recovery bill. We passed health reform. We passed an enhanced home buyer tax credit. We passed several measures of tax relief for small businesses. But there is one thing we have yet to do that is at the top of the list; that is, to try to help clean up Wall Street and our excesses in the financial system. We owe it to taxpayers so they do not face another $700 billion bailout in the future. Never again should we use taxpayer money to bail out reckless and freewheeling Wall Street bankers.

Our colleagues on the Banking Committee have put forth one proposal. It includes a new consumer financial watchdog. It also includes new rules for the regulation of derivatives—those things that have fancy names such as credit default swaps, which are insurance policies on losses that you would have in other investments. Listen to what one of the richest people in the world, the sage of Omaha, Warren Buffett, says. He refers to all of those very clever financial instruments as ''financial weapons of mass destruction.'' That is Warren Buffett. If there is one lesson from the former Goliath insurance company, AIG, it is that we better get serious about regulating derivatives.

The Banking Committee bill includes new rules for liquidating large financial institutions when they become insolvent. It tightens rules related to capital requirements, liquidity, and the use of leverage. But when the Banking Committee bill comes to the floor, we must strengthen and improve the legislation to rein in the greed that ran amok, that nearly brought down our entire financial system altogether. Of course, we can expect a vast army of lobbyists who will descend to protect various financial fiefdoms from these new transparency and accountability rules.

I will offer a number of amendments on the floor. I want to mention one today, the Wall Street Compensation Reform Act. This bill I have already introduced, and which I will offer as an amendment, hopefully will restore some sanity and common sense to executive pay practices on Wall Street.

The legislation is simple. It encourages large banks and financial institutions to adopt widely accepted compensation practices. Banks that fail to adopt those standards would lose the benefit of certain tax deductions. They could no longer deduct the large compensation payments they make to highly paid employees.

I have read with astonishment the recent reports that Wall Street banks continue to pay outlandish bonuses to undeserving executives. Many of these institutions—and this is what gets your blood pressure going up—are still living on taxpayer-funded life support.

In most business professions, executive pay will follow performance. Managers and executives usually are rewarded for creating lasting value. Unsuccessful managers and executives are shown the door. But apparently these basic commonsense principles have been lost on a lot of the Wall Street firms. This year, Wall Street bonuses were in the range of $150 billion. Eighteen months after the fall of Lehman Brothers, it is back to business as usual for the major banks.

We have been here before. We had the same debate last spring when AIG paid those absurd bonuses to the financial traders who managed one major accomplishment: They drove their company into the ground. Although we had lots of legislation introduced, Congress again failed to act. The army of lobbyists descended to make sure that was the case, and here we are again.

I daresay there is almost a unanimous recognition that poorly crafted executive pay practices at major financial institutions contributed to the near collapse of the financial system—what ultimately brought about the $700 billion taxpayer-funded bailout.

The general counsel of the Federal Reserve Board has testified that compensation practices in the banking sector were a contributing cause to the crisis. In January, the Federal Deposit Insurance Corporation found that ''excessive and imprudent risk taking remains a contributing factor in financial institution failures and losses to the Deposit Insurance Fund.''

Current pay practices encourage excessive risk taking because short-term gains are heavily rewarded even if they are unsustainable. The negative consequences of severe losses in a company are often externalized and shifted to the shareholders or to the public.

The Federal safety net for financial institutions encourages traders and executives to take unnecessary risks. The most obvious example is the $700 billion Wall Street bailout. Executives who should have left without their shirts instead left with golden parachutes.

Real and meaningful financial reform must include changes to the existing compensation culture in the finance industry. And, oh, are we going to get resistance as we put forward this idea.

Under the amendment I am going to offer, major banks and financial institutions could only deduct their large executive compensation payments if the pay complies with rules that focus on rewarding long-term performance. The principles were developed by the Financial Stability Board, the council of major central banks. The Federal Reserve was instrumental in developing these compensation principles.

Under the amendment I will offer, tax deductions for major banks and financial institutions are going to be conditioned on the following: compensation payments over $1 million must be performance based and at least half of the performance-based compensation must vest over an extended period of 5 years or more. This is going to tie compensation not only to performance but to long-term performance.

