There will be efforts made to make it even stronger with amendments on our side. We hope Republicans will join with us in passing this legislation. There are some who have said that by the time this bill gets off the floor, a significant majority of Senators will vote for it. I hope that is the case.

I also hope we don't get locked into something that appears to be the order of the Congress around here; that is, everything has to have 60 votes. I can't speak for everyone, but I will certainly do everything within my power to tell my Senators, let's just have 50-vote margins. Why do we need to have 60 votes on everything we do around here? It makes it so much more difficult. I believe it is unnecessary.

I hope we can move forward and get this legislation done. We have to finish it by next week. We will finish it one way or the other by next week. We have to do that. We have so much more to do. We have the expiring provisions of the tax extenders. Unemployment benefits will expire at the end of this month. We have the doctors, and we have to take care of them. That is a commitment we made, all of us, Democrats and Republicans—that we would take care of the doctors with the SGR. We were able to pass, with pay-go, a 5-year fix. They have a 10-year fix on the House side. But we have to take care of these doctors. They deserve that. We have to do that before the end of this month. There are other important issues we would like to deal with. We have small business we would like to deal with. There are many good things we can do there that have partisan agreement, and we can move forward.

I hope we can move quickly on this legislation. I hope there can be some work with the two managers to move this legislation along, the two initial managers, Senators DODD and SHELBY, who will manage most of this bill. When we get into the derivative section, Senators LINCOLN and CHAMBLISS will be managing that part.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Republican leader is recognized.

NYC TERROR SUSPECT

Mr. MCCONNELL. Madam President, Americans were happy to learn this morning that late last night Federal and local officials in New York City apprehended the man they believe to have attempted a terrorist attack in Times Square on Saturday.

I join all Americans in thanking the law enforcement officials who worked around the clock these past two days. It looks like they got their man, and we are grateful for their efforts on our behalf.

It is my understanding that the suspect, a naturalized American citizen, is a native of Pakistan and that he traveled there at some point in the past year. Hopefully the appropriate officials are using this opportunity to exploit as much intelligence as he may have about his overseas connections and any other plots against Americans either here or abroad.

But this is very good news, and again, we want to thank those who work so hard to keep us safe and to protect us from ongoing threats. As I said yesterday, this plot is a reminder to all of us of the need for constant vigilance and to never drop our guard.

KENTUCKY FLOODING

I would also like to say a word about the flooding in Kentucky.

Last night Governor Beshear said he would seek a major disaster declaration from the President to help recover from the devastation wrought by a round of weekend storms and collateral flooding, and I will be sending a letter to the President today in support of Kentucky's request for a major disaster declaration which would provide direct Federal logistical support and cost sharing assistance to mitigate the effects of the flooding.

Emergency declarations have been made in 48 counties throughout the Commonwealth, and that number is likely to increase as recovery efforts continue. Tragically, four people have been confirmed dead as a result of flooding in Madison, Barren, Allen, and Lincoln Counties.

My office has been in contact with the Governor's office, and we will do all we can to assist him. It is my understanding that Governor Beshear has spoken with the President about the situation and that FEMA is already working with State authorities in Kentucky to render assistance.

Our prayers are with the victims of the flooding in both the Commonwealth and in her sister State of Tennessee and our gratitude goes out to the first responders and emergency personnel rendering aid to the impacted communities.

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.

Mr. BROWN of Ohio. I ask unanimous consent that the order for the quorum call be rescinded.

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

RESERVATION OF LEADER TIME

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

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business for up to 1 hour equally divided and controlled between the two leaders or their designees, with Senators permitted to speak therein for up to 10 minutes each, with the majority controlling the first half of the time and Republicans the second.

Mr. BROWN of Ohio. Madam President, I ask unanimous consent that Senator KAUFMAN, the cosponsor of our Wall Street reform amendment, and I be permitted to speak for up to 20 minutes.

