

## WALL STREET REFORM

The day before the perfect game on this past Sunday, a story appeared on the front page of the Washington Post. The story began this way:

Something unusual is taking place on the Senate floor: Republicans and Democrats are working together on a major piece of legislation.

It is a shame that bipartisan cooperation passes for news these days, not to mention front-page news in one of our Nation's largest newspapers.

But I hope that collaboration continues this week as we vote on amendments from both sides, as we move closer to a final vote on this very important piece of legislation. Reforming the rules of the road on Wall Street is critical to our Nation's future. We need to restore the American people's trust in our financial system.

The American people demand we act. Families demand we safeguard their savings. Seniors demand we protect their pensions. They have seen big bankers gamble away so much of their money—not the bankers' money but our money—their retirements, and their home equity, which has been shaken. The last thing they want is for their leaders to waste their time also.

So I still hope we can pass Wall Street accountability reforms this week. I am going to do everything I can to see that happens.

## SUPREME COURT NOMINEE

Let's talk about the Supreme Court for just a short time. We have accomplished much in the first few months of this year. It has been difficult, but we have done a lot. But we have so much more to do. On that list is one of our most important responsibilities as Senators: giving our advice and consent to the President's nominees for the courts and in this instance the Supreme Court.

In the day or so since President Obama asked our Solicitor General, Elena Kagan, to serve as the Court's 112th Justice, she has received bipartisan praise for her intellect, her dedication to public service, and her ability to bring people together, especially when they disagree. She has produced impressive work as an academic, contributed to lifesaving legislation as a lawyer, and has been a policy aide at the highest levels. She has inspired students as the dean of Harvard Law School and made her country and her fellow citizens stronger as Solicitor General. So I commend President Obama for choosing her to serve on the Supreme Court.

My No. 1 goal for this new Supreme Court Justice—I have stated it publicly before the Judiciary Committee; I have told the President himself—let's stop having judges go on the Supreme Court. I wanted someone who had not worn the robe, someone who had a little common sense separate and apart from the Supreme Court.

I know those Justices have common sense, but they have worn those robes a long time, and I think it is good to get

a fresh insight into what is going on in the world. Elena Kagan is a lawyer and scholar so respected because she knows the value of listening to all sides of an argument before making a judgment. In that sense, she is a good role model for her own confirmation process. Let's listen to what she has to say, to what those who know her have to say about her, and to the American people, who demand that the Supreme Court puts the rights of people ahead of the wallets of corporate America.

My Republican colleagues—I have heard some in the media say: Well, she is not experienced enough. I developed a personal relationship with Chief Justice Rehnquist. I developed that respect for him for a couple reasons. No. 1, when I was chairman of the Democratic Policy Committee, I did something for which people said: Why are you bothering? He will never do that. I called him and said: Mr. Justice, would you come over to the Senate and talk to my Democratic Senators? He said: I would be happy to.

Over he comes. What a wonderful meeting we had. He had a great sense of humor. He handled all the questions with ease. Then, shortly thereafter, he was sitting where the Acting President pro tempore is now sitting, as we did the impeachment trial of President Clinton. Again, he had such a good sense of fairness as he worked his way through those very difficult proceedings.

He had a bad back, and he would have to get up once in a while—stand where the Acting President pro tempore is now sitting. When the breaks would be taken, he would go back into one of the rooms back here, and we would all go visit with him—a terrific man. You may not agree with a lot of the direction of his opinions, but they were brilliantly written. He had no judicial experience—zero.

One of my favorite Supreme Court Justices, in recent years, has been Sandra Day O'Connor, not because she is a Republican but because she was a good judge. She had run for public office. She served in the legislature in Arizona. That is why she could identify with many of the problems created by us legislators, and she could work her way through that.

I think Solicitor General Kagan will bring a lot of those same views of these two Republicans to the bench; that is, she has fresh ideas. She has been out in the real world recently. I think she is going to be a terrific addition to the Supreme Court.

Would the Chair now announce the business of the day.

## RESERVATION OF LEADER TIME

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

## RESTORING AMERICAN FINANCIAL STABILITY ACT OF 2010

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of S. 3217, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 3217) 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.

Pending:

Reid (for Dodd-Lincoln) amendment No. 3739, in the nature of a substitute.

Sanders-Dodd modified amendment No. 3738 (to amendment No. 3739), to require the nonpartisan Government Accountability Office to conduct an independent audit of the Board of Governors of the Federal Reserve System that does not interfere with monetary policy, to let the American people know the names of the recipients of over \$2,000,000,000,000 in taxpayer assistance from the Federal Reserve System.

Mr. SANDERS. Madam President, 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. VITTER. Madam 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.

## AMENDMENT NO. 3760 TO AMENDMENT NO. 3739

Mr. VITTER. Madam President, I call up the Vitter amendment which is at the desk.

The ACTING PRESIDENT pro tempore. The clerk will report.

The legislative clerk read as follows:

The Senator from Louisiana [Mr. VITTER], for himself, Mr. DEMINT, Mr. GRASSLEY, Mr. HATCH, Mr. MCCAIN, Mr. BUNNING, Mr. CRAPO, and Mr. RISCH, proposes an amendment numbered 3760 to amendment No. 3739.

Mr. VITTER. Madam President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To address availability of information concerning the meetings of the Federal Open Market Committee, and for other purposes)

At the end of title XI, add the following:

## SEC. 1159. AUDITS AND OVERSIGHT OF THE FEDERAL RESERVE.

Section 714 of title 31, United States Code, is amended—

(1) in subsection (a), by striking "the Office of the Comptroller of the Currency, and the Office of Thrift Supervision." and inserting "and the Office of the Comptroller of the Currency.";

(2) in subsection (b), by striking all after "has consented in writing." and inserting the following: "Audits of the Federal Reserve Board and Federal reserve banks shall not include unreleased transcripts or minutes of meetings of the Board of Governors or of the Federal Open Market Committee. To the extent that an audit deals with individual market actions, records related to

such actions shall only be released by the Comptroller General after 180 days have elapsed following the effective date of such actions.”;

(3) in subsection (c)(1), in the first sentence, by striking “subsection,” and inserting “subsection or in the audits or audit reports referring or relating to the Federal Reserve Board or Reserve Banks.”; and

(4) by adding at the end the following:

“(f) AUDIT AND REPORT OF THE FEDERAL RESERVE SYSTEM.—

“(1) IN GENERAL.—An audit of the Board of Governors of the Federal Reserve System and the Federal reserve banks under subsection (b) shall be completed not later than 12 months after the date of enactment of the Restoring American Financial Stability Act of 2010.

“(2) REPORT.—

“(A) REQUIRED.—A report on the audit referred to in paragraph (1) shall be submitted by the Comptroller General to the Congress before the end of the 90-day period beginning on the date on which such audit is completed and made available to—

“(i) the Speaker of the House of Representatives;

“(ii) the majority and minority leaders of the House of Representatives;

“(iii) the majority and minority leaders of the Senate;

“(iv) the Chairman and Ranking Member of the committee and each subcommittee of jurisdiction in the House of Representatives and the Senate; and

“(v) any other Member of Congress who requests it.

