On this occasion, 30 years later, of something that was transformative to me, I wish to say I am so optimistic of where we are going because we are going to Mars. If you ask the average American on the street, they think the space program is shut down because they visualize it as the shutting down of the space shuttle, but they will be reminded, reenergized, enthused and excited—as only human space flight can do—when those rockets start lifting off at the Cape in September of 2017, in less than 2 years, and we are beginning on our way to Mars.

I thank the Presiding Officer for this opportunity on this 30th anniversary.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania.

FEDERAL RESERVE TRANSPARENCY BILL

Mr. TOOMEY. Mr. President, I rise this morning to speak about the legislation we will be considering this afternoon. Specifically, my understanding is we will be voting on a procedural measure which will allow us to take up legislation that is commonly known as auditing the Fed. I want to address that.

Let me start with the context that I think is important to think about when we consider whether we ought to even modestly change the relationship that exists between Congress and the Fed. It starts for me with the simple observation that the financial crisis of 2008 is over. It actually ended a long time ago. It has been a number of years now that our financial system and our economy has not been in the imminent-crisis-meltdown mode that it was in the fall of 2008. In fact, for several years now we have had meager but some economic growth. Our banking system has been massively recapitalized. There is no current or imminent wave of bankruptcies in really any segment of the economy.

Yet despite the fact that we are clearly not in a financial or economic crisis, we have crisis-era monetary policy, policy from the Fed that one would expect to occur—presumably—only in a crisis. The recent very modest change in Fed policy, the movement in the Fed funds rate from a target of zero to 25 basis points to 25 to 50 basis points is arguably the most modest tightening in Fed history. You couldn't even begin to suggest that this is a tightening of monetary policy. This is just a very slightly less easy money policy. That is what we have.

So in my view there are huge dangers and problems that are associated with the Fed pursuing this completely unprecedented and, I would say, radical experiment in monetary policy. I wish to talk about a few of those this morning.

One of the first and clearest problems is because the Fed has kept interest rates so low for so long, the Fed has caused a big misallocation of resources. This undoubtedly caused asset bubbles that are existing today that would not have occurred had it not been for the abnormal monetary policy. For instance, take sovereign debt markets. In many cases—especially in Europe—we have debt issued by governments and the return on those instruments is negative. In other words it doesn't cost the government money to borrow money, which is abnormal. You have to pay interest to borrow money normally. In fact, the government gets paid to borrow money, which is ridiculous and it is extremely abnormal. It has happened in the United States, not at the moment but in recent history. As a result of this Fed policy, we have had the bizarre world of negative interest rates. That is just one category that has clearly been in the bubble.

Most observers believe that the high-yield market, the junk bond market, was in a bubble. That has gone through a very turbulent time and a big selloff—arguably, some of the years coming out of that bubble, but who knows. There has been considerable speculation that there are real estate bubbles, other financial assets. This is inevitable when the Fed distorts monetary policy, and it is a disturbing echo of the distortion that occurred back in the early part of the very beginning of this century, when the Fed's extremely low monetary policy of very low interest rates contributed to a housing bubble which of course ended up collapsing in the financial crisis, but that is just one category of problems the Fed causes with these ultra-low interest rates.

Of course, the second is the corollary that people who have saved money and want to invest in a low-risk investment are completely denied an opportunity to get a return. The savers are forced to—the expression is—reach for yield, which is to say: Take your money out of the bank and buy something else because you are earning nothing with the bank.

Well, you know what, for a lot of people a savings account at the bank is appropriate for their circumstances, for their risk tolerance, but they are driven away from that because bank deposits yield pretty much zero.

Consider the case of an elderly couple who lives in Allentown, PA. They worked their whole lives, saved whenever they could, sacrificed, chose not to squander their money, and they lived modestly rather than lavishly. They did it in the expectation that when they retired, this nest egg that they had worked decades to build, this savings account at the bank, was going to yield a little bit of income to help them make ends meet in their retirement, to help supplement whatever Social Security and whatever pension they might have.

