be with the Wood family and all those who mourn his death and celebrate his life and his accomplishments. We will remember Specialist Wood when recalling the Nation's warriors who gave their lives so we might live in peace. Their names are etched on the conscience of this Nation.

I offer my prayers to all those serving in uniform today and especially those serving in peril overseas. May God bless them and their families and see them through these difficult times.

Mr. President, I yield the floor.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. DURBIN. Mr. President, I ask unanimous consent to speak as in morning business, and I ask I be given as much time as needed. I promise not to abuse that, but it may go slightly beyond the 10 minutes.

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

The Senator from Illinois is recognized.

FINANCIAL REGULATORY REFORM

Mr. DURBIN. Mr. President, probably tomorrow morning, we will consider this conference report, which is historic in its impact on America. It is the conference report of the Banking Committees of the House and Senate, which were charged with the responsibility to reform the financial laws in America, to make certain that our country never faces again what we faced a short time ago under President Bush.

We can remember that at the end of the President's term, when the economy started to go into a tailspin. I remember it very well because there was a special meeting called in October of 2008 of the leaders of the House and Senate—Democratic and Republican—to meet with the Chairman of the Federal Reserve, Ben Bernanke, and the Treasury Secretary, Mr. Paulson, to discuss a matter of great urgency. Those types of meetings are rare around here, and everyone was a little nervous as we entered the room that is a few feet away from the Senate Chamber.

These two leaders of our economy came forward and told us that we were facing the collapse of major businesses in America. Specifically, they pointed to the collapse of AIG. It was an insurance company—the largest in our country. Unfortunately, they had engaged in some practices where it had promised as an insurance policy that it would back up commercial transactions. If they fail, AIG, the insurance company, would come in and make the parties whole.

They overextended themselves. In so doing, as these commercial transactions started to fail, AIG did not have sufficient reserves to meet their promises. There was a fear that if they started this cascading effect of failures and the inability of AIG to keep its promise, it would result in a panic in our economy and a decline, which would have been even more precipitous than what we had imagined.

It was at this meeting that Ben Bernanke of the Federal Reserve said they were going to provide significant resources to AIG to help them weather this crisis. It came as a surprise to many of us in the room, unaware of the fact that the Federal Reserve had both the resources and the legal authority to do that. It is an authority that had not been exercised, to my knowledge, since it was first created almost 80 years ago.

That was the first meeting. It was an indication of a terrible, rocky, rough road ahead for America and ultimately for the world. Subsequent meetings were even more alarming, as we were told by Secretary of the Treasury Hank Paulson that unless we came up with $800 billion in what was known as the TARP fund, which would be used to basically bail out the largest financial institutions in America, America's economy and the global economy could collapse. I have been involved in public life for a number of years. That is the type of conversation you never forget. Many of us were at a loss to argue the other side of the case that the problem was not that large or that the response did not have to be that significant or that the strategy and tactics were not the right ones. This was really uncharted water. We relied on our economic leaders from the Federal Reserve and from the Department of the Treasury to suggest what we needed to do to go forward.

This rescue operation had some real value, I believe, in slowing down the decline in our economy. But just a few weeks after that, the election of the new President, Barack Obama, really gave to him and the new administration economic challenges which no previous administration had ever faced. When the President came to office, in the month he was sworn in, almost 750,000 were losing their jobs. In the span of the next 60 and 90 days, the numbers grew. The President walked into a terrible situation, with the economy still in decline, with the TARP program President Bush had started in process but not completed, with unemployment reaching modern-day record levels, and with no end in sight. He inherited the biggest deficit in the history of the United States from President Bush. What a contrast to what President Bush inherited 8 years before.

Yesterday, when President Obama named Jack Lew as the new head of the Office of Management and Budget, he said Jack, who is an extraordinarily talented public servant, is fit for the Hall of Fame. I am sure Jack Lew, a modest man, would dispute that. The record speaks for itself.

In his former capacity as Budget Director under President Clinton, Jack Lew, in January of 2001, left President George W. Bush a surplus in the Federal Treasury of $236 billion. That is an amazing legacy, to end 8 years of President Clinton's administration with a surplus in the Federal Treasury, the deficit coming down, Social Security getting stronger, and to hand it off to President Bush. At that moment in time, the accumulated debt of the United States of America from the time of George Washington until the end of the Clinton Presidency was approximately $5 trillion. Eight years later when President George W. Bush left office, the accumulated debt of America had grown from $5 trillion to $12 trillion—more than doubled in an 8-year period of time. Instead of leaving to President Obama a surplus, as President Bush had inherited from President Clinton, he left him a $1.3 trillion deficit. President Bush's administration, which was dedicated to balancing the budget and conservative fiscal policy, more than doubled the national debt that had been accumulated by America in its entire history, and instead of leaving a surplus for incoming President Obama, left him a gaping hole in the budget.