Another part of this amendment requires that, for executives at public companies, at least half of the performance-based compensation must be paid in employer stock. Compensation agreements for top executives must include a claw-back provision that retracts the deferred compensation in the event of ethical misconduct. Also in the amendment, compensation agreements must prohibit employees from engaging in personal hedging strategies, such as compensation insurance, that undermine the very risk alignment principles we are creating.

This amendment creates a new and meaningful executive compensation disclosure requirement in order to empower the company's shareholders and the company's investors to hold banks accountable for what they pay their senior executives.

The special interests certainly are going to argue that Congress should not get involved in compensation decisions. They are going to say the private marketplace knows best. They are going to argue if Congress passes measures like this, Wall Street is going to pack up its bags and move to greener pastures abroad.

Unfortunately, right now, what the market knows is that big, short-term gains lead to big bonuses, and big losses lead to taxpayer-funded bailouts. Enough of this. We are going to have the opportunity to take real steps to reform compensation practices. It is my hope—perhaps naively so—that the Senate would unanimously approve this concept. It will not be unanimous, but I believe we can get 60 votes to break a filibuster, and I think we can pass it. The American taxpayers' funds are at stake.

Mr. President, I yield the floor.

I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REID. 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.

MOMENT OF SILENCE

Under the previous order, there will now be a moment of silence in solidarity with the people of West Virginia on the loss of the miners in the Massey Energy mine disaster last week.

(Moment of silence.)

Mr. REID. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. COBURN. 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.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Morning business is now closed.

CONTINUING EXTENSION ACT OF 2010—MOTION TO PROCEED

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of the motion to proceed to H.R. 4851, which the clerk will report.

The assistant legislative clerk read as follows:

Motion to proceed to H.R. 4851, an act to provide a temporary extension of certain programs, and for other purposes.

The ACTING PRESIDENT pro tempore. The Senator from Oklahoma.

Mr. COBURN. Mr. President, it has been 2 weeks since we last spoke on the floor on this issue. There has been a lot written in the press and a lot of things that have been said. I will reiterate what I said earlier in that debate before we took an inappropriate spring break, and that is the fact that everybody thinks those who are unemployed and are eligible should be getting unemployment checks. That is not a partisan issue. It is a fact we want to support those who need our help right now.

The real question, however, is what will we do to make sure that effort is an effort that has some real meaning behind it and that these are not hollow words. The debate around here becomes partisan and labels get applied, and I admit that I am partisan—but not from a party standpoint; I am partisan for our children.

The question isn't whether we should make sure that unemployment benefits are there. The question isn't whether people can get health insurance under COBRA. The question isn't whether we ought to do the right thing for those who are depending on us. The question is, where do we get the money?

It is simple. We have two options. One option says: Time out; this is so important that it doesn't matter where we get the money; we have to supply it. The other option is—and by the way, the first option belies the fact that we have any waste in the Federal Government. I don't think we can do a poll that would come so close to unanimity as a poll on which we would ask the American people whether the Federal Government is efficient and effective. I doubt that we would get anybody on the ''yes'' ledger side on that.

The real question, then, becomes do we have the goodwill and the presence of mind to do this in a way that doesn't jeopardize our children? You see, we are not just fighting about unemployment benefits. We are not debating the issue of unemployment benefits. We are debating the issue of whether we take from those who come after us and give to those today.

Many times I have used this poster of this young lady. Her name is Madeline. Madeline was caught in DC wearing this poster. I have gone over the numbers. When she wore the poster, her debt was $38,375. Her debt today, without us extending this bill after last year, is over $45,000. So the question is competing priorities. We have the priority of making sure that we help those who need our help in a time of economic decline. And then we have the priority of making sure we have not mortgaged the opportunity of freedom for children such as Madeline.

Who will fight for the Madelines? Who will stand up for our grandchildren and say we can find $9.2 billion out of an almost $4 trillion budget and pay for it and not charge it to the Madelines of this world? That is what we are doing when we declare something an emergency.

I would also make the point that we passed a 9-month extension for many of these programs. It was paid for. In other words, we didn't add to the debt when we passed a bill that would extend this for 9 months. The Senate did its work. That bill hasn't come back because the House is unlikely to pass it with the pay-fors in it and, frankly, several were used to pay for the health care bill that passed.