“(B) CONTENTS.—The report under subparagraph (A) shall include a detailed description of the findings and conclusion of the Comptroller General with respect to the audit that is the subject of the report.

“(3) CONSTRUCTION.—Nothing in this subsection shall be construed—

“(A) as interference in or dictation of monetary policy to the Federal Reserve System by the Congress or the Government Accountability Office; or

“(B) to limit the ability of the Government Accountability Office to perform additional audits of the Board of Governors of the Federal Reserve System or of the Federal reserve banks.”.

The ACTING PRESIDENT pro tempore. The Senator controls 20 minutes.

Mr. VITTER. Madam President, I ask that the Chair notify me after 15 minutes has been used.

The ACTING PRESIDENT pro tempore. The Senator will be notified.

Mr. VITTER. Madam President, I have called up Vitter amendment No. 3760, which is verbatim, word for word, the RON PAUL language that was added to the House bill in committee by a strong bipartisan vote.

In doing so, I also ask unanimous consent to add the following Senators as cosponsors: Senators DEMINT, GRASSLEY, HATCH, MCCAIN, BUNNING, CRAPO, and RISCH.

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

Mr. VITTER. Madam President, on the Senate side, I have been a strong cosponsor and supporter of S. 604 and Senator SANDERS’ amendment on this bill. I present this different amendment because Senator SANDERS decided to modify his amendment late last week, and I thought there was a continuing need to have this language ex-

actly as it now appears in the House bill, as it was included in the House bill by a strong bipartisan vote in the house committee.

First, let me say I support the Sanders amendment. I will vote for it. It is a very important and useful look in the rearview mirror, if you will, a one-time audit of significant Federal Reserve activity, particularly in 2008 and 2009. I welcome that.

That should not be the end of the matter, and it should not be recognized as all we need because it clearly is not. We need to look in the rearview mirror at those important events. That was a very significant period. But we also need to look forward because these events and these debates and these opportunities for bailouts and other actions absolutely continue. The Vitter amendment addresses that—a look forward as well as that important one-time look back.

If we needed any reason to think we need this ability to continue to look forward and look at the detailed provisions of Fed activity, it is in the news right now—absolutely right now—in terms of the Greek and European economic crisis.

Although Chairman Bernanke assured Congress in recent testimony that “we have no plans to be involved in any foreign bailouts or anything of that sort,” very recently, in the last few days, the Fed has announced the opening of significant facilities to central banks in Europe that certainly involve it, at least at the margin, in that activity.

I do not know enough about those recent deals and currency exchange swaps to comment on whether they are a good idea or a bad idea, or to comment a clear conclusion about the extent to which they put U.S. taxpayers at risk. But clearly they are a significant event. Clearly, there is significant action of the Fed. And clearly, they are a perfect and very recent example of why we need to look in detail at what the Fed is doing on an ongoing basis.

With Greece, Portugal, and Spain, all possibly on the cusp of financial crisis, with this significant decision of the Fed, we must go beyond the Sanders amendment. We must look forward and not just one time back to ensure the American people that we all know what our Federal Reserve is doing and exactly why it is doing it.

This Vitter amendment does that. It will bring real reform and accountability to the Federal Reserve. That is essential, given the historic, major actions the Fed has undertaken in the last few years and continues to announce, even as we speak, activities that would not be covered by the Sanders amendment.

There has been a lot of rhetoric about all of the evil and dangerous things my amendment would do at the Fed. Let me directly address and dispel these notions.

First, there has been a lot of suggestion that this will politicize individual

monetary policy decisions; that this will have individual Members of Congress bringing undue influence on those decisions. I truly think there are enormous protections in this amendment that will clearly avoid that situation.

Let’s start with the clear language of the amendment:

Nothing in this subsection shall be construed as interference in or dictation of monetary policy to the Federal Reserve System by the Congress or the Government Accountability Office.

It is a very clear, very broad, very strong statement. The amendment goes even farther. The other specific language of the amendment is very careful to ensure the audits that the amendment will require will not include unreleased transcripts or minutes of meetings of the Federal Reserve Board of Governors or of the Federal Open Markets Committee.

In addition to the extent any audit deals with an individual market action, such as a change in interest rates, the audit will only be released 180 days after the action occurs.

If this is an attempt for any Members of Congress, any individuals to control individual decisions, to have a direct impact on an individual decision, such as an interest rate decision, it is a pretty dumb, ineffective way to do it because the audit will not be out for half a year. Clearly, it will have no impact on that decision.

Under these protections, the Federal Reserve will still operate monetary policy independently, but it is reasonable that those actions, after an appropriate lag of time in some cases will be transparent, will be fully understandable and fully open to the American people and to Congress.

Again, I think it is very important to dispel these notions that are flying about that are untrue. I have talked with Chairman Bernanke several times about these proposals. Always, invariably, his stated concern is the opportunity for an audit to try to impact an individual decision, such as an interest rate decision. We have addressed that very directly in the way I explained.

In addition, the GAO cannot review many actions such as discount window lending—direct loans to financial institutions—open market operations and any other transactions made under the direction of the Federal Open Market Committee.

GAO also, under the clear terms of this amendment, cannot look into the Fed’s transactions with foreign governments. This, again, is plenty of protection against the concerns announced prior to this debate and vote.

What this comes down to is: Do the American people deserve full information about Federal Reserve decisions or is somehow this beyond the capability of Congress and the American people to digest?

In Federal Reserve Board minutes that were only recently released—these minutes go back to 2004—Alan Greenspan said this:

We run the risk, by laying out the pros and cons of a particular argument, of inducing people to join in on the debate, and in this regard it is possible to lose control of a process that only we fully understand.

It is somewhat amazing to me, but that is a verbatim, direct quote. More than any statistic, more than any other quote, more than any fact, that direct quote is about what this debate and what this amendment is about.

Is this an area of governance that affects all of our daily lives that we should leave purely up to the elites without ever having full transparency and a full opportunity for debate? Alternatively, is this still America, and do Congress and the American people deserve full openness?

Let me read this quote again because it goes to the heart of the issue:

We run the risk, by laying out the pros and cons of a particular argument, of inducing people to join in on the debate, and in this regard it is possible to lose control of a process that only we fully understand.

If you adopt that offensive, in my opinion, elitist attitude, vote against the Vitter amendment. If you think we should have much greater openness and transparency and the opportunity for a full debate, with all of the protections of the individual, interest rate, and other decisions I have laid out, please vote for the Vitter amendment.

Again, Madam President, I will support the Sanders amendment. It is an important and appropriate one-time look back, one-time look in the rear-view mirror about a very important period of time, particularly 2008–2009 when the Fed was busier and more active with more aggressive policy than ever before. But the opportunity for that aggressive policy is not over. We see that this week, with the Fed participating with European national banks in the crisis in Europe. We need this opportunity on an ongoing basis. We need the Vitter amendment. In addition, we need a full audit, and with all of the protections included, we need that opportunity continuing for full openness and transparency.

Madam President, with that, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Vermont. The Senator controls 20 minutes.