In that context, we have many challenges, but one of the challenges is to make sure we never, ever again experience what happened with these terrible decisions being made on Wall Street and the virtual collapse or decline of the American economy, which led us into our deficit situation, to the business losses across America, and record levels of unemployment.

President Obama challenged us to come forward with Wall Street reform, change the way we do business on Wall Street so we never have to go through this again. Let's not have a repeat of this economic disaster. I commend Chairman Chris Dodd and Chairman Barney Frank for the extraordinary effort they put into this conference report.

More than 2 years after Bear Stearns failed, more than 18 months since Wall Street brought America to the brink of another depression, more than a year after President Obama provided his outline for strong financial reform, finally Wall Street reform is coming. After 8 million Americans—actually, more than 8 million Americans—have lost their jobs; after more than 1.2 million Americans have lost their homes; after the American average household has lost 20 percent of its accumulated wealth and savings, finally Wall Street reform will help prevent such a crisis from ever occurring again.

As we began this debate in the Senate several months ago, we were faced with a series of challenges and questions:

Should we give America's consumers the strongest consumer protections in our history or should we allow Wall Street to continue to do business as usual, complete with the fine print, the tricks and the traps, and the shadowy markets we have today in America?

Should we empower consumers to make informed choices for themselves and their own economic future when it comes to mortgages, credit cards, and student loans by forcing banks and credit card companies to offer clear terms in plain English or should we allow Wall Street and the predatory lenders to continue to skirt the law, knowing there is no cop on the beat to enforce it?

Should we force the Wall Street banks to make their big gambling bets on commodities and everything else they can dream up out in the open, on fully transparent exchanges, or should we allow Wall Street to continue running a multitrillion-dollar shadow casino, one nobody can monitor, one that allowed AIG to nearly cripple the entire financial system?

Should we protect the taxpayers so they never again are faced with bailing out the biggest banks in America? And—let me add insult to injury—after we put all our hard-earned tax dollars into bailing out the big banks, they showed their gratitude by giving bonuses, multimillion-dollar bonuses, to one another. Should we change that? That was one of the questions facing us when we debated this legislation.

This conference report has the right answers to those questions. The Dodd-Frank Wall Street Reform and Consumer Protection Act accomplishes two basic goals: It substantially reduces the risk that financial markets will cause the economy to implode again, and it empowers consumers and small businesses to make better financial choices.

To reduce the risk of another financial crisis, this bill strengthens three traditional layers of oversight of financial institutions:

First, the bill improves basic bank governance so institutions are run more carefully and more prudently. Executive pay and banking is going to be tied more closely to long-term gains rather than massive risk-taking, short-term thinking, and mortgages and other loans will have to be underwritten much more carefully.

Second, the bill helps creditors and investors spot problems more easily at banks that continue to be run poorly. That imposes an extra layer of discipline when bank boards fall asleep at the wheel. Credit rating agencies and the SEC will provide much better information to investors in both the debt and equity markets than investors have today. I might add, as chairman of the subcommittee which funds both the Securities and Exchange Commission and the Commodity Futures Trading Commission, we are dramatically increasing the resources for each of those watchdog agencies to make sure they can implement the new powers given them by this law.

Third, the bill strengthens the regulatory structure that oversees the financial industries. That will help us identify and address failures at these institutions that are not properly managed either by bank leadership or by pressure from the debt and equity markets. A new Financial Stability Oversight Council will require regulators to work together more closely to minimize systemic risks. A new resolution authority will give regulators tools they lacked when Lehman Brothers was in meltdown. And risky derivatives will be brought out of the shadows and into transparent clearinghouses and exchanges so that the transactions can be seen rather than hidden from public scrutiny.

That is all very important, but outside Washington and New York, many American families and small businesses are basically going to ask: That is all well and good, Senator. What is in it for us?

The Dodd-Frank conference report will bring basic accountability and fairness to consumers and small businesses across the Nation.

First, a new Bureau of Consumer Financial Protection will protect consumers of financial products from the worst forms of abusive lending.

One of the benefits of this job is we get to meet some of the most impressive people in America. One of those persons is a woman named Elizabeth Warren. She is a law school professor at Harvard. Several years ago, Professor Warren came and spoke to us at one of these weekend getaways we have to try to think beyond the pressing business of today in longer terms. She said what we need in this country is an agency that helps consumers have enough information so they can make the right choices for themselves when they are making financial decisions.

