more than double where student loan rates were at the beginning of this month. It has a low rate, but it is, in effect, a teaser rate. As the Presiding Officer said so well, it is a teaser rate that has nowhere to go but up. It lowers the deficit, yes, but it does so by having the Federal Government reach into the pockets of students and take billions more on top of the $51 billion already extracted in this fiscal year from them and from their hard-working parents.

At the heart of this bill is a mistaken premise. It is the premise that it is OK to profit off the backs of students and that it is all right to regard students as a revenue source or a profit center. That premise reverses a historic promise, which is: We will invest in students, not profit from them. We will support their efforts to gain higher education so they can better themselves and better the country with the skills and education they acquired. We are not supposed to hamper or handicap them and exact from them a crushing burden of debt in the future. That premise reverses a historic promise, and we cannot allow it to go forward without a fight.

Every dollar we extract from those students is a dollar they can't spend on a down payment for a house, a car, a business or an investment. These young people are the economic drivers of our future. Let's be purely selfish about it. How can they build a family, buy a home, start a business if they are hit with an 8-percent interest rate or higher at a time when we can make it more affordable? It makes no sense.

I have spoken to students across the State of Connecticut over these past weeks, and they have done the math. They know the results. As many as 86,000 students who attend our colleges and universities—and I have spoken to many of them, their families, the staff and teachers who are also doing this math—and they know the best way to reduce our deficit is not to profit from students but to make possible their higher education so they can bring their innovation and experience and expertise to the marketplace, and not make the marketplace dictate the variable rates they are charged, but enable them to contribute to the marketplace and the American dream by going to college.

IS understand the temptation of this deal, but we must reject a compromise that saves the American dream for one sibling in a family by taking away from another. My colleague from Rhode Island made this point very eloquently earlier today. If a person is a student in high school right now, they will do pretty well under this bill when they begin college next year, but not their younger brother and sister. The sister will be paying for the current student. The brother will be paying more and, in fact, may be denied the opportunity the present student has next year because the parents cannot afford to send him to college.

The issue of loan rates is complicated, but the math is pretty simple. There is already more than $1 trillion of crushing loan debt that this bill is not refinancing. The bill provides no debt forgiveness, just market rates that will lead to higher payments and more student debt as we zoom past that $1 trillion mark and raise it even further. The irony here is that the majority of this body has already voted to return to 3.4 percent. This compromise betrays the majority will of the Senate. Instead, it allows rates to rise as high as 8.25 percent, graduate Stafford rates as high as 9.5 percent, and PLUS rates as high as 10.5 percent. So we are saying to parents of two children: You can send one to college now with a loan that you take out at current rates, but to pay for that second child, you are going to be seeing rates more than twice as high.

Do my colleagues think the income of the average middle-class American family is going up 10.5 percent? Ask the American people. Do as I have done. Go around to the States and ask the students and the parents.

Let's not kid ourselves. The fact is they are not going to be able to pay. This compromise relies on a presumption that somehow, over the next 2 years, we are going to come back and revisit, revise, reshape, and avert disaster. I have only been here 2½ years, but what I have seen is it is better to know what the result is going to be than engage in potential false hope and raise the potential false expectation that somehow everything will be solved next year or the year after, before disaster strikes. We should learn something from our experience with sequestration.

This bill is not based on analysis of what the rate needs to be to cover the program's cost. In fact, it requests the GAO to examine and report on what that should be. So I implore my colleagues, instead of voting first and getting the facts later, that we reserve such a life-changing decision until the GAO has advised us on the cost of student loans and we use that necessary information to set the rates going forward.

There are amendments that I believe will improve this bill, and I have cosponsored them, including an amendment Senator REED and the Presiding Officer, Senator WARREN, have offered that would lower the interest rate caps in this bill to the current statutory rate. If this amendment is adopted, we can go back to the people of our States and say: At worst, you will be no worse off than under current law. We cannot say as much under this compromise bill.

I have also cosponsored the Sanders amendment which would sunset this legislation after 2 years. If interest rates rise the way they are projected to do, we could be looking at dramatically higher rates within 3 years. So this sunset clause will force us to come back and revisit them.