What we have done to those folks—and they are all over America—who have spent a lifetime living prudently, carefully, sacrificing savings, we have said: Well, you made a huge mistake because the government is making sure you earn nothing on those savings.

Joseph Stiglitz is a very respected economist. His research has demonstrated that this zero interest rate and quantitative easing—as it is described, this Fed monetary policy—has contributed significantly to expanding income and wealth inequality. It is not a surprise.

This Fed policy has been very good for stocks. Stock prices have gone up, generally. It has been terrible for people with a bank account. While wealthy people have a lot of money in stocks, people of much more modest means tend to have more of their money sitting in a savings account which, as I have just described, earned zero. So the income inequality problem is exacerbated.

In addition, what the Fed has been doing is encouraging fiscal irresponsibility in Washington. What the heck, borrowing is free, which it basically has been for the Federal Government. Why not run big deficits and borrow lots of money? That is an attitude that some people have. It frankly diminishes the pressure on Congress to pursue sensible and responsible monetary policy. When the Fed is willing to just buy up all the debt and buy it at an extremely low interest rate, it encourages irresponsible behavior.

Now, of course, because the Federal Government has accumulated this $18 trillion mountain of debt, if and when interest rates return to something like normal—which one day they will, whether the Fed likes it or not—then that is a devastating problem for our budget outlook.

So all of this is particularly disturbing to me when you consider that this massive creation of money, this flooding the world with dollars that the Fed has engaged in, does not create wealth. It is the difference between money and wealth.

So some people might feel wealthier when they see stock prices rise if they have stocks, but that can be a very artificial phenomenon. It is an inflation in asset prices. It is not an improvement in productivity. It is not an expansion in our economic output. It is not actual wealth. It is numbers on a piece of paper.

Of course, what the Fed is able to inflate in this artificial means by creating lots of money, well, that can eventually deflate. Whatever good they think they were accomplishing on the way up, why should we think we couldn't see the reverse on the way back down? This is what I think is the fundamental problem. The fact is, we have factors that are holding back our economy that are very real and very important, and the Fed's monetary policy can't correct that.

We have a Tax Code that is completely uncompetitive. It discourages work. It discourages savings. It discourages investment. It makes us less competitive in countries around the world that have more sensible tax codes than we have. We need to fix the Tax Code. Monetary policy cannot make up for a badly flawed Tax Code.

We have unsustainable entitlement programs. They are the ultimate drivers of large and growing deficits, and we will not be on a sustainable path until we fix these programs, and monetary policy can't make up for the cloud they cast over our economy. We have a declining percentage of Americans who are participating in the workforce. This is a huge problem for us. Again, monetary policy does nothing about that.

Finally, we have been overregulating this economy on a completely unprecedented scale. The massive wave of overregulation that this administration, and on some occasions Congress, has inflicted on our economy clearly contributes a great deal to the subpar economic growth we have been living through. Again, monetary policy doesn't reverse that. It doesn't change that. It seems to me that, despite all their good intentions, their intentions themselves were flawed in that the Fed seems to be trying to compensate for the flawed policy in these other areas.

Given the magnitude, the persistence, and the dangers of pursuing this kind of monetary policy, I think it is time that Congress reassert its authority over monetary affairs. The Constitution clearly gives Congress the responsibility to mint coins and to print money. In 1914, Congress delegated the management of our currency to the Fed. For a long time there was a sense that we ought to just leave them to their own devices and not pay very much attention. I think those days are past. I think the Fed's behavior obligates us to take a different approach.

One good beginning step is the legislation we are considering today, which would audit the Fed. All it really does is give Congress and the American people the opportunity to examine and understand the mechanics and the thinking behind changes in monetary policy in something close to real time. I think we absolutely need that. I will say that I was a skeptic about this for a long time. I thought: I am not so sure it is such a good idea to have Congress looking over the shoulders of the folks making monetary policy. But I think the dangerous behavior that the Fed has engaged in for years now means they have squandered the right to be independent. We need to have more supervision.