I went up to her after her remarks, and I said: Professor Warren, I want to introduce that bill. Will you help me write it?

And she did. I introduced the earliest legislation on this issue. My version of it has been included in this bill but changed. I think they have improved substantially on the original bill I offered, but credit should be given where it is due. Professor Warren inspired me to write my bill and I know inspired many on the conference committee to follow through and pass this legislation.

Lenders will have to compete for business based on good loans rather than competing to dream up clever tricks in order to drain as many dollars as possible out of borrowers' pockets.

Finally, there is going to be a cop on the beat with this consumer financial protection agency to ensure that mortgage brokers, private student lenders, payday lenders, banks, and credit unions provide consumers with complete information so families can make good financial choices. I cannot tell you how much the banking lobbyists hate this provision. They came to my office and said: This is the worst idea possible, to have an agency that is going to watch the documents we put in front of our borrowers to make sure they do not include deceptive language, tricks, and traps that could literally cost a person, a family, the money they have saved. Fortunately, we overcame that lobby and included this consumer financial protection agency as part of the act. Finally, there is going to be a single voice in Washington, DC, with the mission of helping consumers make the right decisions for themselves.

Second, small businesses and merchants will receive relief from one of their largest expenses over which they currently have no control—debit card interchange fees. For most people, they never heard of it. But ask a restaurant, a business, a grocery store in Iowa, in Illinois, or in New Mexico what is the biggest pain in the neck they are running into, and they will tell you that on the short list is the money they have to pay to Visa and MasterCard and other credit card and debit card companies every time a customer uses a card. You don't think about it, do you, that when you hand over that credit or debit card to pay for your restaurant bill, not only do you have an obligation to pay what you have just charged but the restaurant is going to end up paying a percentage of your bill to the card company.

It turns out that small businesses and merchants across America have literally no strength, no power, no voice in determining these interchange fees. We are becoming more and more a plastic culture. Our young pages here in the Senate—and I think of my own children—many of them don't carry much cash around any more. They have little plastic debit cards and credit cards which they use when they become of age and are eligible for them. More than half the transactions in America now are done in plastic. As more of these transactions take place, the merchants and businesses which honor the cards find that the interchange fees charged by the credit card companies are virtually uncontrollable, until this bill.

For years, Visa and MasterCard, and their big bank backers, have unilaterally fixed prices on the fees small businesses pay every time they accept a debit card from a customer. The two giant card networks control 80 percent of the debit card market—that is Visa and MasterCard. And it is no surprise that debit interchange fees have risen, even as the price of processing the transaction has fallen. They can impose these prices and say to the local businessperson: Take it or leave it. Small businesses in Illinois and throughout the country have pleaded over and over again with these card network giants: Give us some way to reduce these costs so that we can reach profitability, hire more people, and prosper as a business and pass on savings to consumers.

The conference report that we have before us will require the Federal Reserve to ensure that Visa, MasterCard, and their big bank allies can only charge debit interchange fees that are reasonable and proportional to the cost of processing each transaction. It also prevents Visa and MasterCard from engaging in certain specific anticompetitive practices. I might add, the Department of Justice's antitrust section has confirmed publicly, at a meeting before the Senate Judiciary Committee a little over a month ago, that Visa and MasterCard are currently under investigation. Finally, Visa, MasterCard, and the Wall Street banks will face some check against their unbridled market power in the credit and debit industries.

Finally, small businesses and merchants are going to have relief that will lead to real savings, profitability, and reduced cost for consumers. The Dodd-Frank Wall Street Reform and Consumer Protection Act is a landmark bill, including the most sweeping reforms to Wall Street since the New Deal.

Let me tell you the political reality. In the Senate, there are 41 Republican Senators. The bill I have described should be a bill supported by both sides of the aisle. We will be fortunate to have four or five Republicans step up and join us to pass this bill. The overwhelming majority of Republicans will oppose this bill and side with the banking industry.

One of the Republican leaders in the House, JOHN BOEHNER of Ohio, said we were using with this bill a nuclear weapon to kill an ant. I don't think anybody in America believes the recession we are facing today, with 8 million unemployed and 1.2 million losing their homes, is an ant. It is devastating to the millions of Americans who are unemployed and those who are losing their homes. I think this response is a measured, thoughtful, good response to deal with it.

Why don't we have the support of more Republicans? Why won't they step up with us and make this bipartisan? Four or five of them will have the courage to do it, and I tip my hat to them. I am glad they are joining us. This should be a bipartisan effort. But the others need to explain why they do not want us to move forward with financial regulatory reform. They have to explain why they wanted to stand for the status quo, leave the laws as written, and run the risk of another recession in another day, leading to millions of people losing their jobs and businesses failing. They do not have an answer for that. Their vote against this will be good news to the banking industry, the special interest groups, such as credit card companies, but it certainly doesn't face the responsibility we all have to deal with the economic crisis facing this Nation.