Mr. SANDERS. Madam President, let me begin by thanking my colleague from Louisiana, Senator VITTER, not only for his remarks today but for his excellent work throughout this process. I have enjoyed working with him. What we have tried to do in this whole process is to bring together people who come from very different ideologies to basically make the point that the time is now to end the secrecy at the Fed.

Madam President, I would like to yield myself 15 minutes, if the Chair can let me know when 15 minutes has expired.

The ACTING PRESIDENT pro tempore. The Senator will be so notified.

Mr. SANDERS. Madam President, at a time when the Federal Reserve has

been provided the largest taxpayer bailout in the history of the world, to the largest financial institutions in this country—trillion-dollar institutions—without the approval of Congress, without the real knowledge of the American people, the Sanders amendment makes it clear that the Fed can no longer operate forever in the kind of secrecy in which it has operated. Under the Sanders amendment, for the first time the American people will know exactly who received over \$2 trillion in zero, or virtually zero, interest loans from the Fed, and they will know the exact terms of those financial arrangements.

Under the Sanders amendment, for the first time, the GAO will be required to conduct a top-to-bottom comprehensive audit of every single emergency action the Fed has undertaken since the financial crisis began. Under the Sanders amendment, for the first time, the GAO will investigate whether there were conflicts of interest surrounding the emergency actions of the Fed.

Madam President, the Fed has been fighting all the way to the U.S. Supreme Court to keep this information secret. Well, this amendment says, in no uncertain terms, this money does not belong to the Fed; it belongs to the American people, and the American people have a right to know where their taxpayer dollars are going. That is not a difficult concept to get one's arms around. The American people have a right to know.

Specifically, the Sanders amendment does two things: First, it requires the Fed to put on its Web site by December 1, 2010, the names of all of the financial institutions, corporations and foreign central banks—let me repeat, foreign central banks—that received trillions of dollars in taxpayer assistance from the Fed since the beginning of the financial bailout period.

Second, the Sanders amendment requires the GAO—the Government Accountability Office—to conduct a top-to-bottom comprehensive audit of all of the emergency actions the Fed has taken since the beginning of the financial crisis, with a particular focus on all of the potential conflicts of interest within these secret deals. And that, Madam President, is an extremely important point which, by the way, was not in my original amendment.

The fight for a GAO audit of the Fed and to require more transparency has been a long and arduous struggle. There are many people to thank for being at the point we are today. Partisan politics aside, this has been a joint effort on the part of some of the most progressive Members of Congress and some of the most conservative, and some of the most progressive grass roots organizations and some of the most conservative.

I specifically want to thank, in the Senate, Majority Leader REID, Majority Whip DURBIN, Senators DORGAN, FEINGOLD, BOXER, and LEAHY and many others for their leadership on this issue

on my side of the aisle, and to thank Senators DEMINT, VITTER, BROWNBACK, MCCAIN, GRASSLEY, and others on the other side of the aisle.

Last week, a number of Senators—Democrats and Republicans—indicated to me they were uncomfortable with my original amendment, which they believed would have allowed Congress to be involved in the day-to-day monetary operations of the Fed. That was never my intention, and I still do not believe my original amendment would have done that. Nonetheless, that is what a number of Senators believed and were concerned about and they came to me about. The chairman of the Banking Committee, Senator DODD, indicated to me if we could clarify this issue, he would not only be supportive of this amendment, but he would cosponsor it. That is exactly what he did, and I very much appreciate his support.

Let me just very briefly speak to what the principles of this amendment are. No. 1, the Sanders amendment, in terms of transparency, is clear we need to make sure the Federal Reserve releases the names of every single financial institution, corporation, and foreign central bank the Fed provided over \$2 trillion in taxpayer assistance to since the financial crisis started and what the exact details of those arrangements were. This information, as a result of this amendment, will be on the Fed's Web site on December 1, 2010, and every single American who has a computer will be able to access that information. That is a major step forward.

Secondly, in terms of the audit, I have always believed the main purpose of this audit was for the GAO to conduct a top-to-bottom comprehensive review of every single emergency action the Fed has undertaken since the start of the financial crisis. That is exactly what this amendment does.

In addition, let me be clear, the modified amendment—the amendment I am offering today—is stronger than my original amendment on one very important point, a point I think millions of Americans are concerned about; that is, it requires the GAO to investigate whether there were conflicts of interest in the establishment of the emergency lending programs at the Fed.

My original amendment would have allowed the GAO to look into conflicts of interest at the Fed but did not require it. This amendment requires it. We are very specific about that.

For example, I want to know—and I think the American people want to know—why Lloyd Blankfein, the CEO of Goldman Sachs, attended a meeting at the New York Fed when the Federal Government decided to bail out AIG to the eventual tune of \$182 billion, allowing Goldman Sachs to pocket \$13 billion of that money. My original amendment would have allowed the GAO to look at this. The new amendment makes it clear this kind of conflict of

interest must be looked into by the GAO.

Further, I want to know—and I think the American people want to know—why the head of the New York Fed, Stephen Friedman, was allowed to serve on the board of directors at Goldman Sachs and was allowed to purchase over 37,000 shares of Goldman stock at the same time the New York Fed was approving Goldman's application to become a bank holding company. My original amendment would have allowed the GAO to look into this. The new Sanders amendment requires the Fed to investigate whether conflicts of interest existed in these types of financial deals.

Some 35 members of the Fed's Board of Directors are executives at banks which received over \$120 billion in TARP money. I want to know—and I think the American people want to know—how much these financial institutions received from the Fed and if this represents a conflict of interest. My original amendment would have allowed the GAO to look at this. The new Sanders amendment requires the GAO to take a look at those potential conflicts of interest.

What is important to point out is, in terms of transparency, I am not the only person—other Members of the Senate are not the only people—who is demanding that the Fed tell us to whom they lent money. I would point out that Bloomberg News has gone to court and, in fact, has won two Federal court decisions against the Fed in which the courts have said the Fed has to release that information. But the Fed persists in saying no. They want to keep that information secret.

So that is where we are today. We are on the verge of lifting the veil of secrecy at perhaps the most important government agency in the United States—an agency which has control of and expends trillions of dollars. They do it behind closed doors, and they do it in ways the American people know very little about. So I ask for strong support for the Sanders amendment so we can go forward and break this veil of secrecy.

With that, Madam President, I reserve the remainder of my time.

Mr. DODD. Madam President, how much time remains?

The ACTING PRESIDENT pro tempore. The Senator from Connecticut controls 20 minutes, the Senator from Alabama controls 20 minutes, the Senator from Vermont has 8½ minutes, and the Senator from Louisiana, 9 minutes.

Mr. DODD. Madam President, let me ask how much time my friend needs?

Mr. GREGG. I would ask for 5 minutes.

Mr. DODD. I yield the Senator from New Hampshire at least 5 minutes, unless he needs more.

The ACTING PRESIDENT pro tempore. The Senator from New Hampshire.

Mr. GREGG. Madam President, first off, at this point I congratulate the

Senator from Vermont and express my appreciation for his very constructive approach to this issue. I had very serious reservations regarding his original amendment, but he has worked with Members of this side of the aisle, the chairman of the committee, and members of the administration and the Fed and has come up with an extremely responsible amendment.