I have also filed my own amendment that would expand and make more generous loan repayment assistance programs for borrowers who are struggling right now to make payments under existing law. At a time when outstanding student debt is $1.2 trillion, we need to make sure we help and support distressed borrowers at every stage of repayment, and that is the unaddressed need this body needs to confront.

I am hopeful these amendments will be adopted. In the meantime, I must respectfully and regretfully oppose this compromise. We are the greatest Nation in the history of the world, as we are fond of saying repeatedly on the floor of this body. But only one thing is certain about the Bipartisan Student Loan Certainty Act, and that is rates will inexorably, inevitably, inexcusably go up. They will exceed current rates. We must stand and fight to prevent that kind of betrayal of the fundamental American promise of higher education and the American dream.

Thank you, Madam President. I yield the floor.

The PRESIDING OFFICER. The Senator from Ohio.

BANK HOLDING COMPANIES

Mr. BROWN. Madam President, most of my colleagues might look at these pictures and think they depict facilities owned by ExxonMobil or BP, but this is, amazingly enough, a picture of Morgan Stanley. Morgan Stanley, to most Americans and most people in this Chamber, if they know of it, is a bank. Morgan Stanley used to be an investment bank and now it is just considered a bank. Let me explain.

Morgan Stanley owns a company called TransMontaigne, a petroleum and chemical transportation and storage company, and Heidmar Inc., which reportedly manages more than 100 oil tankers—tankers that look like this.

Today I held a banking subcommittee hearing, which the Presiding Officer attended, as did Senator MERKLEY and Senator TOOMEY, to examine how the line between banks and commercial enterprises is blurring. Increasingly, these large institutions combine banks and trading firms and energy suppliers and oil refiners and warehouses, as well as shipping firms and oil tankers and mining companies.

Federally insured bank holding companies, once in the business of providing checking and savings accounts to workers or loans to small businesses, are now also in the business of owning physical commodities, including aluminum, oil, and electricity. Witnesses testified at the subcommittee hearing that these risky Wall Street practices are artificially inflating prices for manufacturers and consumers. Morgan Stanley and JPMorgan Chase and Goldman Sachs take their cut when we fill up our tanks, take their cut when we buy a Coke or buy a beer in an aluminum can. They take their cut increasingly in the copper market, a metal that is in all kinds of industrial products.

A recent article in the New York Times said:

The maneuvering in markets for oil, wheat, cotton, coffee and more have brought billions in profits to investment banks like Goldman, JPMorgan Chase Morgan Stanley, while forcing customers to pay more every time they fill up a gas tank, flick on a light switch, open a beer or buy a cell phone.

For years, our Nation separated banking from traditional commerce. But about 13, 14 years ago, after years of eroding that protection, Congress finally tore down what was left of that wall. Beyond just combining commercial banking with insurance and investment banking, banks are now allowed to trade in commodities and to engage in a variety of nonfinancial activities. Four years later, after that 1999 repeal, the Federal Reserve enabled the first financial holding company to trade in physical commodities.

The justification for this is a familiar one: Other companies were doing it, they told us, and banks were at a competitive disadvantage. Over the next 6 years, the rules unraveled, becoming looser and looser, until the loopholes were big enough for these six megabanks—now $600 billion in assets, up to $2.3 trillion in assets—the loopholes are big enough for these six megabanks to jump through.

The expansion of our financial system in traditional areas of commerce—from crude oil to natural gas to mining and shipping—hasn't happened in a vacuum. It has been accompanied by a host of anticompetitive activities. These activities threaten consumers. They threaten American businesses that rely upon efficient markets and arm's-length transactions. They especially threaten American manufacturing when they buy and sell and manage and transport and store metals.

From speculation in the oil and gas markets to inflated prices for aluminum to energy manipulation—we know the role of banks has expanded. Banks have expanded far beyond their traditional roles.

There has been little public awareness of or debate about the massive expansion of our largest financial institutions into new areas of the economy. That is, in part, because regulators have been less than transparent about basic facts. We can't get the information from the Federal Reserve. Whether a person is a citizen or a reporter or a Senator sitting on the Banking Committee, we can't get from the Federal Reserve the information we need to know about the governance and these rules about commodity trading by the banks. It is also because these institutions are so complex and so dense and so opaque and so impossible for people to understand that we simply can't figure out what we need to figure out.

