speak for as much time as I may consume.

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

Mrs. BOXER. Mr. President, thank you very much.

FINANCIAL REGULATORY REFORM

Mrs. BOXER. Mr. President, this is good news we just received that our Republican colleagues have decided to allow us to proceed to the debate on the Wall Street reform bill. I was, frankly, confused as to why they were objecting. But in any event, without going through that, I am very pleased they have backed down in terms of their objection because we want to get to this bill.

Many of us have ways we feel it can be made stronger. I bet there will be some amendments to make it weaker. And that is what the process is all about. The most important thing for the American people to know tonight is that an issue of critical importance is moving forward in the Senate.

I think it is important for us to remember the real reasons as to why we are taking up this bill. Even though it is painful to review the dark times of 2008, when our economy and the world economy were really on the brink, I believe it is important for us to do that review.

I asked my staff to put together some of the headlines from those days. We are going to go through a couple of charts and I will read a few of them, because we need to remember what it was like in those dark moments in our history.

Here is a picture of a Wall Street trader and he is under a headline that says ''Black Monday.'' It was at a moment when the first bailout happened. It says, ''Bailout Fails, Stock Drop Most In History.'' Then we look at this one: ''Where Do We Go From Here?'' ''NASDAQ: The Biggest Fall Since Dot.com Crash.'' ''Dow Down 778.'' ''Time'' magazine, ''Wall Street's Latest Downfall: Madoff Charged With Fraud.'' ''Feds' Rescue Plan: The Bailout To End All Bailouts.'' ''Jobs, Wages, Nowhere Near Rock Bottom Yet.'' ''Credit Crunch Continues As Lending Rates Climb.'' ''U.S. Consumer Sentiment Decreases To A 28–Year Low.'' ''U.S. Loses 533,000 Jobs In The Biggest Drop Since 1974.''

That is one chart, and I have one other, just to remind us where we were. San Jose Mercury News: ''Foreclosure Wave: San Jose Fights To Protect Neighborhoods.'' ''Carnage Continues: 524,000 Jobs Lost.'' ''Wall Street Employees Set To Get $145 billion.'' That is in bonuses during all of this. ''Economy In Crisis,'' ''Foreclosure,'' ''Lehman Files For Bankruptcy,'' ''Merrill Sold,'' ''AIG Seeks Cash.'' We know all about that. ''What now?'' ''The Dow Falls 777,'' ''Economy On The Brink.'' ''U.S. Pension Insurer Lost Billions In The Market.'' ''Housing Prices Take Biggest Dive Since 1991.'' ''U.S. Drafts Sweeping Plan To Fight Crisis As Turmoil Worsens In Credit Markets.'' And here is one: ''Full Of Doubts, U.S. Shoppers Cut Spending.''

I read these headlines to my colleagues to bring back those dark, dark, dark days and why we are here today trying to make sure it never happens again. If we don't learn from history, we are doomed to repeat it, and we have learned and we are ready to make sure this never happens again.

Those dark times came because we allowed Wall Street to engage in unregulated and unsupervised gambling. I have to say I am an economics major. That goes back quite a bit of time. Many years ago, before any of these kinds of exotic instruments were created, I worked on Wall Street as a stockbroker. I can tell my colleagues that every time the President of the United States would sneeze and the market went down a few points, I worried. I can just imagine how I would have felt if I would have had clients in this kind of situation where there was no control.

A shadow banking system grew up that fueled an unsustainable housing bubble. From 2001 to 2007, the issuance of toxic private mortgage-backed securities increased by over 400 percent. These securities were rated by credit rating agencies—the credit rating agencies that were supposed to be tellers of the truth. They are supposed to say to the consumer, uh-oh—I sound like my grandchild who says uh-oh—that is what they are supposed to say: Don't buy those securities because they are not good. But these credit agencies, rating agencies such as Moody's and Standard & Poor's, frankly, acted as though they were in the pockets of the issuers who paid them. In other words, they gave a good answer. If you wanted to issue securities—I don't care whether it is Goldman or anybody else—you go to these fellows, you pay them, and they tell you something good. What went wrong? That is a disaster. Where is the fiduciary responsibility in any of these relationships?

