Chesapeake Bay falls into that category. We should not permit that type of drilling.

We can do something about this. We are going to have a chance. I am a strong proponent of what Senator KERRY is attempting to do in bringing forward a bill that will solve all three of our problems: creating jobs, enhancing our national security, and responsibly dealing with pollutants in our environment while being an international leader in the effort to reduce carbon emissions. We can achieve all of those objectives without this drilling.

We will have a chance to say something about it. I urge my colleagues to take a look at what happened in the Gulf of Mexico last week, what continues to happen there, and work with those of us who want to make sure we have a sensible and sustainable energy policy in this country and help me and help our Nation protect the Chesapeake Bay and protect those lands that are just too valuable and too sensitive to risk oil drilling.

With that, Mr. President, 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.

Mr. UDALL of New Mexico. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

The Senator from New Mexico is recognized.

(The remarks of Mr. UDALL of New Mexico pertaining to the introduction of S. 3217 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

FINANCIAL REGULATORY REFORM

Mr. JOHANNS. Mr. President, I rise for a few minutes to talk about S. 3217, the financial regulatory reform bill. I focus, if I could, my comments today on why the cloture vote on financial reform is such an important key vote.

My colleagues from the other side have talked about this vote, and it is often referred to as a procedural vote to begin debate. Almost in the same sentence, I think both sides of the aisle recognize that notwithstanding the good work that has been done by Chairman DODD and Ranking Member SHELBY, there is still much to be done on this bill, and there are still some significant flaws within the bill.

The argument goes on to say: Don't worry, these problems can be worked out on the Senate floor. We will have a robust debate, and we will have floor amendments. So get the bill to the floor—the argument goes—and the promises made to fix it will then happen.

But that is where the logic goes into the ditch. Once this bill does get to the floor of the Senate, we all recognize it is going to be very difficult to change it. Look at the health care bill to see how difficult it was to make changes. Let me make that comparison because I think it is a fair comparison.

During the health care debate, let me remind my colleagues, there were 488 amendments that were filed. Of those 488 amendments, only 28 received a vote—28 out of 488. Of those 28 amendments, only 11 amendments passed. This being said, only 2 percent of all the health care amendments filed actually got passed.

If we look at the partisan nature of this bill, it even becomes more blatant. If we look at the Republican amendments, we come to the conclusion that there was a serious problem. Only one Republican amendment passed. So the death knell of the amendment depended upon whether it had an "R" or a "D" behind the name.

The notion that we will be able to fix a bill—and again, everybody is acknowledging it is a flawed bill—on the Senate floor is pure folly. History is our greatest teacher. Instead, I respectfully suggest that what we need to do is get serious about reaching a bipartisan compromise.

I have said publicly, and I will say on the Senate floor every opportunity I get, that with a sufficient amount of work, this bill can get 70 or 80 votes. We have worked on this issue on the Banking Committee for months and months, trying to understand what went wrong and how best to fix it. The American people want Members of the Senate to work together on the bill. They wonder what on Earth has come of Congress when they see us holding the exact same cloture vote on the exact same legislation day after day.

They ask a simple question: Why can't you just sit down and work through these differences of opinion?

I am mindful of the fact that this is probably clever messaging—a clever messaging ploy by Washington's standards. But by Nebraskan standards, we are tired of Washington cleverness and the partisan rhetoric that goes with it. I can tell you that people want a bill that will end too big to fail and protect our economy from financial meltdown. What they don't want is a bill written so broadly that it impacts businesses in segments of our economy that play no part in the economic collapse. I want these same things.

I still believe we can accomplish this. My hope is that we can quit making this an issue of political gamesmanship and talking points and start working toward a solution.

I have consistently stated that the issue of regulatory reform isn't a partisan exercise. The issue just doesn't cut on "R" or "D" lines. We can get a broad, bipartisan bill if we stop the attacks and focus on trying to solve the differences that still exist on this bill—important policy differences.

Stop the daily cloture votes. I understand the political theater of that, but it doesn't lend itself to solving problems. What we need is a bipartisan effort, where people sit down and work through these differences of opinion.

With that, 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.

Mr. LEVIN. 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.

Mr. LEVIN. Mr. President, yesterday, the Senate Permanent Subcommittee on Investigations, which I chair, held the fourth in our series of hearings to explore some of the causes and consequences of the financial crisis. These hearings are the culmination of nearly a year and a half of investigation.

The freezing of financial markets and the collapse of financial institutions that sparked our investigation are not just a matter of numbers on a balance sheet. These are numbers reflecting millions of Americans who lost their jobs, their homes, and their businesses in a recession that the housing crisis sparked, the worst economic decline since the Great Depression. Behind these numbers are American families who are still suffering the effects of a manmade economic catastrophe.