The six largest U.S. bank holding companies have 14,000 subsidiaries. The six largest U.S. bank holding companies have 14,000 subsidiaries. Fewer than 20 of those 14,000 are the end of our traditional banks.

There are three important issues here that concern me—that Morgan Stanley can own refineries and can own the ships. Three important issues concern me, whether it is Morgan Stanley, whether it is Goldman Sachs, or whether it is JPMorgan Chase, for aluminum, copper, electricity, or oil.

The lessons of this hearing were three. No. 1, these institutions can control physical goods and financial contracts based upon those goods, meaning they know more about the trading of these goods because they store the aluminum in two dozen warehouses in Detroit or because they are moving the oil in these tankers. They know more about transactions, they know more about price, they know more about movement of goods, so that means they can trade on inside information and it gives them an advantage in proprietary trading. It means they can manipulate markets.

No. 2, these institutions—these banks that own the oil tankers and own the refineries—have access to cheap funding—cheaper funding from the Federal Reserve—that means us, as taxpayers—that they can use to finance their commodities activities. I will say that again. Because they can go to the window, they can get cheaper financing. These banks can get cheaper financing.

They say there is a wall between their traditional bank activities and what they are doing while owning these commodities and buying and selling and transporting and storing and gaming the markets, but they can get money cheaper from taxpayers. They can borrow money at a less expensive rate than anybody else, they and their competitors who also might own oil tankers or refineries.

No. 3, they are exposing themselves and us—the economy—to risks that can threaten our financial system. Just imagine the economic, the environmental, and the reputational impact to a megabank of an Exxon Valdez or a BP oilspill. Think of the economic impact that could have on the stability of the bank and the success of the bank and, therefore, the stability of the whole financial system.

Today was the first of what I expect to be several hearings on this issue. Taxpayers have a right to know what is happening. American citizens have a say in our financial system because taxpayers are the ones who will be asked to rescue these megabanks yet again if the unthinkable—which almost inevitably happens in this world over time—if the unthinkable happens.

NATIONAL LABOR RELATIONS BOARD

Mr. BROWN. Madam President, in 1935 Senator Robert Wagner of New York introduced the National Labor Relations Act. Also known as the Wagner Act, this bill would prove to be one of the most important pieces of legislation in our Nation's history. This desk at which I sit was used by Senator Hugo Black of Alabama, who was Franklin Roosevelt's favorite southern Senator, they said, who later became a member of the Supreme Court. Senator Black sat at this desk and helped draft legislation with the National Labor Relations Act. In fact, he did some of the early work on what would be the Fair Labor Standards Act. What he proposed as a 30-hour workweek later helped Senator Wagner pave the way for the Fair Labor Standards Act.

Before President Roosevelt signed the National Labor Relations Act into law, American workers were routinely harassed and fired for organizing unions. American workers were often intimidated and prevented from bargaining collectively. The Wagner Act changed that. One year after its passage in 1936, this law gave rubber workers in Akron, OH, the legal tools needed to protect against poor working conditions and to protest the conditions under which they were working. The bill authorized an independent Federal agency consisting of Presidential appointees confirmed by the Senate.

The National Labor Relations Board protects American workers. It protects union members and private sector employees without a union card—both—to work together to improve their wages or working conditions. Today, the NLRB is needed perhaps more than ever.

Let me tell you a story real quickly, Madam President. A few years ago I was in Cincinnati at a dinner, and sitting at the table in front of me were six or seven middle-aged women—half White, half minority, perhaps.

They had just signed their first union contract with the Service Employees International Union. These five or six women were the negotiators on behalf of 1,200 janitors negotiating with the downtown Cincinnati business owners. There was an empty seat at the table, so I went and sat down.

I said: What does having this union mean to you?

They had just signed the contract that day.

One woman said: I am 51 years old. This is the first time in my life I have ever had a paid 1-week vacation.

Think about the number of Americans who do not have a paid 1-week vacation. For people in jobs that dress like me, for the pages sitting here, most of their parents, I imagine, are used to working in a place where they get a 1- or 2- or 3-week paid vacation. Much of America does not. That is just one of the things a union has brought to this country—giving people those opportunities.

The reason I say the NLRB is needed perhaps now more than ever is that in 2013 State legislatures are curbing collective bargaining rights. Two years ago in Ohio, the State legislature and Governor Kasich took away collective bargaining rights for all intents and