The Senator's amendment gets to the issues which he is concerned about, which are totally legitimate; that is, the question of transparency and making sure, to the fullest extent possible, the American people know what is happening with this very significant agency that impacts our lives but which we know little about—a lot of Americans don't—and that is the Federal Reserve.

I also wish to congratulate Chairman Bernanke—he and his staff—for stepping forward and aggressively pursuing a resolution to this issue in a manner which I think will be very positive for both sides.

So I intend to support the amendment of the Senator from Vermont, as amended, and appreciate his offering it and appreciate his responsible effort. I do have, however, deep and severe reservations and strongly oppose the amendment of the Senator from Louisiana. The issue here isn't transparency any longer with the amendment of the Senator from Louisiana. The issue is whether we have a Federal Reserve which can function and can pursue its primary purpose, which is maintaining the integrity of the currency of the United States.

When the Federal Reserve was created back in 1917, there was a huge debate—a huge debate—raging in this Nation, and had been raging since the great depressions of 1897 and 1907—about how to manage the currency of this country. The central figure in that debate was William Jennings Bryan, a man of immense proportions in our history. He was a populist in the extreme, and he believed genuinely that there should be a monetary policy in this country which allowed for free money to be produced, essentially. His Cross of Gold Speech was, of course, historic. His view was, basically, those who were in control of the government—public elected officials—should have control over the currency. But what had been learned over time was if you turn control of the currency over to elected officials, the currency becomes at risk because there is a natural tendency by elected bodies to want to produce money arbitrarily to take care of spending which they deem to be in the public interest.

Thanks to the leadership at that time of a number of thoughtful people, including people such as Woodrow Wilson, the decision was made to create a separate entity called the Federal Reserve, which would manage the currency of the United States and decide how much money was printed. The printing presses would be taken away from elected officials.

This decision has probably been one of the best decisions we ever made as a nation in order to determine a strong fiscal future and a strong economy because it has allowed us to have a currency which has basically been protected from the winds of the politics of the day. That is absolutely critical. It is as important today as it was when the Federal Reserve was created, if not more important today.

We have seen a world where there is a tremendous amount of pressure on the currencies of almost every nation, certainly every developed nation with the exception of a few. That pressure inevitably leads to populist outrage on occasion or to popular decisions which can request that the currency be devalued in order to produce what some people see as a better lifestyle or in order to address concerns a nation may have. But you cannot do that at the whim of elected officials. It is absolutely critical that the currency of the Nation be protected from the day-to-day activities of politics.

We have created this Federal Reserve System which accomplishes that. The essence of that system is the Open Market Committee, which decides essentially how much money there is going to be in circulation in this country. We have always believed that system should have integrity, be kept separate from the political process; that Members of the Congress should not have the ability, either directly or indirectly, to influence the decision of the printing of dollars in this Nation. It is a good decision and we should not abandon that course of action.

Yet the Vitter amendment, couched in all sorts of—

The PRESIDING OFFICER (Mr. UDALL of New Mexico). The Senator from New Hampshire has used the 5 minutes he was yielded.

Mr. GREGG. I ask for 4 minutes out of the time of Senator SHELBY.

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

Mr. GREGG. The amendment offered by Senator VITTER unfortunately has, as its essence, the disassembling of this independence. It would give the Congress the ability, through the GAO—and because the GAO is an arm of the Congress, our accounting arm—to go in and investigate what happens with the Open Market Committee. That is clearly going to create consequences which would be inappropriate in the decision-making process of the Federal Reserve. It would influence their ability to make decisions in the sense they would be concerned about Congress coming in and investigating them. It would open activities which, if they are not done in some level of confidence, inevitably end up disrupting the markets. So it is absolutely critical that the Congress not be allowed to go into the Open Market Committee and audit that part of the Federal Reserve activities—absolutely critical if we are going to maintain the integrity of the dollar.

Remember, this is about Main Street. Whether that dollar you take on Main

Street to buy clothing or food or a car—whether that dollar has the value you think it has depends entirely on whether there is confidence it is not going to be inflated arbitrarily. If the political process starts to influence the decisions as to how much money is printed in this country and therefore affects the inflationary value of the dollar, you will see your dollars devalued as you try to buy items on Main Street. The effect of that will be devastating on your ability as an American citizen to have confidence in the dollars which you earn and what they are going to buy and what they are going to mean when you save them—which is even more important.

We cannot have a system which allows Congress to influence the decisions in this critical area. All the rest of the activities the Federal Reserve undertakes should be open, should be audited by the Congress, and should be available for public inspection on a regular basis. That is essentially what the amendment of Senator SANDERS does. There is already a lot of audit activity at the Fed, but what it does is expand that and make it more transparent and more available to the American people. But in this one area which Congress has specifically by law exempted from review for the very logical and appropriate reason that we do not want the politics of the day to influence the decision as to the value of our currency, in this one area we need to keep the exception and give the Fed that type of protection.

I strongly oppose the Vitter amendment. I hope those who are concerned about maintaining the integrity of our currency will also oppose this amendment.

I yield the floor.

**THE PRESIDING OFFICER.** The Senator from Connecticut is recognized.

Mr. DODD. I yield myself 10 minutes on my time, if I may, and reserve 5, if the Chair will let me know when that time has expired.

**THE PRESIDING OFFICER.** The Chair will do so.

Mr. DODD. I thank my friend and colleague from New Hampshire. He is always thoughtful on these issues. I appreciate the history lesson as well. It is always important that Members understand the genesis and history of necessary decisions, so it is an important contribution this morning to what we are trying to achieve. Also, let me say how much I appreciate the efforts of the Senator from Vermont. Occasionally around here you get to make a historic contribution. I don't want to engage in hyperbole, but this is a historic moment the Senator from Vermont has provided us, to be able to do something we have talked about. I want to tell my colleague from Vermont not only do I think we are going to achieve what he wants with his amendment, but we just had a meeting with the Chairman of the Federal Reserve to kind of brief us on these events in Europe over the weekend, and the Federal Reserve,

without legislation but clearly under the influence of this proposed legislation, is going to put up on its Web site as soon as possible the contracts between the Fed and other central banks that occurred over the past weekend.

It has also committed the Fed will report weekly on the activity of each of the swaps accounts by the central banks—not in the aggregate, each one of them. The legislation is going to do a lot, but the Senator has already had an influence on the conduct of the Fed in terms of the transparency issues.

I appreciate very much the efforts of Senator SANDERS. He is not new to the issue. He has raised this repeatedly since he became a Member of this body. I also associate myself with the remarks of the Senator from New Hampshire regarding the Vitter amendment. Again, the central question in many ways is exactly as he has described it, and that is the independence of the central bank, the most important central bank in the world, to be able to operate devoid of the kind of political influences that could ultimately change that Federal Reserve Board from making the kind of decisions that are going to protect the integrity of our currency.

The Open Market Committee's functioning absolutely is critical. So this is a well-crafted proposal, in my view, because it goes to the heart of the issue of transparency, including the requirements now mandated by the Sanders amendment. The previous incarnation of this amendment was a request. I think all of us know where requests end up if there is no will on the other side to engage them. But this now mandates, in fact—we could have potential conflict of interest examined as to when these decisions are made.