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

FINANCIAL REGULATORY REFORM

Mr. BROWN of Ohio. Madam President, we all agree our financial system should never again be on the brink of total collapse. We all agree we must never again allow Americans to fall victim to the unconscionable recklessness and unbridled greed we have seen over the last decade. No longer should a no-show regulatory attitude rob Americans of their jobs, of their homes, of their retirement savings, of their credit ratings, and the list goes on and on. We all agree American taxpayers should never again have to foot the bill for bailouts to the very firms whose cowboy attitudes got us into this mess in the first place.

So how do we put a stop to the madness that left our economy in a shambles? We stop it in its tracks. That means hard decisions. It means decisive action. It means doing more than taking action when we recognize the symptoms of collapse. It doesn't mean waiting until it is too late and too many people suffer. It means eliminating the ingredients of collapse.

Chairman DODD's bill is strong. It sets the stage for recognizing trouble, and it helps use regulatory tools to reverse it.

Senator KAUFMAN and I think we owe it to the American people to take one more significant step. We need to take action now so trouble never has the chance to brew. That means taking on the financial institutions that are too big to fail and doing that now and doing that in this bill.

Former FDIC Chair William Isaac said these institutions are ''too big to manage and too big to regulate.'' Senator KAUFMAN and I want to do more than monitor banks that must be bailed out if they gamble themselves into a corner. We want to put a hard limit on the size of these behemoth banks so they don't control so much of our economy that, come crisis time, we have to save them; we have to bail them out to save the economy. We want to limit their size so they can't back taxpayers into a corner, where it is either help them or hurt ourselves. We don't want that obsequent choice. We think that should be a concern whether it comes through acquisition or organic growth. Certainly, risk is the biggest problem, but size is almost as big a problem, and together they can spell disaster. Our measure only affects the six largest megabanks.

As this chart shows—and I have cited it often in recent weeks—the assets of these six banks, the assets of the largest six banks in the United States 15 years ago was 17 percent of gross domestic product. The total assets of the six largest banks today are 63 percent of gross domestic product. Seventeen percent of gross domestic product 15 years ago, six largest banks, 63 percent of gross domestic product today. These banks have $9 trillion—that is $9,000 billion—in assets.

Research shows that a bank's size stops providing benefits to its customers once it reaches approximately $100 billion. So we can get all the economies of scale in a bank with $100 billion—$100,000 million. Those are large banks, $100 billion banks. You can get the economies of scale with $100 billion banks. You don't need a $1½ trillion bank.

I have heard some argue that smaller banks are actually less stable than larger banks. Evidence shows, though, that larger banks actually exhibit greater risk due to the higher volatility of their assets and their activities. Look what happened in the last 2 years. The simplest, most effective way to manage this risk is to spread it out, to have several modestly sized institutions instead of a few giant ones. But the risk in the financial system is clearly collecting in a few gigantic banks.

This chart shows the industry concentration in top bank holding companies. When Gramm-Leach-Bliley passed in 1999, the five biggest banks had 38 percent of the assets of the financial industry. Today they hold 52 percent. So we can add up all the community banks in my State—and there are dozens and dozens of them and they serve the communities well—you can add up all the regional banks in my State; you can add up KeyBank and Fifth Third and Huntington and 1st Mariner—all the regional banks—and when we do that all over the country, these five banks still have most of the assets. Five banks have 52 percent of the assets.

I know some people think it is too late—the horses are out of the barn—and we can't go back to a time when we had a group of 15 modestly sized banks, as opposed to 6 gargantuan banks. We allowed big financial firms to merge into giant ones, and that led to a $4 trillion bailout. In the last few decades, the banking industry has become so concentrated it no longer functions as a competitive market. Since 1990, the 20 largest financial firms have increased their control of banking assets. They once controlled 35 percent. They now control 70 percent. Some firms are now 30 percent, 40 percent, in some cases, larger than they had been before the crisis.

So what does it mean? We are twiddling our thumbs as Wall Street, once again, places our Nation at risk.

Former Fed Chairman Alan Greenspan said:

In 1911, we broke up Standard Oil. So what happened? The individual parts became more valuable than the whole. Maybe that's what we need to do.