On behalf of the taxpayers in Illinois and throughout the country, who never again want to bail out big banks, I wholeheartedly support this bill's passage. On behalf of consumers and small businesses in Illinois and throughout the country, who want the power to make wise financial choices, I wholeheartedly support this bill. I am going to urge my colleagues to vote yes on this conference report so that President Obama can sign this bill into law.

Finally, reform will have to come to Wall Street.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. BURRIS). The Senator from Iowa.

EXTENSION OF UNEMPLOYMENT COMPENSATION

Mr. HARKIN. Mr. President, I want to thank my friend and our majority whip, Senator DURBIN, for laying out, I think in very stark and honest and open terms, what we are facing in this country today. I wish to pick up on that and to carry it a little further in talking about the number of people who are unemployed, what is happening to people across America today who can't find work, while the Congress sits here immobilized, unable to pass an extension of unemployment insurance benefits.

It is unconscionable what is happening to so many people in America, through no fault of their own—people who are at the end of the line. They are looking to us, asking us to do something. Yet the Congress sits here immobilized, unable to act. We are unable to act because a small minority here in the Senate on the Republican side refuses to let us move ahead with an extension of unemployment insurance benefits. If we could ever have a vote—if we could get a vote on it—we would get over 50 votes. A majority would vote for the extension. But once again, under the rules of the Senate, a minority of the Senate gets to decide what we vote on.

I wonder how many students in government classes that are being taught in high school today, even in college, are being taught that the majority does not govern in the Senate. I wonder how many understand that in our democratic form of government, 41 Senators decide what we vote on—41. Not 51 but 41 Senators decide what legislation comes before this body.

You can go back to the Framers of our Constitution and read all they wrote in our Federalist Papers—what Madison said and others—and they all warned against the tyranny of the minority. That is why they set up a system of majority rule. I think it was Madison who referred to the aspect as perhaps a small junta being able to control legislation if we did not have a majority vote. Well, we have turned that on its head. Because today, a minority—41 Senators—decides what we vote on. Please explain that in terms of our democratic principles to kids who are taking government classes throughout America today.

Go to other countries, where we are trying to get them to establish democratic forms of government, and tell them: Oh, it is okay to have a minority decide what you vote on. They have to scratch their heads and say: What are you talking about? We need a majority. Yet here in our own country, a minority rules in the Senate.

I know a lot of polls show that people are angry and they are mad at Congress. I can understand that. If I had been out of work for 99 weeks and I had a family to feed and house payments to make and all of a sudden my unemployment insurance benefits ended, I would be pretty mad at Congress too. I think what the Republicans are counting on is that this fall they will be so mad they will vote against whoever is running Congress, and that is the Democrats, obviously. That is what they are counting on; that people will vote because they are mad, they are angry, and they will vote the Democrats out. Yet it is the Republicans, a minority, who are keeping us from voting on extending unemployment insurance benefits.

I don't care what my friends on the other side of the aisle think. The American people will know. People are not stupid. The voters of this country are pretty smart. Oh, you might fool them for a little bit. As Abraham Lincoln said: You can fool them for a little bit, but not all the time. And pretty soon they will catch on. They will catch on that the Congress is not acting because a small minority of the Senate will not let us act.

A group of business economists recently released their economic outlook and they said that we are on track for recovery. They gave a large share of the credit to the Recovery Act that we passed last year, of course without one single Republican vote. I think the recovery bill prevented a catastrophe. But, quite frankly, the economy is still in the doldrums. Sales of new homes plummeted last month to 33 percent, the lowest level in 40 years.

According to the Federal Reserve, U.S. companies—get this—private U.S. companies are now hoarding an all-time high sum of $1.84 trillion in cash. Companies in America are holding $1.84 trillion in cash. They are unwilling to invest, to hire, or to expand. So again, it is a very fragile recovery that could dip back into even another big recession.

We had the Great Depression in the 1930s. In the 1990s, as a result of the profligate spending and the huge tax cuts for the wealthy under the Bush administration and the Republicans who controlled Congress—as the Senator from Illinois pointed out—President Obama was left with a deficit of $1.3 trillion. When President Clinton left office, there was a budget surplus of about close to $300 billion. Because of all that, we have had the great recession of the 2000s—2007, 2008, 2009, and now 2010.

A lot of figures are thrown around about how many are unemployed. The official unemployment is 9.5 percent