Our goal has been to construct a record of the facts in order to try to deepen public understanding of what went wrong, to inform a legislative debate about the need for financial reform, and to provide a foundation for building better defenses to protect Main Street from Wall Street.

Our first hearing, 3 or 4 weeks ago, dealt with the impact of high-risk mortgage lending. It focused on a case study, as our committee does, of Washington Mutual Bank, known as WaMu, a thrift whose leaders embarked on a reckless strategy to pursue higher profits by emphasizing high-risk loans. WaMu didn't just make loans that were likely to fail; these loans also created real hardships for the borrowers, as well as risk for the bank itself. What happened was there was basically a conveyor belt that fed those toxic loans into the financial system like a polluter dumping poison pollution into a river. That poison came packaged in mortgage-backed securities that WaMu sold to get the enormous risk of these mortgages off its own books and shifted to somebody else's.

Our second hearing examined how Federal regulators at the Office of Thrift Supervision watched and observed WaMu—saw the problems year after year—and did nothing to stop them. Regulation by the Office of Thrift Supervision that should have been conducted at arm's length was instead done arm-in-arm with WaMu.

The third hearing dealt with credit rating agencies. These are specific case studies of Standard & Poor's and Moody's, the Nation's two largest credit raters. And while WaMu and other lenders—and WaMu wasn't alone by a long shot—dumped these bad loans, regulators failed to stop the behavior. Credit rating agencies were assuring everybody that the poisoned water was safe to drink. Triple A ratings were slapped on bottles of high-risk financial products. So that was the third hearing. We have to do something about the inherent conflict of interest that is involved when the credit rating agencies are paid by the people whose actual documents and whose transactions they are rating, putting labels of triple A, double A, what have you, on them. There is a built-in conflict of interest.

Yesterday's hearing explored the role of investment banks in the development of this crisis, and we focused on the period of 2007, when that housing bubble burst, of Goldman Sachs, one of the oldest firms on Wall Street. Goldman's documents made it very clear that it was betting against the housing market while it was aggressively selling investments in the housing market to its own clients. It was selling the clients high-risk, mortgage-backed securities and what they call CDOs, and synthetic CDOs, that it wanted to get off its books. They wanted to get securities off the books. They were reaching out with one hand to prospective buyers and saying: Here. But with the other hand they were betting against those same securities.

The bottom line is that what we have discovered in this investigation, and heard yesterday at our hearing, is that there is a conflict of interest too often between what was in Goldman's interest—what was good for their bottom line—and what was in their clients' best interest.

These are deeply troubling findings. There not only was a collapse of a housing market, there was a collapse of values. Extreme greed is the thread that connects these events, starting with those mortgages that were sold out there in the State of Washington by Washington Mutual Bank; extreme greed that indeed involved the people who were supposed to be doing the credit rating, being paid and doing a lousy job of rating the financial instruments that pension funds and others they were buying, and the greed, of course, that was involved in Wall Street selling securitizing financial instruments which they believed were not good and that they were betting against at the same time they were selling them to their clients and customers.

What we have to do is build defenses against these kinds of excesses. I think most of us at the hearing—Democratic and Republican Senators on the Permanent Subcommittee on Investigations—saw the problems right from the beginning, upstream where the mortgages were created and downstream where they landed in Wall Street securities. We see the problems and Americans see the problems. We cannot understand, and Americans cannot understand, how a company can design and build a product and sell that product to its clients while at the same time they are betting that product will fail. It runs contrary to common sense—a kind of common ethics.

If you are going to sell somebody a pair of shoes, and you know or believe that pair of shoes is defective and you bet against that pair of shoes so that your profit is not just the profit you would make on the immediate sale of that pair of shoes, but when the pair of shoes fails there is, in some way, a profit that comes to you as well. When you are betting on the failure of the product and will make money from that bet when that product fails, most Americans, and I think most members of the committee—hopefully, maybe all of us—would say to ourselves: That kind of conflict of interest has got to be stopped.

That is not what the Wall Street folks were telling us yesterday is ''making a market,'' where you have someone who comes in and wants to sell something and somebody who wants to buy something and they are put together. That is ''making a market''—bringing a buyer and a seller together.

This is where the firm—the entity that is going to be benefitting is on one side of the deal—and that entity was Goldman Sachs. They actually, in some of these deals, were taking securities from their own inventory that they wanted to get rid of, packaging them into a financial instrument and selling that instrument to their customers. So far, so good, providing they disclose it is their own product they are selling. That is okay. But then they take what they call a short position. They take a bet. They make a bet against the very instrument they put together to sell to their customers.