I point out that our bill today includes language, if adopted, that will change how the New York Fed president is chosen. Presently he is chosen by the very institutions that office is designed to regulate. In a sense, we change all of that because that on its face seems to be an inherent conflict. When you get to choose your regulator—one of the complaints we have had, legitimately, about regulatory arbitrage is that institutions picked their regulator of least resistance and that contributed to some of the problems we have run into. Under the present construct, without the changes included in our bill, of course that goes on. Imagine, if you can sit around and choose your own regulator if you are lending institutions, financial institutions. That presently is what happens with regional banks. So the very banks that are the subject of the Federal regulation decide who the regulator will be. Our bill changes that as well, and that goes to the heart of exactly what the Senator from Vermont is talking about.

I urge my colleagues to give strong support to the Sanders amendment. I am a cosponsor. I don't cosponsor many amendments for the obvious rea-

son we have a lot of them and I realize some I am supportive of, maybe not as strongly as others. I am a strong supporter of this amendment, and I want my name attached to it, and I appreciate the efforts of my colleague in putting this forward.

I am as strongly in opposition to the Vitter amendment because it undermines, in effect, what the Sanders amendment accomplishes. That would be a tragedy, in my view. The fact is we are going to do something that has been needed to be done for years, and that is to get the transparency of what occurs at the Federal Reserve, but not engaging in the kind of damage that could occur—particularly at this moment.

We all understand. I think we have made the case over and over again over many days. We are no longer talking about a financial system that is in jeopardy because of what happens in terms of mismanagement of major financial institutions. We now know that events thousands of miles away from our shores, in nation states that have no direct bearing, necessarily, or are directly affected by decisions we make here, can cause the kind of disruptions, economically, around the world. It is that kind of world we live in.

I remember a few years ago a very small exchange, relatively small exchange in Shanghai, China, had a decline of about 12 percent one morning. That exchange represented about 5 percent of the volume of the New York Stock Exchange in Shanghai. Yet that action in that relatively small exchange caused, within a matter of hours, all over the globe exchanges to react to it. My point simply being, without going into the details of what occurred there, events that occur in one part of the world can have a huge implication here as well.

At this very important moment, to undermine the independence of the Federal Reserve with the Vitter amendment would do great damage to our country. I urge my colleagues to be supportive of the Sanders amendment and then join with Senator GREGG and myself and others in our opposition to the Vitter amendment because it undercuts exactly what, in a sense, we are trying to achieve here with this legislation.

I reserve the remainder of my time.

**THE PRESIDING OFFICER.** The Senator from South Carolina.

Mr. DEMINT. I ask to speak—

**THE PRESIDING OFFICER.** Who yields time?

Mr. DEMINT. I ask to speak under Senator VITTER's time.

**THE PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. DEMINT. Mr. President, there are few things more important to Americans than our money. It represents our life's work, our savings, our investment. When our Founders put this country and the Constitution together, they gave the Congress the responsibility to protect our currency

and the value of our money. This is a responsibility that decades ago the Congress delegated to the Federal Reserve, to operate as an independent institution, responsible for protecting our monetary system as well as overseeing employment in our country.

Congress has not paid much attention to what the Federal Reserve has done. In fact, we have little idea now what they are doing. We do know they are doing many things now that they didn't do even a few years before—trillions of dollars buying toxic assets from various financial institutions. We know they are doing business all over the world, lending money with international banks. But we don't know exactly what they are doing, why they are doing it, or how they are doing it.

We don't know if a lot of these activities could eventually bring down our financial system. We need to be concerned because it is our responsibility as a Congress and if we allow our currency to be undermined anywhere in the world, it is detrimental to every American family, everything we worked for, everything we have saved.

We cannot pass this off. This Congress has established other financial institutions such as Fannie Mae and Freddie Mac to supposedly facilitate the mortgage industry and make it easier for people to buy homes. We were told there was no problem with subprime lending and all the things Fannie Mae and Freddie Mac were involved with. But as a Congress we did not do our job overseeing, asking enough questions. Then when Fannie Mae and Freddie Mac created this huge housing bubble and brought our economy to its knees, millions of Americans lost much of what they had worked for and saved.

But what happened with Fannie Mae and Freddie Mac is small compared to what could happen if the Federal Reserve did something to undermine the confidence in the dollar worldwide.

Congress should not be managing our monetary system. I do not think we can do it in the current political structure. But it is our job to provide accountability and transparency to what is going on at the Federal Reserve.

Last week, I spoke in support of the Sanders amendment. I still plan to support it today, but that amendment has been changed. It narrows the scope of a complete audit. It really cannot be called a complete audit anymore. It is just disclosure on various aspects of what the Federal Reserve does. It does not now include what they would refer to now as monetary policy. My understanding was, that is pretty much what they did at the Federal Reserve. Cutting that takes out a big part of what we need to know about what they are doing. It would block us from finding out what the Federal Reserve is doing with banks all around the world. It would block us from finding out a lot of things that could give us an indication of whether the Federal Reserve is putting our monetary and financial systems at risk.

I think it is important, at least at one point in time, for us to find out what the Federal Reserve is doing and disclose it to the American people in a way that they will have confidence that what is happening with the Federal Reserve and with our currency is going to create a stable currency out into the future.

Senator VITTER offered the original amendment before it was changed, the same amendment that was passed in the House by an overwhelming majority which will include all aspects of the Federal Reserve—not in real time, but there will be a delay so that we can't meddle in what they are doing. But it opens a full audit of the Federal Reserve so that this Congress can make good decisions about any needed reforms and certainly keeping some accountability over the Federal Reserve.

It makes absolutely no sense to create really the most powerful agency in the world over the Reserve currency for the world and for there to be no accountability over what they are doing. We know they think we are not smart enough to understand what they are doing, and we may not be. But based on what they have told us in the past, they are not necessarily as smart as they think they are either, because only a few months before Fannie Mae collapsed, the Federal Reserve told us there was no problem. Now they are telling us there is no problem and that we don't need to look at what they are doing.

I think it is important that we have full disclosure and accountability and transparency at the Federal Reserve. It is important that the American people trust those who are managing their currency, and right now they don't. A full audit would help restore that trust and help Congress do its job to oversee the Federal Reserve. The Federal Reserve can maintain its independence, but it doesn't have to be independent in secret because if they are operating secretly, Congress is not doing its job.

I encourage my colleagues to support the Sanders amendment but also the Vitter amendment so that we will have a full audit and know for the first time what our Federal Reserve is doing with our money.

I reserve the remainder of Senator VITTER's time.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SHELBY. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. SHELBY. I rise today to support the Sanders amendment to bring transparency to the Federal Reserve. I believe this amendment is needed because the Federal Reserve has abused its independence. The Federal Reserve has repeatedly assumed and exercised vast fiscal powers under the guise of "monetary policy." It has sought to escape accountability for these actions by claiming that its independence places it beyond the scope of congress-

sional oversight. To allow any agency, including the Federal Reserve, to exercise the immense powers now wielded by the Fed with so little accountability is simply incompatible with our constitutional system of government.