A next step which I think would be very important is for Congress to require the Fed to adopt a rule that would govern monetary policy. If we let the Fed decide what that rule should be and if circumstances require it, in the opinion of the Fed, they ought to be able to deviate from that rule. But they should come and explain to the American people and to Congress when and why they are deviating, rather than have year after year of this bizarre, unnatural policy that is very hard to explain and understand.

So I am going to support the legislation we are considering this afternoon, the audit the fed bill. It is one of many important steps we can take to restore the accountability that the Fed ought to have. It is important that we get on a different path with our monetary policy. I understand it is not going to occur overnight, and it is not going to occur entirely as a result of this legislation. But this policy has been going on too long, and it is time for Congress to reassert its authority.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. HELLER. Mr. President, I come to the floor today to offer my strong support for the legislation we are debating today that would finally audit the Federal Reserve.

Since I came to Congress, I have supported auditing the Fed. When I was first elected to the House of Representatives, I would attend briefings hosted by Congressman Ron Paul, Senator PAUL's father, and I learned why more accountability and transparency was needed at the Fed.

I remember talking to Congressman Paul on the House floor about various issues at the Fed, and that is when I started to support this bill to audit the Fed, just as I am supporting his son's bill today. I thank Senator PAUL for continuing to take up this cause and for building the momentum to audit the Fed that has led us to where we are today.

Since its founding, the Federal Reserve has often operated in secrecy, even though it is the biggest influence on our country's economy. The Fed's actions affect every American family and their hard-earned income. I am fortunate to be chairman of the Economic Policy Subcommittee on the Senate banking committee, where I have direct oversight over the Federal Reserve's monetary policies. I can say that the Federal Reserve's actions warrant passage of this legislation. For several years we have seen unprecedented monetary and regulatory policies come from the Fed. One of the riskiest policies I have ever seen is the Fed's stimulus program of quantitative easing. The Federal Reserve essentially turned on their computers, fired up their electronic printing presses, created new money out of thin air, and started to buy assets.

Now, we may ask ourselves this: How big is this stimulus program? It is an unbelievable number. As of today, it is nearly $4.5 trillion. Let me say that again: $4.5 trillion. And that is with a ''t.'' That is more than four times the cost of President Obama's own failed stimulus program. And who has benefited from this quantitative easing? I can tell you in two words: It is Wall Street. That is right. Wall Street hit the jackpot because the Fed's easy money policies drove everybody into the equities market to get any return they possibly could on their investments. Wall Street won, and Main Street, savers, and workers lost.

The scary part is the Fed won't rule out buying more assets in the future. If we ask the Fed today when or how they would begin to reduce their $4.5 trillion balance sheet, there is nothing but silence. Is that being transparent? Is that accountability? No, absolutely not. This is just one of the reasons why we must pass this bill to audit the Fed.

I find it ironic that the Federal Reserve is so opposed to being audited, because they themselves go around auditing lending institutions all the time. I frequently hear from community lenders in Nevada who have either the Federal Reserve, the FDIC, the National Credit Union Administration or the Consumer Financial Protection Bureau knocking on their door all the time. These community lenders have not caused the financial crisis, yet they are the ones feeling the brunt of all these audits. Why should there be a double standard that government agencies can examine every American's bank account but the American public can't examine those same agencies back? Again, this is why we must pass this legislation to audit the Fed.

I remind my colleagues that even though most of the news about the Fed revolves around interest rates and the Fed's monetary policy, the Fed is also responsible for major regulations that touch on almost every aspect of our financial system. Now, I support reasonable regulations, but only after thoughtful and careful evaluations. I think it should be mandated that the Fed conduct a cost-benefit analysis of all their proposed regulations and always allow for public comment on proposed regulations.

I am also very concerned that the Fed is getting involved in financial sectors in which they have not been in the past. We have a long tradition here in the United States of having a time-tested and effective State-based insurance regulatory system. Unfortunately, Dodd-Frank has changed all that, and now the Federal Reserve has new authorities over the insurance sector.

