

here—AmeriCorps, Low Income Home Energy Assistance Program, Corporation for Public Broadcasting, the African Development Foundation, and many more—all eliminated in this budget in order to prioritize a focus on our military and defense.

I don't think the President understands that we cannot maintain our status as a global leader with defense and military alone. We need to ensure that a complementary strength exists in our development and diplomacy programs, which are less than one-tenth of our spending on national defense.

I recently had the opportunity to see the impact that USAID and our programs to assist the hungry and needy around the world can make in stabilizing fragile states and preventing them from becoming failed states. We spent less than one percent of the Federal budget on these sorts of programs. They provide a critical connection to parts of the world where a positive understanding of America and our values would be a good thing.

The international affairs budget, which includes needed funding for USAID, the State Department, and other related programs, would be cut by one-third under the Trump budget—a 29 percent cut to the State Department alone.

If history is any indicator, the last 70 years show these investments in diplomacy and development are critical. Foreign assistance is not charity. It serves a humanitarian purpose, but it also makes us stronger by promoting American values around the world, building coalitions that isolate our adversaries, and helping make tens of millions less susceptible to terrorism and to extremism around the world.

This is a false choice between significantly increasing our defense spending and the need to sustain our investments in diplomacy and development. I hope my colleagues and constituents will take time to think about the many different Federal programs that I have briefly discussed in these remarks about the proposed budget and all the different ways that these Federal programs have invested in our quality of life, in our national security, and our economic prosperity. Many of them are scheduled for elimination under this budget.

As I have heard both Republicans and Democrats say in press interviews and on this floor: No President's budget is adopted without change. It is my hope that this budget will be set aside and that the folks who represent our States here will begin anew the process of building an appropriations path forward that actually protects our country, protects our livelihood, and invests significantly in sustaining and saving the very best of these programs that have benefited my home State and my constituents for so very long.

With that, I yield the floor.

The PRESIDING OFFICER. The Senator from Louisiana.

#### REFORMING FINANCE FOR LOCAL ECONOMIES ACT

Mr. KENNEDY. Mr. President, I rise today to discuss my bill, the Reforming Finance for Local Economies Act, which I introduced earlier this week. This bill is very simple and straightforward. It would exempt community banks and credit unions with assets of less than \$10 billion from complying with the loan-killing, anti-jobs disaster that we commonly refer to as Dodd-Frank. Every reasonable person with a passing knowledge of our banking system knows the destabilizing effect that Dodd-Frank has had on local economies, community banks, and the Nation's credit unions.

Just last week, President Trump turned to the problems wrought by Dodd-Frank by signing two Presidential memorandums to take a look at the Orderly Liquidation Authority and the systemic risk designation process at the Financial Stability Oversight Council. I applaud the President's efforts in that regard. I believe they are desperately needed. Reforming this flawed law is crucial to the future success of the American economy.

Some of my colleagues were here when Dodd-Frank was passed in 2010. As we all know, it was intended to prevent another 2008-like banking crisis by strengthening Federal Government regulation of financial services. But in the process, as so often happens, Congress actually crippled America's small community banks and credit unions that played absolutely no role—none, zero, nada—in instigating the 2008 meltdown. And that is not just my opinion. Our Federal Reserve Chair, Dr. Janet Yellen, appeared before the Senate Banking Committee earlier this year—actually, February 14. When it was my turn to ask her questions, I asked her the following simple question: “What did community banks do wrong in 2008?”

This was the Chairwoman's answer: “Well, community banks were not the reason for the financial crisis. It was larger institutions that took risks and risks that developed outside the banking system.”

Let me read that first sentence again. Chair Yellen: “Well, community banks were not the reason for the financial crisis.”

I believe she is right. The fact is that our smaller banks and our credit unions are smothering under the weight of Dodd-Frank. I will give you an example of what I am talking about. The Truth in Lending Act passed by Congress is actually 22 pages long. The Federal Reserve Act, setting up our Federal Reserve System, is 32 pages long. Glass-Steagall, about which we heard a great deal, was 37 pages long. Dodd-Frank is a breathtaking 2,300 pages with 22,000 pages of regulations. You can stand on the thing and paint the ceiling.