This is Alan Greenspan, who clearly has never come down on this side on issues such as this.

President Franklin Roosevelt investigated and imposed structural regulations on utilities through the Public Utility Holding Company of 1935. That worked for the prosperity of business, and it worked for the prosperity of the country as a whole.

In 1984, the court split AT&T into a group of regional Bells. That worked for business. That worked for the country as a whole.

In all these cases, size was detrimental to the marketplace. Now these megabanks have grown so large they control the fate of our economy.

The large banks have effectively become huge securities and derivatives trading operations grafted on top of commercial banks. Right now they are using their trading businesses, and they are neglecting their lending businesses. Ask people in Hanover. Ask people in Mansfield. Ask people in Toledo or Shelby, OH. Ask small businesses, and they will tell you they simply can't get the credit they need for manufacturing and other kinds of small businesses.

These large banks have too often put a virtual freeze on lending to small businesses, despite receiving a taxpayer bailout. Three of the largest banks slashed their SBA lending by 86 percent from 2008 to 2009. In Ohio, SBA-backed loans went from 4,200 in 2007 to 2,100—cut in half—in 2009.

I have heard from manufacturers and entrepreneurs, from energy startups and mom-and-pop operations, from small business owners to the local corner store operator, all part of the middle class who are struggling to get the credit they need to hire their workers.

Our amendment simply says too big to fail is too big.

We are going to call up the amendment sometime this week. Senator KAUFMAN is one of many cosponsors who played a major role in crafting this legislation.

I yield to Senator KAUFMAN.

Mr. KAUFMAN. I thank the Senator. I think Senator BROWN has given a presentation that is perfect and that explains this. I am just going to make a few points. I gave a speech on the floor yesterday, if anybody is interested in more detail.

Let's look at some charts that kind of take what Senator BROWN says and slices and dices it in a slightly different way.

This is the average assets relative to gross domestic product of U.S. commercial banks. Would anybody like to guess when Glass-Steagall was repealed? How about right about here. I don't know if my colleagues have seen the charts. One of the reasons I thought there was a housing bubble is, if you look at the charts on the housing industry in America, the price of housing in this country from 1990 until about 2003 was just like that and then it went right through the roof. This is a very bad sign in anything. The fact that our banks are operating this thing is truly scary.

Let me show my colleagues another chart. This is average assets relative to GDP. This is the concentration of the U.S. banking system. Does that chart look familiar? Let me tell my colleagues the worst thing about this. This does not include what we did during the meltdown, when we took Washington Mutual and pushed it into JPMorgan Chase, when we took Merrill Lynch and pushed it into Bank of America, and when we took Wachovia and pushed it into Wells Fargo. That doesn't even include this. We can only imagine where this line would be now. I have to get the chart updated. This is incredible. Of course, the red line is when we passed Glass-Steagall.

So the clear indicator is Glass Steagall. In 1929, we had a credit meltdown in this country. Our forbears on this very floor said we have to do something about it. We have to pass laws, not go back to the regulators who didn't serve us well over the last 8 years—no, no. We have to pass laws. So we passed Glass-Steagall that not only said you can't be a commercial bank and an investment bank under the same roof—which, when I was in school, we learned was one of the basics for our success and why we went 60 years without a bank panic, which we had all through the 19th century and right up to 1929.

We should not have investment banks and commercial banks under the same roof. Commercial banks should be there to protect the small investor, the small depositor, make sure it is safe, and that is why we gave it guaranteed FDIC insurance. We never thought we would have FDIC insurance for an organization that had investment banking in it.

Commercial banking should be a low-risk, basically low-return business. That is what we wanted. That is what the vast majority of Americans have at their local bank. It should not be included under the same roof as an investment banking operation that is high risk, high return. We could have had this argument 5 years ago, and I would have said: Oh, that is a good argument. Let's talk about it. Let's see what happened and how we got to where we are.

The other sentiment we hear, just to expound on some of the points made by my colleague from Ohio: We can't break up the banks. You don't understand, TED. We need these banks to compete internationally.