Right now, as we speak, the Fed is attempting to regulate capital standard requirements for insurance companies in the United States. This will be the first time the Federal Government imposes domestic Federal capital standards on the State-regulated insurance industry.

I worked very hard to ensure bank-centric standards are not inappropriately applied to the insurance industry by the Fed. But not only does the Fed want to add their own domestic layer of rules on top of State-based insurance regulations, they even want another layer of one-size-fits-all international capital standards on top of that. I almost have to laugh, because it is only in Washington, DC, where a Federal agency can put the trailer in front of the truck.

Unfortunately, that is exactly what the Fed is doing by working on international capital standards before they complete their own domestic standards. I have serious concerns about these international efforts. Together with Senator TESTER of Montana, we introduced the bipartisan International Insurance Capital Standards Accountability Act, which would compel the Federal Reserve and the Treasury Department to complete a study on consumers and markets in the United States before supporting any international insurance proposal or international insurance capital standard.

These are just a few of the examples of some of the Fed's questionable actions. As I said earlier, this legislation to audit the Fed is critical to bring transparency and accountability to the Fed, but even more fundamental changes need to be made.

A few months ago, Chairman SHELBY put together an impressive bill that the Senate Banking, Housing, and Urban Affairs Committee passed with my support, which would make important reforms to the Fed. One provision would establish a commission to study the potential restructuring of the districts in the Federal Reserve System. Chairman SHELBY's bill would also require the Fed's Federal Open Market Committee to make more frequent and detailed reporting requirements to Congress and to increase transparency by reducing the time lag for Federal Open Market Committee transcripts from 5 years to 3 years. These are very reasonable changes that I think Democrats and Republicans alike can support, and I hope that Chairman SHELBY's bill will be brought to the Senate floor soon.

The Federal Reserve recently celebrated its 100th anniversary, and in many aspects the Fed has not changed much since Woodrow Wilson's time. As most of us know, a few months ago we cut a very specific dividend that banks receive for buying stock of the Federal Reserve System in order to pay for the highway bill. While the debate mostly centered on how to cut the dividend, I was trying to figure out why the Federal Reserve requires banks to buy these so-called stocks to begin with. After all, it doesn't look like the Fed is in desperate need of funds, because over the past half dozen years the Fed has sent nearly half a trillion dollars of profits to the U.S. Treasury.

One hundred years ago, these stock purchases and dividends were meant to incentivize banks to join the Federal Reserve System. Since that time, laws have been passed that essentially don't give a bank the choice as to whether or not they want to be supervised by the Federal Reserve System because, by law, the Fed has gained authority over all banks that are eligible for FDIC insurance. Just because something was standard practice over 100 years ago does not mean it is still needed today. I think it is time to review and examine these Federal Reserve membership requirements even further.

My colleagues, it is essential that Congress exercise its constitutional responsibility to conduct oversight and scrutinize of the Federal Reserve in an open and transparent way, which is why I will proudly vote today to move forward with auditing the Fed, and I encourage my colleagues to join me.

I yield the floor.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. BROWN. Mr. President, I rise today to speak in opposition to S. 2232, the Federal Reserve Transparency Act. I am concerned that, out of all the issues before the Senate and out of all the issues we need to work on—in terms of growth, in terms of ISIS, in terms of wage inequality, in terms of transportation, and so many other issues—this is the first bill the Senate considers at the beginning of the year.

I will talk for a moment about the direction in which we should go, but I want to talk about this issue. There are so many issues we are not talking about—national security, job creation, college affordability, student debt, and immigration.

In my time in Ohio over the past several weeks, people talked to me about all kinds of different issues that Congress should be addressing. But it, frankly, comes as no surprise to anybody watching or any of my colleagues that not one person came up to me and said: ''Congress needs a greater say in monetary policy.'' There is no demand for that, except from those who want to score political points. There is no reason for this. There is no legitimate public function that we should even do this legislation, the Federal Reserve Transparency Act. And don't be fooled by the name of the bill because it really isn't about transparency. It is about the Federal Reserve but not about transparency. But let me move on.