That is why so many community banks no longer exist. Those that have managed to survive have seen their costs go up, their profits go down, and

their ability to make small business and consumer loans curtailed—all as a result of the unnecessary, heavy hand of government. In fact, since Dodd-Frank was passed in 2010, this country has lost 1,700 small institutions. The reason is very simple. Dodd-Frank has forced community banks and credit unions to merge, consolidate, or to go out of business because of the heavy hand of regulation and because they can't make the loans that they normally would be able to make.

Nationwide, we have been losing an average of one community bank or credit union a day—every single day—since Dodd-Frank was passed because of its costs, which have driven our banks to sell or merge with larger banks. It is so ironic that this forced consolidation—forcing our smaller banks and credit unions to either merge with or be bought out by larger institutions—has caused even greater concentration of assets on the books of even larger and, in some cases, too-big-to-fail banks that Dodd-Frank was supposed to do something about.

My legislation will help 5,785 American credit unions. It will help 5,461 community banks in our country survive. Specifically, financial institutions with assets of less than \$10 billion—if you are a financial institution and you have less than \$10 billion in assets, you will be exempt completely from Dodd-Frank, its 2,300 pages and its 22,000 pages of regulations. We are talking about a lot of banks.

Banks with less than \$10 billion in assets make up 92 percent of our Nation's banks, according to the FDIC. Banks with less than \$10 billion in assets provide 48 percent of all small business loans, 16 percent of residential mortgages, 44 percent of lending to purchase farmland, 43 percent of lending for farm operations, and 35 percent of commercial real estate loans. If my bill passes, these institutions will no longer have to reduce their products and service offerings in order to divert resources to compliance, to interpretation, and to execution.

The expertise of our smaller banks and credit unions in America in evaluating risk will no longer be reduced to some algorithm—some mathematical exercise. Instead, our institutions will be able to deliver the desperately needed capital to the customers they know so well because that is what community banks and credit unions do. They take in local deposits, and they make loans to local borrowers whom they know and whose creditworthiness they can closely monitor because community bankers, as we all know, are relationship bankers. They don't participate in widespread subprime lending. They don't use derivatives to speculate, and they never did. Most of them have fewer than 100 employees.

The type of regulation they need—and I am not suggesting they don't need regulation. What I am suggesting is the type of regulation they need—because of the risks our small institutions take—is much different than the

regulation needed by a \$700 billion or a trillion-dollar bank.

I am certain that the proponents of Dodd-Frank were well-intentioned when they wrote and passed it. But 150 years ago, doctors used to bleed their patients with the best of intentions. They stopped doing that because their patients died. That is why I suggest today that we eliminate Dodd-Frank for our smaller institutions. Making Dodd-Frank applicable to community banks and credit unions is a lot like using a sledgehammer to go after a gnat. It is way over the top.

Now, certainly our smaller institutions need regulation. Certainly, they need regulation to ensure that they are stable and secure. Our small institutions know that. They know they need it. They want it. They welcome it. But even after my bill becomes law, community banks are still going to be subject to a strict regulatory scheme established by dozens of applicable Federal statutes. I am talking about the Banking Secrecy Act, the Electronic Fund Transfer Act, the Truth in Lending Act, and the Equal Credit Opportunity Act, and I could go on and on.

All of these statutes will still apply to our smaller banks and credit unions. Our smaller banks and credit unions—now exempt, if my bill passes, from Dodd-Frank—will still be under the supervision of the Federal Reserve. They will still be under the supervision of the Comptroller of the Currency. They will still be regulated by the Federal Deposit Insurance Corporation, the National Credit Union Administration, and even the Department of Justice.

America's smaller lending institutions need some relief. What they need is relief from the destabilizing consequences of Dodd-Frank. The Reforming Finance for Local Economies Act, in my estimation, is a step in that direction. I would also like to say, in closing, that I am pleased that both President Trump and Senate Republicans are committed, as we are, to paving the way for new businesses and the jobs they create through regulatory reform as our actions have already proven this year.

However, I would also like to stress that helping our community banks and credit unions is a bipartisan issue and one that I hope will garner support from many of my colleagues, not only just on the Republican side of my aisle but by friends on the Democratic side of the aisle.

I welcome their support. I look forward to working with my fellow Senators on the Banking Committee to find some commonsense solutions that will help grow our local economies.

I yield the floor.