Let me get one thing straight. Do my colleagues know what we are going to do under our bill if Brown-Kaufman passes? We are going to ask Citigroup to go back to what they were in 2003. Was Citigroup competing internationally in 2003? I think they were. So we are not saying we are going to take them apart. All we are trying to do is get them back to what they were.

Goldman Sachs. The balance sheet of an investment bank such as Goldman Sachs will be scaled down from $850 billion to a more reasonable level of above $300 billion or around $450 billion. That sounds pretty draconian, right? We are asking them to go from $850 billion down to $450 billion. Would anybody like to guess what Goldman Sachs' assets were in 2003? Would you believe $100 billion? We are allowing them to grow to 3½ to 4 times the size they were in 2003.

One of the people who didn't do real well during this last crisis was Alan Greenspan. He is the one who said self-regulation works. He said a whole lot of other things, but he said two very important things regarding where we are right now. One of them is the quote Senator BROWN used: Too big to fail is too big. This is Alan Greenspan. This is not some populist in bib overalls, with a pitchfork in the middle of the streets raising his hands. This is Alan Greenspan.

I have to read this. You have to believe this. The next time somebody tells you we need these banks to compete and they need economies of scale, listen to what Alan Greenspan says:

For years the Federal Reserve had been concerned about the ever larger size of our financial institutions.

Alan Greenspan:

Federal Reserve research has been unable to find economies of scale in banking beyond a modest-sized institution.

There is a fellow named Andrew Haldane, who is the executive director of the Bank of England. Do my colleagues know what he says the size is? He says $100 billion. That is what Haldane says. I commend everybody to read his report. It is very good. Just realize right now we have banks in this country that are $2 trillion and Haldane says $100 billion. Greenspan says we can't find economies of scale beyond a modest-sized institution.

Alan Greenspan:

A decade ago, citing such evidence, I noted that megabanks being formed by growth and consolidation are increasingly complex entities that create the potential for unusually large systemic risks in the national and international economy should they fail.

That is exactly what Senator BROWN and I have been saying and what a number of us have been saying about where we are. But this is Alan Greenspan:

Regrettably, we did little to address the problem.

I just hope 2 years from now—I will not be here—somebody on the floor will not be saying: Regrettably, in 2010, we did little to address this problem.

This seems, to me, to be so incredibly complex but at the same time so incredibly simple. I just ask my colleagues, every time someone says something about the Brown-Kaufman bill, MARIA CANTWELL and JOHN MCCAIN's bill or the bill being offered by Senator LEVIN and Senator MERKLEY, ask this question when they start laying out the problems: Are our banks too big, No. 1; and No. 2, are they too big to fail?

I thank the Chair.

Mr. BROWN of Ohio. Madam President, I thank the Senator from Delaware.

It is so clear, first of all, that the Dodd bill is a huge step, a good step, a solid bill in reforming Wall Street.

It is what we ought to do. There will be three or four major chances. One of them is the amendment Senator KAUFMAN and I are working on. There will be three or four major votes coming up to strengthen the bill. There will be efforts—particularly from my colleagues on the other side of the aisle—to weaken the bill. There are clearly many people in this institution who want to do the work of Wall Street, and Wall Street has always been their benefactor. The big banks are their allies. They may do their bidding on the Senate floor. There will be efforts to strengthen the bill, such as Merkley-Levin, and some of the work we do with derivatives.

Let me close and put a bit of a human face on this. This is technical stuff. When you look at these charts that we put up and what happened with the size of these banks—again, I cite this number that astounds me every time I think about it: Only 15 years ago, the largest 6 banks in the country had assets of 17 percent of GDP. Today, it is 63 percent of GDP—some $9 trillion. Those are astounding numbers.

Let me shift and put a bit of a human face on what this means. I want to share two quick letters, one from someone in Columbus, and one in Lorain. Joann, from Franklin County, says this:

As a small family-owned business owner, I'm trying to find help to keep our business open. Our 20 employees and their families count on us to continue operating. They will end up unemployed and looking for work if we can't keep money flowing.