Federal Reserve Chair Janet Yellen recently wrote to Senate leaders, copying all of us in the Senate, and spoke to the central problem with this legislation:

> This bill risks undoing the steady progress that has been made on the economic recovery over recent years in an environment with low and stable inflation expectations; progress that was made in part because the Federal Reserve is able to make independent decisions in the longer-term economic interest of the American people.
>
> ''Audit the Fed'' legislation, if enacted, would undermine the independence of the Federal Reserve and likely lead to an increase in inflation fears and market interest rates, a diminished status of the dollar in global financial markets, increased debt service costs for the federal government, and reduced economic and financial stability.

Janet Yellen is exactly right. This legislation is about 535 Members of Congress getting involved in Federal monetary policy. I can't imagine that the American people want a Federal Reserve where Congress is so involved that it is disruptive and where it becomes so political. That is really what this is all about. It is about a handful of Members of the House and Senate who want to govern monetary policy in a way so that it ultimately won't work in the public interest. It is about their political talking points. It is about all of that.

Let's go back. When President Obama took office—you will hear about this in tonight's speech, I assume, down the hall in the House of Representatives—our country was losing about 800,000 jobs a month when he took office. In February 2010, we did the Recovery Act and the auto rescue. Since February 2010, we have seen job growth for about 69, 70, 71 straight months since the auto rescue. I know what the auto rescue meant in my State. I know we see an auto industry that is doing very well and we see a lot more people back to work.

Supporters of auditing the Fed claim they want to make the Fed's operations and activities more transparent. We know that is not what this is about. In a statement in July, the Senate banking committee chairman—the Republican chair of the committee, RICHARD SHELBY, hit the nail on the head. Here is what he said:

> A lot of people called for an audit of the Fed for years, but they already audit the Fed for years . . . I don't believe they're just talking about an audit, like you'd audit the books of somebody—they're talking about monetary policy. They're talking about . . . 435 members of the House and 100 Senators getting into the day-to-day business of the monetary policy of the Fed. We created the Fed, Congress did, to get politics as far as we could out of it. I don't believe we need politics back in it.

Chairman SHELBY is right. We don't need 535 Members of Congress on the Federal Open Market Committee. One of the most important components we need for sound monetary decision-making policy is political independence.

Senator PAUL—the sponsor of this—argues that we need to understand the ''extent of the Fed's balance sheet.''

Congress already requires the Federal Reserve to have its financial statements audited every year by an external auditor, someone who is outside, independent of all matters relating to the Fed. The Fed releases a quarterly report presenting detailed information on the Fed's balance sheet and information on the combined financial position and results of operations of the Federal Reserve Banks. That report is released to Congress. The report is available to the public on the Fed's Web site. Anyone can go to federalreserve.gov right now and read it.

Each week the Fed publishes its balance sheet and charts of recent balance sheet trends. There are legitimate criticisms of the Federal Reserve. There always have been. There probably always will be because of its reach and complexity, but since the crisis the Fed has gotten better. It has gotten better in part because of the last two Chairs of the Federal Reserve—Ben Bernanke, a Bush appointee and then an Obama nominee the second time, and with Janet Yellen, an Obama nominee. Since the crisis, the Government Accountability Office has conducted over 100 audits of the Federal Reserve's activities. Many of these audits relate to the financial crisis, including the Fed's emergency lending activities. There is more and there should be more.

The Fed is transparent and accountable in the following ways. Let me list them again. This is not an out-and-out defense of the Fed. They should be open to criticism. There is still much to criticize about them, but this legislation solves nothing, except to politicize the Fed. These are the ways the Fed is transparent and accountable: The Chair of the Federal Reserve is required to testify before the Senate Banking Committee and the House Financial Services Committee twice a year on monetary policy. In practice, she will testify at additional hearings and other topics. The Governors of the Federal Reserve and senior staff—that is, others of the nine members of the Federal Reserve—testify dozens more times every year.