That, to me, is incredible. They also are engaged—and a lot of people are engaged—in what we call these credit default swaps, which are nothing more than casino bets as to whether something will happen; where, for instance, people are betting that a particular stock will go up or down. Neither party owns the stock, if it is a so-called synthetic default swap. I bet that stock will go up, you bet it will go down. That is okay; if people want to bet on that, let them bet. But when the government ends up paying the winning bettor, now you have a problem. Where the company that is making those bets, or insuring those bets, as it was called in the case of AIG—supposed to be insuring those bets—is too big to fail—they have insured so many bets for so many companies and so many pension funds that if that private company fails, the economy is going to be terribly damaged as a result and we end up, as taxpayers, paying off those bets—that has got to be stopped as well. These are casino bets and we shouldn't be paying them.

I yield myself 5 additional minutes.

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

Mr. LEVIN. Now, throughout these hearings we see a lack of accountability. Executives of Washington Mutual make the reckless mortgage loans—not held accountable. Executives at Goldman Sachs and their company packaged many of these same loans that were toxic securities and then took a conflict-of-interest position on it—no accountability. Regulators, credit rating agencies that were supposed to check these excesses—no accountability. In each case, the senior leaders managed to avoid responsibility for their contribution to a crisis which has caused millions of Americans to lose their jobs or their homes or their businesses.

Others may fail to take responsibility for their actions, but we must exercise our accountability. We must act. I do not understand our Republican colleagues, knowing what they know about the crisis, knowing there is no real regulator on the beat on Wall Street, can vote against beginning a debate. We don't have a cop on the beat on Wall Street. We need a regulator there. We need credit rating agencies not involved in conflicts of interest which are inherent to the way they are now being paid. We need a banking regulator which acts; one that doesn't just observe and watch things going off track but acts, and has a responsibility to act as well.

The Dodd bill takes very significant steps relative to each of these areas. Whether it is the banking area, the regulator area, the credit rating area, there are some critical steps that are taken in the Dodd bill. There are some people who say they do not like portions of the Dodd bill. Okay, bring the bill to the floor and let's debate it. Let's legislate.

The legislative process is supposed to involve, sooner or later, a bill which comes to the floor and then is open to amendment and then debate. There are a lot of areas in this bill that can be strengthened. There are some areas in the bill that some people don't like and wish to strike. We have been on this bill now in committees of jurisdiction for months. There have been hearings in those committees. I think we know what the issues are.

There is no agreement on the resolution of this. There is no unanimous consent, obviously, as to exactly what reform should be put in place and how that should be written. But we can't always operate in the middle of a crisis by unanimous consent. At some point, where there are differences, we have to bring those difference to the floor and debate them and offer amendments on them and vote them up or down. That is our responsibility. It is not responsible—it is irresponsible—to block that process from taking place.

I think almost all of us say that we want reforms. But there are enough of us who say we are not going to allow this to be debated unless we get our way that this has been stymied. The reform process has been thwarted by a filibuster here. It is wrong. And the remedies that are offered and can be debated and can be amended are essential to avoid a repeat of this disaster. These are complex issues. We all know that. But there has been a huge amount of debate, attention, and analysis on these issues. There are going to be differences on these issues, but the place to resolve differences finally is here on the floor.

Often we can resolve them before we get to the floor. Fine. But to stop a legislative process from taking place, it seems to me, is an irresponsible act when we are in the middle of a crisis and where the people of the United States want confidence that their legislators are addressing this crisis. So I would hope our Republican colleagues will allow this bill to come to the floor and to offer amendments.

There are many amendments that are going to be offered. Senator MERKLEY and I have an amendment which we believe will strengthen the bill, to give one example. That amendment has not yet been ''worked out'' with the sponsors of the bill. Hopefully, we can get them to agree to language which will allow for a stronger step to be taken in an area which we think involves a serious conflict of interest. But if we can't ''work it out in advance,'' okay. There is such a thing called an amendment. It is part of our rule book. You can offer amendments if you want to. You can't always work out things in a back room somewhere. I don't want to denigrate working out problems. I try to do it all the time, as chairman of the Armed Services Committee. I don't denigrate that process of working things out in advance. Lord knows, we work out most things in advance. But with a threat of this size, which requires us to act, and where there has been a good-faith effort to come to some kind of agreement in advance that proves not to be possible, for heaven's sake we have to legislate. We have to have an ability to move to the floor with a bill and to go through the legislative process with it. That is what has been thwarted. That is what has been denied us because we don't have 60 votes.

I hope our Republican colleagues will see the importance of this issue, the essential need for reform, and allow this bill to come to the floor and be legislated upon.

I yield the floor.

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

Mr. DURBIN. Would the Senator from Louisiana yield for a question, very briefly?

Mr. VITTER. Yes, I will.

Mr. DURBIN. If I could ask the Senator how long he expects to hold the floor.

Mr. VITTER. I would expect to hold the floor for 14 minutes, at the least.