Who will protect the Madelines of the world? Since the beginning of this year and the famed passage of a statute called pay-go, which says we will no longer create new spending without cutting the spending somewhere else, we have spent $120 billion of Madeline's future, and every Madeline who is out there—every 3-year-old and 4-year-old who is out there. We have done it by waiving the new statute that says you have to pay as you go. Congress—and the Senate specifically—increased our budget 5.6 percent this year. In a year where true costs were down we increased our own budget. Yet, we refuse to look at the hard choices that are necessary for us to make a future for the Madelines of this world.

What happens if we continue this? What happens if we continue to say we will borrow from the future instead of making the tough choices now? I will tell you what happens. Madeline's future—her opportunity for prosperity—is mortgaged. We tend to think in the short run, and the vision our Founders had was thinking in the long term.

So where do we find $9.2 billion? If I get an opportunity, I will offer five amendments that will pay for that. I wager that nary a person would ever miss the money. We could find $9.2 billion in the Defense Department. They have at least $50 billion worth of waste. But, no, we won't go there. We have $700 billion in unobligated balances of which well over 20 percent has been sitting there for 2 years. That is $140 billion. We can pay for this for a year, but we won't go there. We have ineffective spending in the stimulus bill that hasn't been rolled out yet that I will put forward as a greater priority than the money intended left in the stimulus bill is for. But we are not going to go there. What we are going to do—and we will pass a motion to proceed today to this bill. But what we are going to do is take the easy, the soft road of not paid for. We cannot continue to do that.

Last year—and we will continue this year—out of every dollar the Federal Government spent we borrowed 43 percent. So 43 cents out of every dollar the Federal Government spent last year we borrowed. We ended up with a real deficit of close to $1.6 trillion by the time you get out of the accounting gimmicks that Washington uses. That is what we added to the Madelines of the world. We are going to do that this year again.

The February deficit was the highest on record ever for the Federal Government. So we are going to have an excessive $1.4 billion or $1.5 billion or probably a $1.6 trillion deficit this year, and we are going to add another $9.2 billion with this bill.

How is it fair? How is it right that in this country we cannot do two right things, we can only do one right and one wrong thing? I posit that stealing money from our kids' future and mortgaging their future is morally wrong. I posit that helping people who need our help on unemployment benefits is morally right. Why can we not do both? We ought to be able to do both.

I sent a letter to the minority and majority leaders when the bill first came up. I will read it because I think it is important to understand the thinking on why we should pay for this—realizing that we passed a 9-month extension that was paid for, and because the House hasn't acted, we don't feel an obligation to protect the Madelines of the world. The letter says this:

I am writing to notify you that I would like to be consulted on any unanimous consent agreements regarding the consideration of H.R. 4851, the Continuing Extension Act of 2010, which would extend the number of federal programs for one month.

No one is arguing that Americans who are currently unemployed should not have their unemployment insurance payments extended. But once again, Congress is refusing to find a way to offset the $9.15 billion cost of the bill with cuts to less important federal spending.

Time and time again, Congress intentionally waits until the last minute to consider important legislation and then declares the billions of dollars in foreseeable costs as ''emergency'' spending in order to avoid having to find a way to pay for the bills' price tags.

In the last 6 months, Congress has passed four major extension bills. H.R. 4851 would be the fifth such bill. The total cost of these bills is almost $30 billion. Additionally, over the last year Congress has increased funding totaling $64.9 billion for the Highway and Unemployment Insurance Trust Funds without offsets.

This shortsightedness sticks taxpayers with billions of dollars in additional debt and treats the unemployed, doctors and Medicare patients, hard working men and women who help make our roads and bridges safe, and others relying on federal funds as pawns in Congress' borrowing and spending game.

When the previous last-minute one month extension (H.R. 4692) was brought up days before the funding authority for numerous federal programs, including Unemployment Insurance and the Highway Trust Fund, which expired at the end of February, 2010, a United States Senator was attacked for objecting to passing the bill without any debate or amendments because the bill was unpaid for and added $10 billion to our nation's debt.