The unregulated over-the-counter derivatives market also grew by over 400 percent to a value greater than the entire U.S. economy. The unregulated over-the-counter derivatives market grew by over 400 percent to a value greater than the entire United States economy. Wall Street institutions critical to our economy purposely created complex paper instruments that had no real value. In these hearings Senator LEVIN is holding, we see what happened when one company—Goldman—knew—and I can't use the words they used because it would be improper on the floor—they knew a product they were selling was just plain junk and they sold it to their customers, to their clients. One of the people said in an e-mail: Wow, think of all the orphans and the widows we are hurting. That sounds to me like the Enron scandal where we had traders doing the same thing when energy prices went through the roof.

In 2007 and in the first part of 2008, the house of cards began to collapse, because backing up these new complex instruments Wall Street created were these exotic loans that consumers could never repay unless housing prices continued to soar to unrealistic levels. So they created these instruments that were backed by these mortgages that were doomed to fail unless the economy continued to shoot like a star straight up and the housing market went up. The housing bubble began to deflate, and think about all of these derivatives and all of these exotic securities that were based on housing. Mortgage lenders and financial institutions began to fail; first Countrywide, then Bear Stearns. The Federal Reserve had to intervene behind the scenes to try and keep credit flowing. Remember, in a capitalist society, in our economy, we have to have credit flowing. Credit, that is what the small businesses need. That is what governments need, overnight credit. The State of California couldn't even get overnight credit. The worst crisis hit in September 2008—the worst since the 1929 Great Depression.

Listen to this: Over just 3 days, September 13, 14, and 15, three major financial institutions failed—Lehman, AIG, and Merrill Lynch. Oh, my God, the shock in the country. Regulators were unprepared. They had no warning. Panic spread from this Wall Street debacle as banks lost confidence in the solvency of the financial system and they refused to lend. Credit was frozen. Consumers started to withdraw their money from failing money market funds, and some of them found out that they weren't insured, the money markets. We had to actually create insurance.

The stock market dropped 25 percent in September alone, part of a larger 50-percent drop from 2008 to 2009. Trillions of dollars in pensions and savings wealth were lost. Without the tools to handle the crisis, the Bush administration was forced to approach us for direct taxpayer assistance. I will never forget the day when the Republican Treasury Secretary Hank Paulson looked me in the eye, along with all of my colleagues, and said capitalism was on the brink of collapse. I will tell my colleagues, I asked him a number of questions that day about the role that credit default swaps played in this, and derivatives, and to be totally candid, he didn't have an answer. He was so concerned about staving off this collapse.

It was too late. It was too late to stop Wall Street's crisis from impacting the rest of our economy. Business lending plummeted. I know the Presiding Officer knows that small businesses have created 64 percent of all of the new jobs in the last 15 years. When those good, strong businesses couldn't get credit, some of them couldn't keep the doors open. I can tell my colleagues that none of them expanded. They couldn't. They didn't have the capital. Retail spending fell by 14 percent, driven by historic declines in consumer confidence, and because consumer spending accounts for 70 percent of our economy, this was another disaster on another disaster on another disaster.

As the recession fueled by the financial crisis spread, job losses exploded to 750,000 a month, the highest ever recorded. Some 8.4 million jobs were lost in 2008 and 2009. In my own home State of California, almost 1 out of every 10 jobs was lost—1 out of every 10 jobs. To put a human face on that and think about those families in that situation where not only did they lose a lot of their net worth in the stock market which was going down, down, down, they were losing the value of their home, and then they lost their job, and it exacerbated the problem. Unemployment rose above 10 percent for the first time in 28 years. In my State it is over 12 percent today. Even though we are now creating jobs in California and in the country, they are not at a fast enough pace as more people come into the jobs market. We had a situation where almost one out of every five Americans who wanted to work was underemployed.

I don't see how anyone who knows this history—and all you had to do was wake up and read the paper or, if you didn't do that, put on the TV or, if you didn't do that, look at your Internet or, if you didn't do that, listen to the radio. And if you were without all that, you could have listened to what we were debating here, and there were probably not too many people doing that. So how could we ever for one second deny the need for the Dodd bill, which reflects the President's Wall Street reform bill, even for a minute? I can't imagine anyone living through this crisis could ever doubt the need to do the bill that we, thank goodness, are on right now.

The bill directly addresses the problems that led to the crisis. It gives regulators the tools they need to prevent a crisis in the future without ever turning to taxpayers.

I am going to quickly go through the provisions of the Dodd bill. I am going to go through six provisions.

First, the bill ends taxpayer bailouts. The bill guarantees taxpayers will never again be forced to bail out Wall Street firms. Failing companies will be liquidated. Any losses will be absorbed by companies and the financial sector, not taxpayers.

That is a jobs bill.