They cannot get the kind of credit they need from these banks.

My neighbor had to close her business; she cut prices, selling everything she could. Now she works two part-time jobs. The building her store was in sits empty. Banks didn't help her either.

The banking industry is responsible for the economic crash. They should be assisting businessowners. Keeping us in business means jobs. Shutting us down is not helping the economy recover.

Senator KAUFMAN and I don't want retribution from the banks. We want the banks to pull their load and start treating small businesses and consumers more fairly. They should be assisting businesses.

Barbara, from Lorain County, west of Cleveland, says this:

Please stand up for the working folk of the middle class. As a law-abiding taxpayer, I believe that it is time for fiscal integrity of the U.S. bankers.

We are holding on to our jobs and homes by a thread. There are also many people in Lorain County out of work and businesses continue to close their doors.

I'm sure that there is no one single, simple solution, but holding the bankers responsible for what happened in our financial [industry and our country], but it is necessary to help remedy the financial crisis that most of us are in.

Please support law-abiding people by demanding integrity of the banking industry. We are depending on you.

There are many people in my State of Ohio, and also in Dover and Wilmington, DE, in the banking industry. When institutions get this large—when six institutions have this kind of economic power in our system, we know that even someone as conservative as Alan Greenspan says that is a problem for our economy, risk is a big problem, size is a problem. This amendment will affect only the six largest banks in the country. They will operate better and more efficiently, and probably more profitably, if they are a little bit smaller. This addresses that issue.

Mr. KAUFMAN. Madam President, I have a comment. I see common cause here with the other side of the aisle. When I talk to colleagues on the other side of the aisle, it is not just the small businesses, it is the small banks that get hurt by these massive banks. I am a market guy. I am a free market guy. It is one of the things that made this country great. There are two things, democracy and our capital markets. We almost lost our capital markets in 2008. We cannot afford to risk that again. I look to the markets to tell me. Do people think these six banks are too big to fail? What does the market say? Not me or some industry. See what the market says about too big to fail.

Dean Baker and Travis McArthur, of the Center for Economic and Policy Research, compared the borrowing costs of the 18 largest banks, all of which have over $100 billion in assets, to smaller banks, which make up the vast majority of banks in America. They estimated that the effect of government subsidy, because of the implicit guarantee that they are too big to fail—and this is what the market says, not me or Senator BROWN—guess what. It results in a 70-to 80-basis point borrowing advantage for smaller banks, resulting in lower borrowing costs, equaling approximately $34 billion over smaller banks. Right now these big banks, because the market says they are too big to fail, don't worry, ABC down on the corner, they give them a rate. But when it comes to the 6 big banks, they give them 70 to 80 basis points less because they know they can fail.

The ACTING PRESIDENT pro tempore. The 20 minutes of the two Senators has expired.

Mr. KAUFMAN. I thank the Chair.

Mr. BROWN of Ohio. We yield the floor.

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

Mr. DURBIN. Madam President, I thank my colleagues for raising this important issue pending on the floor of the Senate, this major piece of legislation, the Financial Stability Act. Of all the many amendments that will be offered, this is clearly a game changer. I am supportive of this amendment even though I know some of my friends in the banking industry won't be happy with it. They are talking about dealing with the concentration of wealth and of economic power to a level that can literally bring the economy down. That is what we went through, leading into this recession. That is what led to massive taxpayer bailout and that is what the Brown-Kaufman amendment addresses foursquare. I commend them for their leadership on the amendment.

IMMIGRATION

I want to speak to an issue that is timely in light of recent news events. Ninety-nine years ago, a boat pulled into the harbor in Baltimore, MD, which came over as a passenger ship from Germany. Down the gangplank walked three individuals—my grandmother, my uncle, my aunt, and my mother, who was 2 years old, in the arms of my grandmother. They had come from Lithuania to the United States. When they arrived, none of them spoke English. My grandmother carried a slip of paper with her, which had the words ''East St. Louis, Illinois'' written on them, because she knew that is where her husband was and that was her destination. I cannot imagine how they navigated themselves onto a train to East St. Louis to meet my grandfather, but they did it. I am sure there were people standing by that gangplank in Baltimore watching these foreigners coming in, saying: Oh, my God, not more of those people.