The Fed releases a statement after each Federal Open Market Committee meeting to describe the FOMC's decisions and the reasoning behind those decisions. The Chair holds press conferences four times a year after FOMC meetings. Minutes of FOMC meetings are released 3 weeks after each meeting and are available on the Federal Reserve's Web site. Transcripts of FOMC meetings are released earlier than before—5 years after each meeting and are available on the Fed's Web site. That is much earlier than most other central banks release transcripts, for obvious reasons.

Summaries of the economic forecasts of FOMC participants, including their projections for the most likely path of the Federal funds rate, are released quarterly. The Board's Office of the Inspector General audits and investigates all of the Fed's Board and Reserve bank programs, operations, and functions. These completed audits, assessments, and reviews are listed in the Federal Reserve Board's annual report.

The Fed releases detailed transaction-level data on the discount window lending and open market operations. This is relatively new. This was required by the Dodd-Frank Wall Street reform law. Clearly, Congress knew the Fed was not as responsible and open as it should be. One of the things we did in Dodd-Frank was this reform. All securities that the Fed holds are published on the Federal Reserve Bank of New York's Web site.

The New York Fed, the most important district regional Federal Reserve—there are 12 of them, including one in the city I live in, Cleveland. The New York Fed is the most important for a number of reasons. It publishes an annual report of the system open market account that includes a detailed summary of open market operations over the year, and it includes balance sheet and income projections. I would add, this Chair of the Federal Reserve is more open to the public. This Chair of the Federal Reserve is out and about the country, as was her predecessor, Chairman Bernanke, and Chair Yellen even more so. She was in Cleveland not too long ago last summer making a speech to the City Club of Cleveland. Afterward she and I went to visit a large Cleveland national manufacturer with a large site in Cleveland so she could see the real economy, talk to workers, and see how important manufacturing is, especially in the middle of the country, to all things Federal Reserve.

I wonder how many of those claiming the Fed is not transparent have actually taken the time to read some of these reports I mentioned—whether it is the annual report, whether it is some of the audits, whether it is some of the transcripts of FOMC, and I wonder if they have listened to very many of these hours of testimony from Chair Yellen or from Governor Tarullo, Governor Powell or others on the Federal Reserve. The Fed is far from perfect. I have been one of its major critics in this body, as the ranking Democrat on banking, but I argued, for instance, that it should be a stronger regulator of the Nation's large bank holding companies. I appreciate what it is doing with living wills. I think that is very important. I especially appreciate what the Fed has done for stronger capital standards. To me, that is the most important thing we can do. It is more important than reinstatement of Glass-Steagall, more important than my amendment of 5 years ago to break up the largest banks, making sure banks have significant enough capital to make the system safer and sounder, but it is hard to dispute that this Fed is one of the most transparent central banks in the world.

What is this truly all about? I know some of people are unhappy about decisions the Federal Reserve made during the financial crisis, including holding interest rates near zero for 7 years. They want to show their anger at the Fed by taking away independence, but without the Fed's extraordinary monetary policy actions, which might not have been possible if its actions were micromanaged by Congress, our economy would likely be in a far worse situation today.

Several months ago I was asked by C–SPAN to interview Chairman Bernanke on one of its shows called ''After Words.'' We sat for an hour at a studio in Washington and discussed the memoir that Chairman Bernanke began to write on the day he left the Federal Reserve a couple of years ago. It was clear then that because Congress had pursued, in terms of fiscal policy, such austerity, he saw the economic growth that had started with the auto rescue and the Recovery Act, he saw that economic growth—immobilized is perhaps not the right word, but he saw that economic growth stall. He knew, because Congress was starting to squeeze the economy at that point with the wrong kind of fiscal policy, that he had to make up for it by low interest rates and ultimately by quantitative easing, which is what he did. So understanding that he knew he would offend some Members of Congress with that action, he also understood that because he was independent, he could do the kinds of things, as Chair Yellen has been able to do, to get this economy growing. Hence, in large part because of the auto rescue but in large part because of QE that the Federal Reserve has done through the last two Chairs of the Federal Reserve—one a Republican appointee and one a Democratic appointee—the Fed has been independent enough to do the right thing.