Congress granted the Federal Reserve independence with respect to monetary policy on grounds that "monetary policy" was a technical, nonpolitical task that did not put taxpayers at risk. Unfortunately, the Fed has failed to stay within the limits envisioned by Congress. Over the past 3 years, the Federal Reserve's balance sheet has exploded to more than \$2.3 trillion, with much of the increase related to actions that had little to do with monetary policy and more to do with bailouts, fiscal policy, and plain politics.

Although the Fed likes to pretend it is independent and removed from politics, the reality here is that the Board of Governors of the Federal Reserve is one of the biggest political players in town.

Ironically, while the Fed is fighting this amendment, the Fed remains silent about other measures that would compromise its independence. Why? The answer is politics. When it serves its politics, the Fed is happy to selectively sacrifice its independence. For example, the Dodd bill compromises the Fed's independence by having the Fed directly fund the Democrats' new consumer bureaucracy. This establishes a dangerous precedent. Anytime Congress needs a funding source, it can now go outside the budget process and have the Fed print money. Yet the Fed has remained remarkably quiet. Why? Again, politics. The Fed's silence should come as no surprise given the close political ties between the Board of Governors of the Federal Reserve and the Obama administration. The Board of Governors has clearly decided to help the Obama administration advance its legislative goals.

The Fed cannot have its cake and eat it too. If the Fed wants to be independent, it should defend its independence consistently but otherwise should stay out of politics. On the other hand, if the Federal Reserve wants to be political, it should not expect Congress to treat it as a so-called independent, nor should the Fed expect that its non-monetary policy actions are exempt from congressional oversight. These activities, even when conducted by FOMC, are fiscal or regulatory actions that involve taxpayer dollars and policy judgments. They are no different from other policy decisions made by the executive branch.

Accordingly, I believe Congress has a constitutional duty to oversee these activities. Unfortunately, the Fed often acts as if Congress should be kept in the dark. It uses this independence as a shield to hide its actions from congressional oversight, including its bailouts of AIG and Bear Stearns. No agency should have the fiscal and regulatory powers exercised by the Fed and not think it has to be fully accountable to Congress. It should.



It is my hope this amendment will be the first step in moving the Fed back to its more limited and traditional role in our regulatory and constitutional systems.

The PRESIDING OFFICER. Who yields time?

The Senator from Connecticut.

Mr. DODD. Mr. President, I would like to inquire how much time remains?

The PRESIDING OFFICER. The Senator from Connecticut controls 13 minutes; the Senator from Alabama, 4 minutes; the Senator from Louisiana, 3 minutes; the Senator from Vermont, 8 minutes.

Mr. DODD. Well, I am kind of done. I don't know if my colleague from Vermont wants to add any words to all of this. I don't even know whether the leaders want to be heard on this amendment or whether other Members want to be heard. So I guess what I will do is propose that there is an absence of a quorum and that the time be equally extracted from all Members who control time.

Is there a fixed time for the vote?

The PRESIDING OFFICER. The vote will occur at the expiration or the yielding back of the time.

Mr. DODD. I suggest the absence of a quorum and ask unanimous consent that the time be equally charged to all three of the Members who control the time at this point.

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

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. SHELBY. Mr. President, I ask unanimous consent that after the McCain amendment is disposed of, the next amendment in order be the Corker amendment—the next Republican amendment—dealing with underwriting.

The PRESIDING OFFICER. Is there objection?

Mr. DODD. Reserving the right to object, just so we are clear, when we dispose of the McCain amendment and related amendments to it, there may be a side-by-side, the next Republican amendment—there will be a Democratic amendment after the McCain amendment. Then the next amendment after that—Republican amendment—will be the Corker amendment.

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

Who yields time?

The Senator from Vermont is recognized.

Mr. CORKER. I have an inquiry.

Mr. SANDERS. I yield to the Senator from Tennessee.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. CORKER. Mr. President, as far as other amendments, I have an inquiry.

As far as other amendments, I have a number of what I would call surgical amendments, some of which may be—I just have an inquiry as to other types of amendments. I know we are going in order, Republican and Democrat. I just thought we might talk for a second. I have a number of surgical amendments that improve the bill. None of them are messaging amendments. I actually think some of them are going to be taken in a managers' amendment.

But I would just inquire of the manager of the bill what his thinking is as it relates to sort of time limits and how we might move through some of these other amendments that are here strictly to try to improve the bill and may have strong bipartisan support.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, I have yet to meet a Member who didn't think an amendment they offered was going to improve the bill. We can't make that the criteria.

First, I appreciate the Senator raising the issue because it is an important question. I have raised with my colleague and the former chairman, Senator SHELBY, a package of amendments, technical or others, where we think there is agreement, although he will have to take a look at them to make that determination, not as a final managers' amendment but to try and clear out those amendments we think can be adopted without taking up time for votes on individual amendments. I invite any Member who has amendments, including my colleague from Tennessee, to give us the amendments he or she has or to show them to Senator SHELBY, and we will try to accept them where we can.

If there is some problem we can't resolve, then we need to provide the time between now and the conclusion of the bill to consider them. I will do my best to see that happens.

Let me take advantage of the question to make a plea to my colleagues. Obviously, there is not an unlimited amount of time to debate this bill. We have other matters we are all painfully aware of that have to come up before we adjourn for the year. My hope is Members will provide the time and come forward and we will get short time agreements for some amendments, maybe a bit longer for others that are a bit more substantive and require more debate. But we need to move on this. We have submitted, several days ago, a package of what I thought would qualify as a managers' amendment. We need to get some answers on that so we can try to accommodate provisions to this bill that are good contributions offered by Republicans and Democrats—in some cases both—so we can actually add to the product of this legislation. I appreciate my colleague's suggestion. If we can see them, we will try to agree to all of them. If there is any problem, we will let him know and then thin out that list so we can get to them.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. SANDERS. Mr. President, let me summarize again what the Sanders amendment does. Let me take my colleagues back to a meeting of the Budget Committee, on which I serve, about a year ago. Chairman Bernanke came before that committee. I asked him: Will you tell the committee, me, and the American people which large financial institutions received trillions of dollars of zero or near zero interest loans? I thought that was a reasonable question.

Mr. Bernanke said: No, I will not do that. I will not release that information.

On that day, I introduced legislation to compel him to release the information. This amendment, if passed, on December 1, 2010, would, in fact, contain that information. It is a major step forward.

Secondly, many Americans are beginning to catch on—and some Senators have referred to that today—to the immense power of the Fed. People are demanding transparency at the Fed. People want to know what happens behind closed doors when some of the leaders of the largest financial institutions sit down with the Fed and, lo and behold, programs are developed which benefit those very same large financial institutions. Wouldn't it be nice, wouldn't it be great if small businesses in Vermont could end up with zero interest loans? They can't. But somehow or another, some of the largest financial institutions in this country manage to do that, and we don't know how this process goes on.

Passage of the Sanders amendment is a step forward. I congratulate all those people from both political parties, with very different political ideologies, for coming forward, for pushing this issue forward. This is not the end. This is a beginning. As Senator DODD said a moment ago, this is historic. We are beginning to lift the veil of secrecy on what is perhaps the most important agency in the government.