It has been a natural reaction in this Nation of immigrants that we look at newcomers as perhaps new problems. Those who are here and lucky enough to be in America have historically been critical of new immigration. That is nothing new in American history.

But what has happened in Arizona in the last several weeks has taken this to a different level. The passage of the law in Arizona, in my mind, is not only unjust but unconstitutional. The Arizona law requires police officers to check the immigration status of any individual if they have ''reasonable suspicion'' that he or she is an undocumented immigrant. How will police determine whether there is reasonable suspicion that someone is undocumented? The law doesn't tell them. Law enforcement experts say it is likely that they are going to look for those who appear to be Hispanic.

Under this law, any undocumented immigrant can be arrested and charged with a State crime solely on the basis of their immigration status, and it is a crime for a legal immigrant to fail to carry their documents at all times. One out of three people legally living in Arizona are Hispanic. We understand the anxiety they have over a law that would at least lead to the suspicion that they may be illegal and be challenged as they go about their daily business in a perfectly legal way.

Here is what the Arizona Daily Star newspaper said about the new law:

> The measure would turn legal residents into police targets, as well as those who are here illegally. It would foment racial profiling of Hispanics.

Phil Gordon, mayor of Phoenix, the largest city in the State, said this of the new Arizona law, signed by Governor Brewer:

> It unconstitutionally co-opts our police force to enforce immigration laws that are the rightful jurisdiction of the Federal Government.

Here is the reality: There are 450,000 undocumented immigrants in Arizona. Law enforcement clearly doesn't have the time to stop, prosecute, or remove anything near that number. Making undocumented immigrants into criminals will simply drive many of them farther into the shadows. When we look at this law, I also like to look at it from the viewpoint of those in law enforcement in Arizona. I have read their quotes. They feel this is an unnecessary, at least an indefensible, burden being placed on them. I have read that one chief of police in a small town in Arizona said: I am not going to be going out and stopping people on the streets and seeing if they are gathering on the street corner. My job is to fight crime. I thought that is why they hired me. If I want to keep this community safe, I cannot spend a lot of time checking the papers of people walking down the street.

In 2005, there was a law passed in the House of Representatives known as the Sensenbrenner amendment, which was a step in the wrong direction as well. It made it a felony for anybody to provide services or assistance to undocumented immigrants. I have some friends in Chicago who run a home for battered women. It is in the Pilsen neighborhood, which is a Hispanic neighborhood. They literally ran the risk of being charged with a Federal felony by allowing somebody to come through their door, a woman who had been beaten by her husband, perhaps carrying a child, offering them any help or protection made them unfortunately subject to being arrested under the Sensenbrenner amendment. I offered an amendment on the floor of the Senate to remove this and even in a Republican-controlled Senate, I was successful. My colleagues believed, as I did, that this went too far.

I believe the Arizona law goes too far. This is not the first time that we have gone too far and have moved back to a more moderate position. In 1982, there was a Texas law passed that said elementary schools could refuse entry to undocumented children.

In the landmark Supreme Court decision of Plyler v. Doe, the Supreme Court struck down that Texas law. At the time, Chief Justice John Roberts was a lawyer in the Justice Department, and he criticized the Justice Department for not supporting the Texas law.

It has been 23 years since Plyler v. Doe was decided. As a result, millions of children have received an education and become citizens. They are doctors, soldiers, policemen, and others who contribute to our society every day. Imagine what would have happened if that Texas law had been allowed to stand and was the law of the land. I asked John Roberts, during his confirmation hearing to the Supreme Court, if that law that was struck down was settled law in America. He would not answer. It leaves some question on what would happen if this law comes before his Court.