Inflation remains low. We have something called a dual mandate, where the Federal Reserve is responsible for working to keep inflation at no more than 2 percent and unemployment at no more than 5 percent. The Fed has balanced that well. Inflation remains low, despite the doomsday prediction by many of this bill's proponents. We know our economy still has a way to go and that too many Americans are struggling, but it is clear that an increase in interest rates before last month would have been premature and would have been harmful to working Americans. If Congress were involved in that, in the way that the sponsor of this bill seems to want, our economy would be in much worse shape. I don't think there is much question about that.

Audit the Fed legislation, there is also a backdoor, piecemeal way of instituting something called the Taylor rule, which is an attempt to impose a monetary policy role on the Fed. To me, this is the heart of this legislation that when they look at the dual mandate, they think way more about inflation, which is what the bondholders of Wall Street want them to do, and way less about fiscal policy and way less about low interest rates and way less about employment. The dual mandate is inflation and employment.

If you lean far too much toward inflation, which is what Wall Street wants, then people on Main Street are left out. Frankly, that has been the story of the Fed for far too many years. That is why what Chairman Bernanke did and what Chairwoman Yellen have done is so important, but if the audit the Fed sponsors have their way, we will see some kind of Taylor rule.

In November, House Republicans passed a Federal Reserve reform bill that imposes the Taylor rule. The enforcement mechanism? GAO reviews, audits, and reports. Is there any doubt that this is where the audit the Fed effort is headed next?

I urge my colleagues to vote no this afternoon. This vote will take place in a couple of hours. It is in the interests of all of us to understand the role, the operations, and the activities of the Federal Reserve. We can do that better in this body. This is not the way to do it. We can do it better. It is also in the interest of the American economy for Congress to keep its political hands, if you will, out of monetary policy decisionmaking.

If Republicans were serious about making the Fed work better, they would confirm the two pending nominees to the Board of Governors—a Republican community banker named Al Landon, who has been waiting for a nomination hearing for a year, and Kathryn Dominquez, a Democratic nominee, who has been waiting for nearly 6 months. Yet, instead of working to improve the Fed's operations, we are considering this bill to undermine it. It is a big mistake that most people I know who have any expertise in the Federal Reserve reject. I ask my colleagues to vote no.

The PRESIDING OFFICER. The Republican whip.

THE PRESIDENT'S STATE OF THE UNION ADDRESS

Mr. CORNYN. Mr. President, tonight the President of the United States will offer his last State of the Union speech and one that I know we will all be listening carefully to. I couldn't help but reflect on the first speech he gave to a joint session of Congress back in 2009, shortly after his inauguration. It was a hopeful speech, it was an optimistic speech—one that appealed to the better angels of Republicans and Democrats and the whole Nation alike. He said we needed to pull together and boldly confront the challenges we face, but somewhere along the way he seems to have forgotten the benefit of finding common ground where folks can agree. It seems we have seen the Obama administration more involved in dividing the American people when facing opposition and then preferring to go it alone rather than to work with Congress under the constitutional scheme created by our Founding Fathers.

Tonight in his final address on his priorities as President, I am sure President Obama will want to talk about what his legacy looks like once he leaves office, and that will invariably include times when he has simply done an end run around Congress. We have seen it time and time again. It is a mistake. It is shortsighted, but it is his method of governing and presumably being able to tell people: Well, I have gotten my way and I haven't had to do the hard work of working with people of different points of view to find the areas where we agree.

I have said it before, but I think it is worth noting the comment by the senior Senator from Wyoming, when I said to him: You are on Health, Education, Labor, and Pensions with Teddy Kennedy, the liberal lion of the Senate, whom I served with for a while before he unfortunately passed away. How is it that you are able to work with somebody whose world view is so opposite from yours and you are still able to actually get things done? To this he replied: It is simple. It is the 80–20 rule. We look at the 80 percent of things we can agree upon, and we do those and forget the 20 percent we can't agree on.