Mr. DURBIN. Mr. President, I ask unanimous consent that following the Senator from the Louisiana I be recognized for 15 minutes in morning business.

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

Mr. VITTER. Mr. President, I rise to strongly agree with Chairman LEVIN that what we have heard in many of these hearings regarding Goldman Sachs' activity and others is extremely disturbing—outrageous—and I don't support that activity in any way, shape, or form. I think I have a lot of credibility saying that, because back in the fall of 2008, I didn't support huge taxpayer bailouts to Goldman Sachs and the other megafirms. I opposed those taxpayer bailouts. I thought it was wrong and counterproductive and moving us in the wrong direction.

But I have to disagree with the distinguished chairman that the present version of the Dodd bill fixes these key issues. I don't think it does. So I encourage us to have a true bipartisan bill that can come to the floor to address the problems that exist.

I have three major sets of concerns about the Dodd bill in its present form. The first is very fundamental. It goes exactly to what I was talking about, having opposed all the bailouts. The Dodd bill expands too big to fail. It doesn't end it. The Dodd bill ensures future bailouts; it does not stop bailouts. That is a big problem to me and I believe to American taxpayers.

It is not just me saying this. It is many educated folks. Take Time magazine, not exactly an arch-conservative publication. They have reported:

> Policy experts and economists from both ends of the political spectrum say the bill does little to end the problem of banks becoming so big that the Government is forced to bail them out when they stumble. Some say the proposed financial reform may even make the problem worse.

Also, Jeffrey Lacker—he is the President of the Richmond Federal Reserve Board—agrees with that. In a CNBC interview, CNBC asked him: ''Doesn't the Dodd bill allow for winding down failed institutions?'' And Lacker said: ''It allows those things but it does not require them.''

Let me repeat that because that goes to the heart of the problem:

> It allows those things but it does not require them. Moreover, it provides tremendous discretion for the Treasury and FDIC to use that fund to buy assets from the failed firm, to guarantee liabilities of the failed firm, to buy liabilities of the failed firm. They can support creditors in the failed firm. They have a tremendous amount of discretion.

Again, they have the ability for more bailouts, for continued pumping of taxpayer dollars into failed firms.

William Isaac is a respected former Chairman of the FDIC. He agrees.

> Nearly all of our political leaders agree that we must banish the ''too big to fail'' doctrine in banking, but neither the financial reform bill approved in the House nor the bill promoted by the Senate Banking Committee Chairman Chris Dodd will eliminate it.

Simon Johnson, distinguished MIT professor, put it succinctly:

> Too big to fail is opposed by the right and the left, though not, apparently, by the people drafting legislation.

These are specific ways the Dodd bill actually expands too big to fail, specific authorities, specific sections that clearly do that. A lot of the attention has been paid recently to the $50 billion prepaid fund, and that is problematic in my mind. But that is not the only, not even the most problematic section of the bill that expands too big to fail. All these sections go directly to that issue.

My second main objection to the bill is, the bill also creates an all-powerful superbureaucracy that goes well beyond the need for targeted regulation to prevent what has happened in the last 5 years. Again, these are specific sections that create this huge, new, all-powerful superbureaucracy. One of the most worrisome is section 1081. That subjects anybody, any business that accepts four installment payments to the CFPB, the new superbureaucracy.

That is not just Goldman Sachs. That is not just Citigroup, Bank of America. That is my family's orthodontist. That is my neighborhood store that sells electronic equipment. That is a huge coverage affecting millions of small businesses throughout America.

Imagine, anybody who accepts four installment payments—is that the problem actor we are going after? This is a huge overreach, in terms of Federal regulation, and this is a fundamental problem with the bill.

Finally, the third major problem with the bill is, the present version of the Dodd bill does nothing to fix certain key causes of the crisis. What do I mean by that? It does nothing on Fannie Mae and Freddie Mac; a 1,100-page bill, supposedly comprehensive financial regulatory reform. Yet the four words ''Fannie Mae, Freddie Mac'' are nowhere in those 1,100 pages. This was not the only cause of the crisis, but this clearly, admittedly, was a key cause of the crisis—disastrous policy and administration at Fannie Mae and Freddie Mac. As Lawrence White, distinguished economics professor, has said:

> The silence on Fannie and Freddie is deafening. How can they look at themselves in the mirror every morning thinking that they have a regulatory reform bill and they are totally silent on Fannie and Freddie? It just boggles my mind.

It boggles my mind as well.

Also, there is nothing on lending standards. Clearly, one of the fundamental problems that caused the financial crisis is institutions which lent money, subprime loans, with no meaningful standards. What are the new standards we are enacting, putting into this bill? Absolutely nothing—silence on lending standards, underwriting standards. Clearly, that was a huge part of the last crisis.