Arizona faces serious law enforcement challenges. There is intolerable violence on Arizona's border with Mexico because of drug cartels. The reality is, it is the American appetite for narcotics that is fueling the drug war in Mexico. It is American money and guns flowing south of the border that has created the situation, and we need to be more honest about it as well. But it is a fact, and it is dangerous. I can understand why the people of Arizona would feel some trepidation and real concern about that.

Last month, Robert Krentz, an Arizona rancher, was murdered near the border with Mexico. To say violence is not part of the scene in Arizona is unrealistic and unfair.

In March of 2009, I held a hearing in the Senate Judiciary Committee on Mexican drug cartels. I invited Terry Goddard, Arizona's attorney general, to testify about the situation in Arizona. He told me this:

> Sophisticated, violent, highly organized criminals . . . are smuggling drugs, human beings, guns, and money across the border and are using unimaginable violence to protect and grow the criminal enterprise. Law enforcement officers in the State of Arizona have been on the front lines of the efforts to combat one of the most serious organized crime threats of the 21st century.

If the Arizona law is wrong, what is the right answer? I think, in the framework of the bill that we brought before Members of the Senate, considered last week, there are three elements to it. First, we have to do everything in our power to police our border, make sure we have the right technology and people, and that we are doing everything to stop the flow of illegal immigration into the United States. Those who say ''seal the border first'' are setting an impossible standard. Imagine, if we set a standard that said seal Interstate 95 so that no vehicle passing over that interstate will be carrying illegal narcotics or guns. Well, there are tens of thousands of vehicles and people passing legally between the U.S. and Mexico every day, and amidst this legal flow is an illegal flow. We need to find a way to reduce that.

The second part of that bill, the framework, would say that the lure of America is the lure of jobs. Let us establish a Social Security card with biometric identification so that it clearly shows whether a person is legal. I think that is a step in the right direction.

Third is to deal not with amnesty but setting up a process where they would have to work their way and prove their way into legal status. It will never be automatic. It would not be unconditional.

The trouble we have is that many of those who say the Federal laws have broken down and we do not have a good immigration law are unwilling to stand up and join us in writing a new law.

I invite all of my friends on the other side of the aisle to join with the Democrats in writing a good immigration law. Doing nothing is not an option. It invites more laws such as those in Arizona which, unfortunately, are going to have results which I do not think are consistent with our values in this country.

I urge my colleagues to join me in supporting the framework. I hope they will also consider cosponsoring the DREAM Act, a bill which I introduced many years ago—and Senator DICK LUGAR is my cosponsor—which says those brought to America—undocumented, who finish school, no criminal record, who are willing to finish 2 years of college and serve in our military—will have a chance to become legal in the United States of America. It is a step in the right direction. It was not a step 99 years ago when my 2-year-old mother came to this country. Thank goodness she did. Thank goodness I am here today to tell the story.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Tennessee.

Mr. ALEXANDER. Madam President, are we in morning business?

The ACTING PRESIDENT pro tempore. Yes.

FINANCIAL REGULATORY REFORM

Mr. ALEXANDER. Madam President, the business before the Senate this week is financial regulation reform. It is hard to pick what the business should be this week. There is so much going on that is of great concern to so many of us.

We have a briefing this afternoon on the dimensions of the oilspill in the Gulf of Mexico.

Those of us in Tennessee are deeply concerned about the 1,000-year rain—an event that only happens every 1,000 years or so, according to some of the engineers in the Army Corps—that has wreaked havoc on middle Tennessee and which is beginning now to hurt west Tennessee.

Also, we have the Arizona immigration debate, which the distinguished Senator from Illinois was discussing a little earlier.

We have a new START treaty the President has asked us to consider.

Just around the corner, we have a nomination coming for a vacancy on the Supreme Court of the United States which will dominate, as it should, the attention of this body for 2 or 3 months or so until it is thoroughly considered.

Of course, the American people would like for us to focus on jobs.

I have great respect for the Democratic Governor of Tennessee who was quoted in the Wall Street Journal yesterday saying the following:

> ''If I have 100 conversations with people, 95 of them will be about jobs and none of them will be about cap-and-trade and none of them will be about bank reform,'' said Tennessee Gov. Phil Bredesen, a conservative Democrat, in an interview.