I fear that our country and the Congress has become a Congress that looks at the 20 percent we can't agree on and as a result can't do the 80 percent that we do agree on because we disagree on the 20 percent, and that is a mistake. It is also not the scheme of government that was created by America and our Constitution, and it would be a mistake to do nothing because we can't agree on the 20 percent when we can agree on the 80 percent.

I know there are some areas where we are going to have a fundamental disagreement, and we are going to continue to fight and oppose each other's points of view, but I have been around here long enough to know that there are people of goodwill on both sides of the aisle, some of whom I disagree with strenuously, but by working together, we can find ways to solve problems and help move the country's agenda forward. But somewhere along the way, the President forgot that, and so I suspect he will be talking about some of his Executive orders, which have been a terrible mistake.

First of all, on his Executive order for immigration, there was a lawsuit. A Federal judge issued an injunction, which has been upheld so far. It bars implementation of his Executive order. So what did the President accomplish other than to enrage and polarize people and poison the well when it comes to actually trying to begin the process of solving and fixing some of our broken immigration system? The President has poisoned the well and made it virtually impossible for us to work with him on solving or fixing our broken immigration system because of what? Because of an Executive order that was subsequently enjoined by a Federal court. So he wasn't able to accomplish his goal, but he was able to kill meaningful immigration reform debate in the Senate.

Of course, as we have on the Iranian nuclear negotiation, the President seems content not to engage in a treaty process, which is actually binding on his successor. It is simply a political document which is not even in writing. It tries to freeze out the American people, whom we represent, and the sort of educational and consensus-building process that is good for our country. I mean, that is how we have become unified as a country—by looking at the things we can work together on and not just focusing on our differences. If we are just going to focus on our differences, we are never going to get anything done. There are some people who may be OK with that, but, frankly, I think the American people voted for Republicans and a new leadership in the last election not because they didn't want to get anything done, but because they wanted to give us the responsibility for setting the agenda and doing the things that were their priorities, which doesn't entail doing nothing. That entails doing those things that reflect the priorities of the American people and by working together where we can.

Nobody here is a dictator, not even the President of the United States. It is shortsighted. It is a mistake, and it is in contravention of the whole constitutional framework that was set up 230-something years ago.

We saw it most recently on the President's announcement on gun issues where he, again, ignored Congress and said: Well, I am going to do it my way. Maybe he is impatient. Maybe he doesn't believe in consensus building. Maybe he just doesn't like his job very much. Sometimes I think that is true. Temperamentally, I think the President may not be suited for the kind of consensus building and legislative process that is necessary to actually get important things done.

I was thinking, as we were celebrating the 50th anniversary of the Civil Rights Act a short time back, do you actually think we could do something like that, given this polarized political environment and a President unwilling to work with Congress? I would say Lyndon Baines Johnson was a lot of things, but he knew how to get things done. He was the antithesis of this President when it came to rolling up his sleeves and working with Congress and people with different points of view and actually trying to find the possible and the doable—not to focus on failure but to focus on where we can make progress.

Unfortunately, as a result, I think the President's legacy is going to be discussed in a way that he probably isn't going to fully appreciate.

I was reading the Wall Street Journal this morning and was reminded of how his political legacy will be remembered. Since President Obama took office, his party has lost 13 Senate seats, 69 House seats, 910 State legislative seats, and has lost majority party status in 30 State legislatures. Those are amazing statistics, given that the President came out of the starting gate so strong. Unfortunately, he used his political capital by passing legislation like ObamaCare with just Democratic votes. That is not a way to build durable or sustainable policy or to build consensus. That is a way of jamming it down the throat of the minority party and then saying: Well, you are just going to have to live with it. Well, that is not the case.

As we reflected on the recent vote we had on appealing ObamaCare, which the President vetoed, we have the political will and votes to change that ill-considered and misguided health care law and to replace it with something that makes more sense, is more affordable, and suits the needs of individual Americans. What we do need is a new President, and I think we have demonstrated that.