The PRESIDING OFFICER (Mr. STRANGE). The Senator from Louisiana. CONGRATULATING SENATOR KENNEDY

Mr. CASSIDY. Mr. President, I would like to acknowledge my experienced and talented friend from Louisiana in his maiden speech, speaking about something that reflects his experience.

Briefly, his experience, aside from being an outstanding citizen, was as a secretary of revenue in Louisiana, a State treasurer in Louisiana, and an attorney and a law school professor.

So now there are his committee appointments, which include the Banking, Appropriations, and Judiciary Committees, which are tailor-made for what he does. As a product of a small town and as someone who as treasurer in our State has been so aware of the economic development issues, no one would know better than he what a critical role small banks play in generating the capital and delivering the capital to a small business that grows to be a bigger and a bigger and a big business, while along the way employing more folks.

So, as we as a nation grapple with how to create better-paying jobs, it is fitting that Senator KENNEDY would begin by speaking directly to how to create better-paying jobs. I welcome him as a colleague. I look forward to working with him for things that would benefit our State, our Nation, and the people who live here.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BLUMENTHAL. 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. BLUMENTHAL. Mr. President, in less than an hour, we will consider the nomination of Rod Rosenstein to be Deputy Attorney General of the United States.

We consider his nomination under highly unusual, if not unique, circumstances. Only today, there were revelations from the House Oversight Committee at a bipartisan conference indicating that General Flynn, formerly the National Security Advisor, may have broken criminal laws by his concealing payments from Russia—specifically, from Russia Today—in connection with his speaking fees and travel expenses in 2015. He concealed these payments in security clearance forms submitted in 2016, SF86 forms. False statements on such forms are a violation of our criminal laws. His potential criminal liability is a serious and important allegation that needs to be investigated further.

What we know for sure is that the investigation of this allegation and others—this very colorful violation of Federal criminal law—can be done reliably, impartially, and credibly only by a special prosecutor. That is why I have asked Mr. Rosenstein to commit that he will appoint a special prosecutor to investigate this allegation as well as others involving the President's staff, campaign associates, and staff in connection with Russia's interference with our election.

There is no question that the Russians sought to interfere and that they

did so. That is the conclusion of the investigation that was already done by our intelligence community, and it is a conclusion that is virtually universally accepted. The only question now is this: What was the involvement and potential collusion and aiding and abetting of Americans in that Russian cyber attack on this country? In my view, it was an act of war. We can debate that question.

What is undebatable is the need for a thorough, impartial, vigorous, and aggressive investigation that will give that information to the American people. It must be an investigation that can pursue criminal wrongdoing, if it is proved, and that can prosecute it and ultimately make that investigation transparent to the American people so they know what actually happened.

I have asked Rod Rosenstein to follow the precedent that was established by Elliot Richardson under circumstances that were not unlike the ones we encountered here.

The saying is that history almost never repeats, but it rhymes. What we have here is a situation that rhymes with the one that Elliot Richardson encountered when he was Attorney General-designee. He was requested to appoint a special prosecutor as a condition of his confirmation. He agreed to do so in 1973. He appointed Archibald Cox. That, in turn, led to the Watergate investigation and, ultimately, it vindicated the judgment on the part of our Senate Judiciary Committee that an independent special prosecutor was necessary under those circumstances.

My colleague who is presiding, as a former State attorney general, knows well the importance of independence and credibility in any judicial role of this kind. This Nation now faces a looming constitutional crisis—again, not unlike Watergate, which ultimately resulted in United States v. Nixon before the U.S. Supreme Court, a subpoena that had to be enforced by that special prosecutor against the President of the United States.

Only Rod Rosenstein can vindicate that important public interest. Only the Deputy Attorney General of the United States can appoint a special prosecutor because the Attorney General rightly has recused himself. Jeff Sessions has recused himself because of his own conversations with Russian officials, which he failed to disclose during testimony to the Judiciary Committee.

Only the Deputy Attorney General can perform that vital function, and only a special prosecutor can do what is necessary to vindicate the public interest through a vigorous investigation into any criminal wrongdoing and to prosecute lawbreakers.

I have confidence that our Intelligence Committee in the Senate will impartially and objectively do whatever it can to uncover the truth. But even if it succeeds—and there are obstacles and challenges to its success—it cannot pursue a criminal investigation,