I urge passage of the Sanders amendment.

I reserve the remainder of my time and yield the floor.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. VITTER. Mr. President, I stand to join with a bipartisan group of colleagues supporting the Sanders amendment and also in support of the Vitter side-by-side amendment. These are not mutually exclusive alternatives. Both Senator SANDERS and myself and many others will strongly support both. I urge all my colleagues, Democrats and Republicans, to do the same.

Particularly since the financial crisis, the American people have been demanding several things. One of them clearly has been openness and transparency about U.S. economic policy, including at the Federal Reserve. That has been a major theme, particularly since the financial crisis. That has

been a clear demand of the American people, certainly of Louisianans, particularly since the financial crisis.

Most of us have voted and spoken in strong support of that. If we truly want to make it happen and if we truly want to preserve that record, we need to vote for the Sanders amendment and the Vitter amendment today to get that done.

If we want to continue to support the same push as in the stand-alone Sanders Senate bill, we need to vote for both amendments. If Members want to continue to support their position, if they voted for the Sanders budget amendment a few months ago—and a strong majority of this body did—they need to vote for both amendments. If they want to support the position of the House which, in a bipartisan way, supported exactly the same language as contained in my amendment through an amendment in the Banking Committee, a strong bipartisan vote, they need to support both amendments. Supporting one, walking on the other, is not good enough and will surely be recognized as not good enough.

I urge all my colleagues to support both amendments, to have full openness and accountability and transparency, with all the protections included against politicizing individual Fed decisions.

In many ways, I think it comes down to this one quote by Alan Greenspan from 2004:

We run the risk, by laying out the pros and cons of a particular argument, of inducing people to join in on the debate, and in this regard, it is possible to lose control of a process that only we fully understand.

Imagine, Congress, the American people joining in on the debate. God forbid. Imagine the moneyed elites losing complete control of the process. God forbid. If Members share that Alan Greenspan view of democracy, vote against my amendment. But if they share a very different view, which I believe is embodied in this institution and our Constitution, please support both the Sanders and Vitter amendments.

I yield my time.

The PRESIDING OFFICER. Who yields time? The Senator from Connecticut.

Mr. DODD. Mr. President, I believe there is no more time. Has the time expired for the Senator from Louisiana?

The PRESIDING OFFICER. The Senator from Louisiana has consumed his time. The Senator from Alabama has 4½ minutes.

Mr. DODD. We are prepared to yield back time on our side. I gather the Senator from Alabama is prepared to yield back his time.

I ask for the yeas and nays on the Sanders amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

Mr. DODD. I yield back all our time.

The PRESIDING OFFICER. All time is yielded back.

The question is on agreeing to amendment No. 3738, as modified.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from New Mexico (Mr. BINGAMAN) and the Senator from West Virginia (Mr. BYRD) are necessarily absent.

I further announce that, if present and voting, the Senator from New Mexico (Mr. BINGAMAN) would vote “yea.”

Mr. KYL. The following Senators are necessarily absent: the Senator from Oklahoma (Mr. INHOFE) and the Senator from Alaska (Ms. MURKOWSKI).

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 96, nays 0, as follows:

[Rollcall Vote No. 137 Leg.]

YEAS—96

Akaka	Ensign	McConnell
Alexander	Enzi	Menendez
Barrasso	Feingold	Merkley
Baucus	Feinstein	Mikulski
Bayh	Franken	Murray
Begich	Gillibrand	Nelson (NE)
Bennet	Graham	Nelson (FL)
Bennett	Grassley	Pryor
Bond	Gregg	Reed
Boxer	Hagan	Reid
Brown (MA)	Harkin	Risch
Brown (OH)	Hatch	Roberts
Brownback	Hutchison	Rockefeller
Bunning	Inouye	Sanders
Burr	Isakson	Schumer
Burr	Johanns	Sessions
Burr	Johnson	Shaheen
Cardin	Kaufman	Shelby
Carper	Kerry	Snowe
Casey	Klobuchar	Specter
Chambliss	Kohl	Stabenow
Coburn	Kyl	Tester
Cochran	Landrieu	Thune
Collins	Lautenberg	Udall (CO)
Conrad	Leahy	Udall (NM)
Corker	LeMieux	Vitter
Cornyn	Levin	Voinovich
Crapo	Lieberman	Warner
DeMint	Lincoln	Webb
Dodd	Lugar	Whitehouse
Dorgan	McCain	Wicker
Durbin	McCaskill	Wyden

NOT VOTING—4

Bingaman	Inhofe
Byrd	Murkowski

The amendment (No. 3738), as modified, was agreed to.

VOTE ON AMENDMENT NO. 3760

The PRESIDING OFFICER. Under the previous order, the question is on agreeing to amendment No. 3760.

Mr. SHELBY. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from West Virginia (Mr. BYRD) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 37, nays 62, as follows:

[Rollcall Vote No. 138 Leg.]

YEAS—37

Barrasso	Ensign	Risch
Brownback	Enzi	Roberts
Bunning	Feingold	Sanders
Burr	Graham	Sessions
Cantwell	Grassley	Shelby
Chambliss	Hatch	Snowe
Coburn	Hutchison	Thune
Cochran	Inhofe	Vitter
Collins	Isakson	Webb
Cornyn	LeMieux	Wicker
Crapo	Lincoln	Wyden
DeMint	McCain	
Dorgan	Murkowski	

NAYS—62

Akaka	Franken	Menendez
Alexander	Gillibrand	Merkley
Baucus	Gregg	Mikulski
Bayh	Hagan	Murray
Begich	Harkin	Nelson (NE)
Bennet	Inouye	Nelson (FL)
Bennett	Johanns	Pryor
Bingaman	Johnson	Reed
Bond	Kaufman	Reid
Boxer	Kerry	Rockefeller
Brown (MA)	Klobuchar	Schumer
Brown (OH)	Kohl	Shaheen
Burris	Kyl	Specter
Cardin	Landrieu	Stabenow
Carper	Lautenberg	Tester
Casey	Leahy	Udall (CO)
Conrad	Levin	Udall (NM)
Corker	Lieberman	Voinovich
Dodd	Lugar	Warner
Durbin	McCaskill	Whitehouse
Feinstein	McConnell	

NOT VOTING—1

Byrd

The amendment (No. 3760) was rejected.

Mr. DODD. I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. INHOFE. Mr. President, I support Senator SANDERS' amendment No. 3738 regarding Federal Reserve transparency. As a cosponsor of S. 604, the Federal Reserve Sunshine Act of 2009, my support for these efforts is clear. American taxpayers have a right to know how, where, and when their money is spent or put at risk. For too long, they have put up with secrecy and arrogance. That has to stop, and that is why I would have voted for Senator SANDERS' amendment had I been able to do so and why I voted for Senator VITTER's amendment when I arrived in Washington. My travel was detained due to severe weather and tornadoes affecting Oklahoma yesterday.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. DODD. Mr. President, before we recess, let me say that the next amendment up is the McCain amendment, and while we don't have an agreement yet, I am hopeful one will be agreed to right after we come back after the respective caucus luncheons at 2:15 p.m.