Where is the change? These are the top firms that got bailout funds, including Goldman Sachs. I voted against all these bailouts. But these are the firms that got them.

These are the billions of taxpayer dollars that they received. This is their old regulator, the Federal Reserve, and this is the brave new world this Dodd bill will be introducing—exactly, precisely the same regulator. Where is the change?

We need meaningful financial reform, but we need it targeted on the problem. We need it to include all the causes of the problem.

These are key principles that would mean permanently ending bailouts and too big to fail. I fought against the bailouts a few years ago. We cannot continue that policy. We need to end it.

Ending all bailout authorities for the Federal Reserve and FDIC. It is not good enough to say we have a new resolution mechanism. If those bailout authorities continue as they do in the Dodd bill, they will be used again.

Enhanced consumer protection without overreach, without creating this new all-powerful superbureaucracy.

Greater transparency for derivatives, while allowing businesses to properly, legitimately manage risk.

Begin addressing Fannie Mae and Freddie Mac. Again, the current Dodd bill does not include four words, ''Fannie Mae, Freddie Mac.''

Establish minimum lending standards for mortgages. We had subprimes with no underwriting standards, no lending standards. This present Dodd bill does not change that. We must change that.

Increase competition for credit rating agencies. They were clearly part of the last crisis.

Improve coordination and communication among all financial Federal regulators.

These are the principles of strong regulatory reform. I hope these are the principles around which we can come together in a bipartisan way. I certainly support that effort by RICHARD SHELBY and Chairman DODD. I encourage that effort. But those negotiations will not be meaningful unless we demand on the Senate floor that they be meaningful and demand that a bill moving to the Senate floor is true reform and a bipartisan approach. I urge that approach. I enthusiastically support that approach.

I yield the floor.

The PRESIDING OFFICER (Mr. BURRIS). The Senator from Illinois is recognized.

Mr. DURBIN. Mr. President, in about 1 hour, the Senate will convene for a vote. It is one of the few times this week that the Senate comes together. Those who are following our proceedings will see Senators from all over the United States gather on the floor of the Senate. That gathering will be for a crucial vote as to whether the Republican filibuster on Wall Street reform will continue or end. This will be the third time this week we have given the Republicans an opportunity to join us in a bipartisan effort to bring real reform to Wall Street and the big banks on Wall Street.

Twice now we have failed to get a single Republican who will stand and vote with us for Wall Street reform. I don't understand it. Certainly, they understand what we have been through as a nation with this recession. They realize that some $16 trillion of value has been yanked out of our economy, yanked out of savings accounts and 401(k)s and out of business ledgers. They know what has happened when businesses have failed and millions of Americans are out of work and they realize the root cause of this was on Wall Street, with some of their dealings that, frankly, were outrageous, and now we are trying to change them. Yet we have failed to come up with one Republican Senator who will vote to begin the debate on Wall Street reform—not one.

A colleague of mine analyzed what Wall Street is doing to lobby against this bill. He took the amount of money that Wall Street banks and financial institutions are paying their lobbyists on Capitol Hill and divided it and came up with a number. They are spending $120,000 a day to stop Wall Street reform—$120,000 a day, 2 to 2½ times the average income of an American, the Wall Street banks are spending each day to stop this bill.

So far they have been successful. They have convinced every Republican Senator to vote against beginning the debate on this bill. They have convinced every Republican Senator to vote to continue the filibuster because the Wall Street lobbyists know that if this bill doesn't come to the floor, they are not going to have to change their ways. They can keep doing what they have done for so long and they do not have to face any new laws, any new oversight, any new regulation.

Of course, the American people know what has happened too. They saw the hearings yesterday. Senator CARL LEVIN of Michigan, who was just on the floor, presided over the Permanent Subcommittee of Investigations of the Committee on Homeland Security. CARL LEVIN told me he had worked for 16 months in preparation for that hearing, trying to understand the complexity of Wall Street and how it works. He brought in the highest executives from Goldman Sachs and asked them point blank to explain what they had been doing. We saw it on television, last night and this morning.

When the men who were called before him, who have literally made millions of dollars out of this investment scheme, were asked to explain it—something as basic as this—how could they sell a product to a consumer at Goldman Sachs without disclosing that Goldman Sachs was betting that consumer would lose money, that is what happened. They were so-called shorting the market, meaning they were betting huge sums of money that the investment they were selling to their customers was going to fail. These men sat before that committee and said that is business. That is how we do business.

That is the sort of thing that has to come to an end in this country. There is a man by the name of Paul Krugman, who writes for the New York Times. He wrote an article about what happened at Goldman Sachs, which led to their investigation as well as charges that have been lodged against them. I would like to read from this article, from April 19 of this year, where Mr. Krugman says:

> We've known for some time that Goldman Sachs and other firms marketed mortgage-backed securities even as they sought to make profits by betting that such securities would plunge in value. This practice, however, while arguably reprehensible, wasn't illegal. But now the S.E.C. is charging that Goldman created and marketed securities that were deliberately designed to fail, so that an important client could make money off that failure.