That is according to the Wall Street Journal. Financial regulation reform is the current topic and financial regulation is important. The importance of it is that this is a country that produces, year in and year out, about 25 percent of all the money in the world. We sometimes forget how privileged we are in our standard of living. We are just about 5 percent of the people of the world, but 25 percent of the wealth of the world is created here. It is because entrepreneurs have an advantage. They can create new jobs one right after the other.

Our well-being is not measured by the number of jobs we lose. It is measured by the difference of jobs we create and the number of jobs we lose. The problem we have right now is we are not creating enough new jobs in the United States of America. We need to focus on doing that.

One aspect of that is the kind of system of financial regulation we have. All of us were appalled by some of the hi-jinks on Wall Street that helped lead us to the great recession in which we find ourselves and for which we had to take extraordinary action. The purpose of the financial regulation bill should be to minimize the possibility of those [Wall Street] hi-jinks occurring again, but at the same time, to leave an environment in the United States where we can create the largest number of good, new jobs. When I say ''we,'' I do not mean the government. We have had too much attention on creating government jobs.

The one place the stimulus has worked is Washington, DC. Salaries are up here. There are more jobs here. The place where the stimulus is not working is out across the country where, if we continued with the economy over the next year at the rate of growth it had in the first quarter, which was 3.2 percent, we are told the unemployment rate at the end of the year will still be about 9 or 10 percent. Why? Because we are not creating enough new jobs in the private sector.

As we deal with financial regulation, we must be careful to leave an environment in which we can continue to create jobs, which is why there are five major issues that have come toward us. I heard someone on television this morning say: There go the Republicans. They want to slow down the financial regulation bill. They cannot agree on it in the Senate.

What we want to do—especially after the health care debate—is provide some checks and balances to make sure we have a good bill.

These are the issues that are before the American people on this bill: Is there a Washington takeover of Main Street lending? Community banks, credit unions, plumbers, and dentists say there may be. We need to make sure there is not.

The last thing we need to do is make it harder to get a loan in Nashville or Manchester or Knoxville or San Antonio. Because if you cannot get a loan, you can't hire a person, you can't invest in something, and you can't create a new job, and the economy does not move. That is the first issue: Is there a Washington takeover of Main Street lending.

The second issue: What about this czarina or czar? What about this person the President would appoint to be in charge of millions of transactions in the consumer bureau? Unlike our other independent agencies, this person would barely be accountable to the President and would not be accountable to the Congress. Doesn't that lead to the possibility that this person could write some rules and regulations unaccountably and might make the same sort of mistake we made when we encouraged people to buy houses who could not afford to pay for them—which most agree is the principal event that led us into the great recession that we now have? And that nearly led us into another depression, which brings us to the third issue: Why are we not dealing with the big housing agencies? Fannie Mae and Freddie Mac have about as much debt outstanding as the United States does, and we taxpayers implicitly guarantee their debt.

In the health care debate, it was said: We do not add to the national debt with this bill. But we did not include doctors—we did not include paying doctors in the health care bill. That would be about like my going to the Congressional Budget Office and saying: Tell me how much it is going to cost to run the University of Tennessee for the next 10 years, and the Congressional Budget Office might say to me: With or without the professors? If I wanted a low-ball number, I would say: Oh, give me a number without paying the professors.

That is what we got in the health care bill. We left out $200 billion or $300 billion. The President's budget says it is $371 billion over the next 10 years because we assumed that we would not increase pay for doctors to serve Medicare patients, which would create for them a 21-percent cut in pay. And for those Medicare patients, it begins to create a health care bridge to nowhere because no doctors are going to see them if they are not properly reimbursed.

We are doing the same thing in financial regulation reform when we leave out Fannie Mae and Freddie Mac. Why are we leaving them out? It is not because they didn't make a contribution to the big recession we are in. Everyone agrees they did. The Democrats are leaving them out because if Democrats