I am urging Members, again, we are trying to line up these amendments so



we can have an afternoon full of votes—a short debate on amendments and then votes. I don't want to hear later people telling me, "I didn't have enough time," when in fact we are trying to provide time for people. You can't have it both ways. You can't say you needed more time and then not be here or get the time agreements to allow us to move forward.

With that, Mr. President, I yield the floor.

### RECESS

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until the hour of 2:15 p.m.

Thereupon, the Senate, at 12:33 p.m., recessed until 2:15 p.m. and reassembled when called to order by the Presiding Officer (Mr. BEGICH).

### RESTORING AMERICAN FINANCIAL STABILITY ACT OF 2010—Continued

The PRESIDING OFFICER. The Senator from Arizona.

AMENDMENT NO. 3839 TO AMENDMENT NO. 3739

Mr. MCCAIN. Mr. President, I call up amendment No. 3839 and ask for its immediate consideration and ask to set aside pending amendments.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. MCCAIN], for himself, Mr. SHELBY, Mr. GREGG, Mr. BENNETT, Mr. CRAPO, Mr. CORKER, Mr. BURR, Mrs. HUTCHISON, and Mr. ROBERTS, proposes an amendment numbered 3839 to amendment No. 3739.

Mr. MCCAIN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

(The text of the amendment is printed in the RECORD of May 5, 2010, under "Text of Amendments.")

Mr. MCCAIN. Mr. President, before we continue, I know the distinguished chairman of the Banking Committee and the manager of the bill want us to move forward. I understand that. As we speak, I am compiling a list of those who want to speak on the amendment on this side. I assure him we will try to get a time agreement completed as soon as possible. I ask my colleagues on this side of the aisle who want to speak on this amendment to call the cloakroom so we can get that done.

Mr. President, I ask unanimous consent that Senators BURR, HUTCHISON, and ROBERTS be added as cosponsors of this amendment.

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

Mr. MCCAIN. Mr. President, I apologize to my colleagues for giving them false information a couple of days ago. It is not \$125.9 billion that we are now pouring into Fannie and Freddie; it is up to \$145 billion that is now being poured in—\$145 billion. I remind my colleagues again that last Christmas

Eve at 7 p.m. was when the Treasury Department decided to lift the cap, which had been at \$400 billion. It is now up—\$145 billion. Here we are addressing financial regulatory reform and not looking at \$5 trillion of toxic assets that have already spent \$145 billion off budget. It is off budget. Incredible.

My distinguished friend from Connecticut pointed out yesterday—he says I want a little revisionist history. He says the House financial committee passed bipartisan legislation. It stalled in the committee over here despite the support for it. The Republican-controlled committee then passed a bill and never filed it, never brought it up for a vote here on the floor of the Senate in 2005. That was my friend Senator DODD's statement yesterday.

The fact is—a little revisionist history—on April 1, 2004, the Senate Banking Committee passed the bill, the Federal Housing Enterprise Regulatory Reform Act. All 12 Republicans voted for it. All Democrats, including the distinguished chairman, voted against it, according to the RECORD. So neither bill was taken on the floor because, as we know, we don't move forward with legislation if it is blocked by the other side.

Then Senator DODD went on to say: I became chairman of the Banking Committee in 2007. We arrived at 2008. We had a significant number of hearings. In the summer of 2008, the Banking Committee passed a comprehensive bill—et cetera, et cetera. The Housing and Economic Recovery Act was finally enacted on July 30, 2008. Just 39 days later, Fannie Mae and Freddie Mac were placed into conservatorship.

I remind Senator DODD that back in 2006, there was a group of us, in response to an inspector general's report, who said we need to fix it and fix it now, and that was blocked by the other side.

Senator DODD said: If you think the market took a plunge last Thursday, adopt the McCain amendment. It is a reckless amendment.

What is reckless is the status quo. What is reckless is to totally ignore \$5 trillion in toxic assets, already \$145 billion of the taxpayers' money being spent. It is reckless for us to go to the American people and say we are fixing the problem that caused the financial meltdown and yet we are ignoring Fannie and Freddie. We are ignoring the trillions of dollars of toxic assets. And don't worry, we will address it later on. That is what the distinguished chairman is going to say—we will address this later on. Later on? Later on? When we have this already done? And it is not on budget. Remarkable.

What the amendment says is that the conservatorship has to end in 24 months. We will give them 2 years to figure all this out. It is reckless, in my view, to say we are not addressing these trillions of dollars in toxic assets, the hemorrhaging of \$145 billion already of taxpayers' dollars, on which

there is no expert who believes we will ever see a return.

Finally, I would like to quote the Wall Street Journal editorial of this morning that says, "\$145 Billion and Counting. Fannie and Freddie lose it all for you."

The editorial says:

These efforts to support the Obama anti-foreclosure program resulted in a doubling of loan modifications compared to the previous—

Let me start from the beginning.

Fannie Mae yesterday announced its 11th consecutive quarterly loss—\$11.5 billion—and asked for another \$8.4 billion in taxpayer assistance.

They lost that. They are asking for \$8.4 billion. That puts us well over \$150 billion.

Fannie Mae is the Cal Ripken of bad real-estate deals, reliably pouring taxpayer money into the housing market. Granted, Fannie faces tough competition from its toxic twin, Freddie Mac, which last week announced its own request of another \$10.6 billion from taxpayers.

Once the checks from the Treasury clear, Fan and Fred will have consumed a combined \$145 billion in taxpayer cash, and the end is nowhere in sight. Both companies warned of further losses triggering more government assistance, which is now unlimited after a 2009 Treasury decision.

The losses are unlimited because the companies are now run by the government not to make money, by deliberately subsidizing housing. In yesterday's press release, CEO Mike Williams didn't even pretend that he's running a profit-making business. "In the first quarter, we continued to serve as a leading source of liquidity to the mortgage market, and we made solid progress in our ongoing effort to keep people in their homes," he said. These efforts to support the Obama anti-foreclosure program resulted in a doubling of loan modifications compared to the previous quarter.

Ramping up modifications makes perfect sense in the upside-down world of Fannie Mae. The company also announced that most of the loans it modified in the first three quarters of 2009 had gone delinquent again within six months.

Does anyone get that? Most of the loans that were modified—at the cost of \$100-and-some billion of taxpayers money—have gone under again, have gone delinquent again within 6 months.

The Wall Street Journal goes on:

Talk about an exciting business opportunity. In case anyone still hasn't gotten the joke, the company also clarified yesterday that its directors "are not obligated to consider the interests of the company" unless the government tells them to do so.

The real joke is that the Obama Administration and Senator Chris Dodd have collaborated on a financial regulatory reform bill that includes no reform of Fan or Fred. Senators should rectify this embarrassment as early as today by voting for John McCain's amendment to end this most costly of all bailouts.

My question to the distinguished chairman is, even if he doesn't accept any of the statements I made, is it true that there are trillions of dollars in toxic assets and, if so, what are we going to do about it and when? If not on this bill, where?

The cynicism out there amongst the American people is at the highest level