Krugman writes, ''That's what I would call looting.''

He goes on to say, this legislation we are considering contains consumer financial protection, the strongest law in the history of the United States. Here is what Krugman writes:

> For one thing, an independent consumer protection bureau could have helped limit predatory lending. Another provision in the proposed Senate bill,—

Which is before us, being filibustered by the Republicans—

> requiring that lenders retain 5 percent of the value of loans they make, would have limited the practice of making bad loans and quickly selling them off to unwary investors.

He goes on to write:

> The main moral you should draw from the charges against Goldman, though, doesn't involve the fine print of reform; it involves the urgent need to change Wall Street.

Listening to financial industrial lobbyists and the Republican politicians who have been huddling with them, you would think that everything will be fine as long as the Federal Government promises not to do any more bailouts. But that is totally wrong, not just because no such promise would be credible, but the fact is that much of the financial industry has become a racket, a game in which a handful of people are lavishly paid to mislead and exploit consumers and investors. If we do not lower the boom on those practices, the racket will just go on.

Every day that the Republican filibuster of Wall Street reform continues is another day that we will fail to take into consideration this bill, this Financial Stability Act, which is pending before the Senate. Each day that the Republican filibuster continues is a victory for the Wall Street lobbyists. That is just wrong. Have we learned nothing from the recession we are in? Have we learned nothing from the hearing yesterday where these men, these multimillionaires who pay themselves lavishly sat and said they thought it was perfectly acceptable to sell a product to one of their customers that they were betting would fail with their own money? They think that is just fine. It is part of the casino they run on Wall Street.

Well, JOHN ENSIGN of Nevada took exception to that and said: That gives Las Vegas casinos a bad name because we deal with things honestly, and people know the odds are against them. It is not like the situation on Wall Street where people are misled into believing they are making a good bet when the house is betting against them. And that is what happened at Goldman Sachs. That is the sort of thing that will come to an end.

What this bill does is it holds Wall Street accountable. We are fighting to hold them accountable for the reckless gambling that led to our recession and the loss of 8 million jobs in America—8 million. There are 8 million families affected by these activities on Wall Street, and the Republican filibuster would stop us from even considering changes to the regulation and oversight of Wall Street activities.

We want to end taxpayer bailouts for good. I listened to the criticism of this bill. I try to draw an analogy which I heard Senator MENENDEZ of New Jersey use. What we try to do in this bill is to create, for lack of a better term, under Senator MENENDEZ's analysis, a prepaid burial plan. What it basically means is that if your company—financial institution—is going to go out of business, we want to make sure we have put enough money in the bank to pay for funeral expenses—literally the winding down and liquidation of the company—because we don't want the American taxpayer to do it. So this bill creates a so-called prepaid corporate funeral fund and says, let the banks themselves fund it so the taxpayers do not have to. I think that is reasonable.

The Republican approach, though, is to say: Well, let's just bet there is enough money left in the estate to pay for the funeral. Maybe there will be and maybe there will not be. In that case, the taxpayers are on the hook again. That is not a good outcome. So trying to create some assurance that there is money to liquidate and wind down these financial institutions protects taxpayers from another bailout. The Republicans object to that, but they have not come up with a better solution.

The third thing we want to do is to put commerce and consumers in control in America. I do not have to remind most people, if you open a bank account, if you enter into a mortgage, if you decide to sign up for a credit card, go off to buy an automobile, sign up for a student loan, sign up for a retirement plan, they usually send you some legal documents along the way.

At a real estate closing—I have been to many as a consumer and a lawyer—they give you a stack of papers and you sit there at the bank, with your spouse nearby, signing these papers, one after the other after the other, until after 20 or 30 minutes it is all over, they hand you the keys, and you head on out to see your new house. Well, most people do not know what is in those papers. Even if a lawyer is sitting at the table with them, it is unlikely that they have parsed every single word. As a result, a lot of people end up signing up for things they did not understand. We want to change that. I do not think it is too much to ask that these financial obligations and instruments be in plain English so the average person knows what they are getting into.

What we want to do in this bill is to empower consumers so that you can make the right choice for yourself, your family, your business, and your future. We do not want you to fall victim to the tricks and traps of the latest little turn of a phrase that can turn your world upside down. That is why the consumer financial protection law is included in this bill. It is the strongest consumer financial protection law in the history of the United States.