By the way, when I heard my colleagues on the other side say they didn't think this is true, I went up to Senator DODD and I talked to the administration. I said I am going to offer an amendment that says this in plain English; will you accept it? They did. So we will have that amendment accepted.

If anybody ever says to you this bill is about giving more taxpayer funds to bail out Wall Street, you can say: Excuse me, you are looking at the wrong bill.

Second, it puts a cop on the beat for consumers. The bill creates the consumer financial protection bureau, which will have the sole job of protecting the American consumers from the kind of deceptive and abusive financial practices that fueled the crisis. It will also look out for credit cards and other things.

We will finally have disclosure in these dark markets. Remember, I talked about these toxic assets—assets made up of slices of mortgages, many of which had no value. They were in the dark. Now these dark markets are over, derivatives markets will be open, and the shadow banking system will be over—over. No more darkness but transparency, openness, and the rest that goes with it.

Here is what the Dodd bill does. It curbs risky behavior on Wall Street. It says, essentially, no more gambling. There will be strict new capital and borrowing requirements, so you cannot go out and superleverage. You have to be able to have some balance in your bank. There will be an early warning system to prevent a future crisis. There will be a financial stability oversight council to focus on problems before they lead to a crisis.

As a last resort, the regulators can break up a company that is too big to fail. Too big to fail is over. If anyone tells you it is not over, they have not read the bill, because this bill completely and clearly says if a company is too big to fail, the regulators can break it up. We will see protection against securities market scams.

The bill mandates management improvements and increased funding for the SEC. A new office in SEC will be created to look at credit rating agencies. Remember, I mentioned that, the credit rating agencies were just giving AAA ratings to junk. No more. They will have someone looking over their shoulders. That is very important.

I want to put the headlines back up. Clearly, this bill does what we need to do. The bill stops taxpayer bailouts, and if ever there was a time to agree on one thing, it would be that.

Again, to eliminate all doubt, I proposed an amendment to Senator DODD, which he is in agreement with and the President's people are in agreement with, to make it clear that failing firms cannot be bailed out. It is very clear because it says it in this amendment. It cannot keep a company alive, on life support, and it cannot stop it from failing. When it is liquidated, the cost of that liquidation will be paid for by Wall Street firms.

I am excited about the fact that we are finally moving to this bill. By the way, the last sentence in the Boxer amendment is very short on this page:

> Taxpayers shall bear no losses from the exercise of any authority under the title.

So if anyone says to you this bill isn't clear, I have to say they are making it up because it is very clear. Senator DODD would never have accepted this amendment if it wasn't in concert with the bill.

Again, I know that many colleagues have ideas for changing the bill. That is why we are here. My Republican friends decided not to make any amendments in committee, so this is their opportunity to do so. I look forward to seeing their ideas. I say that with sincerity. A lot of Republican amendments were included in the health care bill, and that is good. We want to see some of their ideas to strengthen this bill because, as Senator DODD has said many times, no Senator has a corner on wisdom. We have to work together, and we can get our best ideas by working together.

I am going to work with anyone on either side of the aisle who has the goal of protecting the American taxpayers and has the goal of protecting the American economy from future crises. I will vote for a couple of colleagues' amendments to strengthen this bill. I am looking forward to that.

Let's not oppose this bill on the grounds that to do nothing is better, because, clearly, to do nothing will lead us back to this road of getting up in the morning and shaking in our boots about what is happening with unemployment and with the loss of our pension funds. It is extraordinary to go back, just to 2007, not that long ago, when this all started. We have to commit ourselves to never having it happen again.

Now is the time for Wall Street reform. I am very pleased at this change of heart on the other side. I was ready to spend the evening here, and I am happy that I can actually go home to my family tonight. As much as I enjoy my colleagues' company, I would prefer to be with my family, my grandkids, my husband, and not have to spend the night here. But I was prepared to spend the weekend here or whatever it took because once in a while an opportunity for reform comes along. It did with health care. We are in an era of reform, and we have to keep doing it. It is all expressed right here on this chart. We know what will happen if we keep this going. Deregulation on steroids didn't work. We need sensible regulations, sensible rules of the road.

We want everyone to prosper, but we don't want to see gambling lead to the pain and suffering that is still going on throughout this country. Thank you very much.

I yield the floor.

UNANIMOUS CONSENT AGREEMENT

Mrs. BOXER. Mr. President, I ask unanimous consent that tomorrow, following the recognition of Senator LINCOLN, Senator CHAMBLISS be recognized for up to 20 minutes.

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