream and Congress should make it easier to be an entrepreneur. But the Financial Reform bill and the creation of the CFPA makes it harder to be a small business owner because it will choke off credit options to small business owners. That will make it harder to start a new company and harder to expand an existing one.

19. No surprise here. The strongest image ad we tested pertained to the bailout provisions and the ''lobbyist loopholes'' for the casino industry.

20. The Final Word. The department store Syms used the slogan ''an educated consumer is our best customer.'' We could easily say an educated citizen is the biggest opponent or, your biggest ally against the creation of the Financial Reform bill and the CFPA.

WORDS TO USE

Accountability, Transparency & Oversight, Lobbyist Loopholes, Enforcement of Current Laws, Bureaucrats, Wasteful Washington Spending, Never Again, Government Failures and Incompetence, Let's Help Small Businesses, Big Bank Bailout Bill, Bloated Bureaucracy, Fine Print, Unintended Consequences, Special Interests, Hard Working Taxpayers, Another Washington Agency, Unlimited Regulatory Powers, Devil Is in the Details, Red Tape.

Mr. DODD. Mr. President, I suggest the absence of a quorum.

The assistant legislative clerk proceeded to call the roll.

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

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

EXTENSION OF MORNING BUSINESS

Mr. KAUFMAN. Mr. President, I ask unanimous consent to extend morning business.

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

The Senator from Delaware.

ENDING TOO BIG TO FAIL

Mr. KAUFMAN. Mr. President, I have come to the floor several times now to discuss the problem of too big to fail, which I believe is the most critical issue to be addressed in any financial reform bill.

Financial institutions that are too big to fail are so large, so complex, and so interconnected that they cannot be allowed to fail nor follow the normal corporate bankruptcy process because of the dire threat that would pose to the entire financial system.

The largest six bank holding companies—Bank of America, JPMorgan Chase, Citigroup, Wells Fargo, Goldman Sachs, and Morgan Stanley—are certainly too big to fail. The term may also cover a larger set of institutions.

After all, last year's most vaunted stress tests of the largest bank holding companies covered 19 institutions, and even that exercise did not include many other systemically significant nonbank financial institutions, including Fannie Mae and Freddie Mac, insurance companies, derivatives clearinghouses, and hedge funds.

While many in government and industry want to eliminate the term ''too big to fail,'' the fact is these too-big-to-fail financial institutions are bigger, more powerful, and more interconnected now than ever before.

Only 15 years ago, the six largest U.S. banks had assets equal to 17 percent of overall gross domestic product. The six largest U.S. banks now have total assets estimated in excess of 63 percent of gross domestic product. That goes from 17 percent of GDP just 15 years ago to 63 percent of GDP now.

While some still argue there are benefits to having very large financial conglomerates—and I am sure there are—virtually everyone agrees the problem of too big to fail needs to be address. The disagreement is how this be done.

I was interested to hear Senator MCCONNELL on the Senate floor yesterday say we must never use taxpayer money again to bail out too-big-to-fail institutions. But no one wants to do that. No one is thinking about that. No one is planning to do that.

The question is, What is the solution to prevent these institutions from failing in the first place? The other party has put forward no solution, and doing nothing is by far the worst solution of all.

The minority leader came to the floor today and said the bill before the Senate is good for Wall Street and bad for Main Street. That is simply an astounding statement to make. Main Street wants Congress to act. Main Street wants Congress to ensure that Wall Street never engages in reckless behavior again. Yet what does the minority leader offer?

Despite the experience of Lehman Brothers, the minority leader apparently believes we should do nothing and simply stand back in the future and let these megabanks fail when they take risks that go wrong.

The minority leader said yesterday:

> The way to solve this problem is to let the people who made the mistakes pay for them. We won't solve this problem until the biggest banks are allowed to fail.

Astounding. His answer is, the resolution of too-big-to-fail banks needs to be dealt with through the bankruptcy process. In my view, that approach is dangerous and irresponsible.

If we do nothing and wait for another crisis, future Presidents—whether Republican or Democratic—will face the same choices as President Bush: Whether to let spiraling, interconnected, too-big-to-fail institutions, such as AIG, Citigroup, and others, collapse in a contagion, sending the economy into a depression or step in ahead of bankruptcy and save them with taxpayer money.

If that happens, the choice of allowing bankruptcy will mean tremendous economic pain on Main Street America. So some Congress in the future will similarly be faced with another TARP-like decision, which in the fall of 2008 many in both parties believed they had no choice but to support, including the minority leader.

Relying on bankruptcy law is not the answer. The approach by many conservatives and those on the other side of the aisle is to simply let them fail and let U.S. bankruptcy law—where shareholders get wiped out and creditors take a haircut—reimpose the discipline in the financial system that was lacking in the runup to the crisis.

For example, Peter Wallison and David Skeel have argued in the Wall Street Journal:

> The real choice before the Senate is between the FDIC and the bankruptcy courts. It should be no contest, because bankruptcy courts do have the experience and expertise to handle a large-scale financial failure. This was demonstrated most recently by the Lehman Brothers bankruptcy.

If bankruptcy was a cure in Lehman Brothers, it was one that almost killed the patient. When former Treasury Secretary Hank Paulson decided to let Lehman Brothers go into bankruptcy, our global credit markets froze and creditors and counterparties panicked and headed for the hills. Instead of imposing market discipline, it only prompted more bailouts and almost brought down the entire financial system. It ultimately took 18 months to close out the case on Lehman Brothers, an eternity for financial institutions that mark to market and fund their balance sheets on an interday basis.

Bankruptcy is an even more unattractive option when one considers that Lehman was an investment bank, while today's megabanks operate under the bank holding company umbrella. It is virtually impossible to have an integrated resolution of a large and complex bank holding company. The bank subsidiary would go into FDIC resolution, the insurance affiliates would go into State liquidation procedures, the securities affiliate would go into chapter 7, while other affiliates and overall holding companies would go into chapter 11.

A plan this unwieldy is no plan at all. In fact, the only way to truly eliminate the problem with too-big-to-fail banks is for Congress to act. It is true that I believe we should go further than the current bill. I would break these big banks apart, thus limiting their size and leverage. Given the consequences of failing to do enough to prevent another financial crisis, the safest thing to do today is for Congress to put an end to too big to fail. If you believe these megabanks are too big, if you reject the choice of bankruptcy that will lead to a recession or depression, then breaking them up is the logical answer. That is the only way that greatly diminishes the future probability of another financial disaster. The Great Depression of the 1930s must be avoided at all cost.