There are lobbyists lined up outside this Chamber trying to carve out exceptions. They are trying to argue: Wait a minute, we do not want this to apply to pawn brokers; let's give them a pass. We do not want this to apply to casinos; let's give them a pass. We do not want this to apply to automobile companies, auto agencies; let's give them a pass. They want to have loopholes and carve-outs for the favorite industries they represent.

I was at the airport coming out here this week, and one of these folks, a good, local businessman in the suburbs of Chicago, came up and said: I am an honest businessman. I did not cause the recession. I have never had a problem in my life. People do not complain about me. The Better Business Bureau gives me the highest of marks. Why should I be regulated? Why should the government look at what I am doing?

And I said to him: If you are doing everything you said, you should not worry about it. What you ought to worry about is your competitor down the street who is fleecing people and giving folks in your industry a bad name.

These carve-outs and these changes—and they have been arguing for them all morning on the Republican side of the aisle—are the reason they are holding up the bill. They have promised the lobbyists that they will cut out loopholes in this bill for the special interest groups that are represented by them. They would exempt the automobile dealers, some of them would exempt the home loan industry, and some of them would exempt pawn brokers. The exemptions could be as long as your arm, exemptions as long as the list of lobbyists who are trying to push these loopholes.

I don't think that is a good outcome. I don't believe we should be creating lobbyist loopholes in this law. Let's hold everyone to the same legal standard, a good-faith standard of real disclosure and honest dealings with consumers; clear English language whether you are taking out a credit card, buying a car, buying a home, a student loan, or a retirement benefit for the rest of your life. Shouldn't the language be clear? We have to make that clear as part of this.

At some point, I hope the Republicans who are filibustering this Wall Street reform will decide, if they have a good cause and they want to bring it to the floor, that they can open the debate, provide their side of the story, and urge the Members of the Senate to go along with them. If a majority agrees, it will be in the bill. If not, it will be outside the bill.

If that sounds vaguely familiar, like the Senate you read about when you were going to school, it is. It is what we are supposed to be doing. This is not supposed to be an empty Chamber of desks here waiting as we launch day to day another filibuster vote. Ninety-nine Senators are supposed to be out here with me in heated debate over the biggest financial issue of our generation. Instead, the Republicans continue to filibuster, stop the debate, refuse to go to amendments, refuse to take their special pleadings on what they want to achieve in this bill to the court of public opinion. That is not fair, and it is not right.

It is also interesting, when we were in the middle of the health care debate, how many times those on the other side of the aisle stood up and said: Do you know what the problem is here? The Democrats are trying to write this bill behind closed doors. They will not bring it out to the floor of the Senate.

Now fast forward to the current debate. What are the Republicans saying? You know what the problem is here—the Democrats refuse to change this bill behind closed doors. They want to amend it right here on the Senate floor.

It seems to me they are in an inconsistent position.

If they believe these amendments are good amendments, they should not be afraid to offer them in front of the American people. But if they want to cook a deal behind closed doors, I do have some problems with that. If they have a good cause, they should bring it to the floor and deal with it. Shady institutions are not good for this country and sunlight is good, transparency is good. I believe it is time we stand up for the American people and say that reckless gambling on Wall Street with the future of the American economy is absolutely unacceptable.

Some of them argue: Well, let's go after the biggest financial institutions. Let's not blame the little people who are involved in the credit business.

There was an article in the New York Times on Sunday, April 18, by Jim Dwyer. He was talking about credit card companies turning $2.50 slices of pizza into a $37.50 slice. They did it, of course, when they bought a slice of pizza with a debit card that was over the limit and the penalty was $35. The question on that fee was, Were the people notified ahead of time what they were going to face? I don't think it is unfair to notify people what they have to pay. I believe this kind of disclosure is important to confidence in our economy.

I am urging my colleagues to stand and join us in making sure we have a chance to bring this bill to the floor. In less than 1 hour, this empty floor will be filled with Senators, Democrats and Republicans. We need 60 Senators to step up and say: This recession has taught us a lesson. We are not going to let America go through this again because of the greed and malpractice of those in Wall Street and financial institutions. We are going to change the system. We are going to require them to be more transparent, more accountable, to put their own money on the table, and to be honest with their customers. We are going to require financial institutions to make full disclosure to the people they deal with so that those customers can be empowered to make the right decisions for themselves and their families. We are not going to exclude certain businesses in America and say they can do whatever they like when what is at stake is the financial security of a family.

Everybody is going to be held to the same basic standard of honesty, a standard which good businesses live up to every single day. I urge the good businesses across America not to stand in defense of the bottom feeders. I urge them to stand up for good business practices which are part of the free market system and have made our Nation so strong as the entrepreneurial spirit has blossomed into more jobs and economic growth. That spirit needs to be regained, the confidence needs be regained.

The embarrassing chapter yesterday in the Committee on Homeland Security, when these Wall Street titans came in and said they saw nothing wrong with misleading their customers into millions of dollars of losses, has to come to an end. It will only end when the Republican filibuster ends on the floor of the Senate.

I will hope at 12:20 when this vote begins that at least a handful of Republicans will stand up and say: Enough is enough. Let's move forward with reform. Let's move forward to putting the American economy back on track.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

RESTORING AMERICAN FINANCIAL STABILITY ACT OF 2010—MOTION TO PROCEED

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of the motion to proceed to S. 3217, which the clerk will report.

The assistant legislative clerk read as follows:

Motion to proceed to the consideration of S. 3217, a bill to promote the financial stability of the United States by improving accountability and transparency in the financial system, to end ''too big to fail,'' to protect the American taxpayer by ending bailouts, to protect consumers from abusive financial services practices, and for other purposes.

The PRESIDING OFFICER. Under the previous order, the time until 12:20 p.m. will be equally divided and controlled between the two leaders or their designees.

The Senator from Iowa is recognized.

Mr. HARKIN. Mr. President, yesterday, in the Permanent Subcommittee on Investigations, chaired by the distinguished Senator from Michigan, Mr. LEVIN, we learned more about the reckless actions of traders and executives at Goldman Sachs. Goldman Sachs was hardly the only bad actor in bringing our financial system to the brink of collapse in 2008. Traders and executives at many other financial institutions got fabulously wealthy by gaming the unregulated casinos on Wall Street. They walked away with fortunes, even as millions of Americans lost their jobs, their savings, and their homes.

Yet as we witnessed in yesterday's hearing, Wall Street remains quite arrogant and quite unrepentant and quite unwilling to change its ways. It has the gall to believe it should remain free to do business as usual. To that end, I am told it has mobilized a legion of lobbyists—an estimated 1,500 of them; 15 lobbyists for every Senator—to try to kill or water down, stop this financial regulation reform from coming to the floor.

It is deeply unfortunate that every one of our colleagues on the other side of the aisle—every single Republican—has joined with Wall Street in obstructing this legislation—every single Republican not just filibustering the bill but preventing it from even coming to the floor for debate and amendment.

They keep saying they want to improve the bill. Well, is that not what the debate and amendment process is about? If someone has a better idea, offer it as an amendment. Let's debate it. Maybe it is a better idea. Maybe we will adopt it; maybe we will not. But it seems that is the way we ought to be conducting the Nation's business on the Senate floor.

So I say to my Republican colleagues, Senator DODD and Senator LINCOLN have bent over backwards to consult with them and invite bipartisan cooperation. Their good-faith efforts have produced solid, commonsense legislation. But if people on the other side of the aisle want some changes, that is what the amendment process is for. We are not cutting off anyone. It will be open for amendment. Why are the Republicans so afraid of offering amendments on the Senate floor if they have a better idea on how we should do this?

It is a bitter irony that, even as we spent a fortune in taxpayer dollars to rescue the global financial system, the self-appointed masters of the universe on Wall Street rewarded themselves with billions in bonuses and have geared up to fight the efforts to prevent—to prevent—this from happening again.

Well, it seems Wall Street is all too used to living a different life, playing by different rules than the rest of the country. Nowhere is this disconnect between Wall Street and Main Street more stark than in the area of compensation. Over the last decades, compensation in the financial sector has skyrocketed, with some executives walking away with annual compensation of hundreds of millions of dollars, even as the inflation-adjusted incomes of ordinary working Americans have remained stagnant.

This chart I have in the Chamber traces the financial industry profits as a share of domestic profits since 1948.

From 1948 to about 1980, as you can see, it remained fairly stable, between 8 percent and 18 percent. Think about everything in this country, all the profits made. About 8 percent to 18 percent was taken by the financial sector on Wall Street. But starting in 1984, financial profits began to rise dramatically. We can see it on the chart, going way up.

In 2001, financial industry profits were almost 45 percent of all domestic profits in America—almost half; 45 percent—up from about 8 percent to 18 percent. Today, despite the 2008 meltdown, they are back above 35 percent. So 35 percent of all the profits made in America are going to Wall Street, going to the financial sector. This is a concentration of wealth unprecedented in our history.

This second chart I have in the Chamber contrasts this explosion of wealth on Wall Street to what happened to ordinary Americans on Main Street. From 1990 to 2008, real median household income stagnated at about $50,000 per year. It just stagnated. Since 2000, real median household income has actually fallen.

From 2000 to today, real median household income has stagnated and has actually fallen from where it was. We had a steady increase over the years. Then, since 1990, it stagnated. Since 2000, it has fallen. That is what is happening to the average household in America, the median household in America.

Well, let's see what was happening to our friends on Wall Street then.

Just as median household income was stagnating from about 1990 on, look what happened to the average Wall Street bonus—huge. Wall Street