

any questions, and hopefully we can bring to an end this contentious debate over an amendment that was passed on the Senate floor without any hearings, and which I think all of us know is going to create a lot of unintended consequences for people all across this country.

With that, I yield the floor, and I note 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. WHITEHOUSE. Madam President, I ask unanimous consent the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

### MEDICARE

Mr. WHITEHOUSE. Madam President, we are discussing the Federal budget in Washington on a nonstop basis. One point that seems very noteworthy is that instead of working to create jobs to help grow the economy out of recession, Republicans are still trying to end Medicare as we know it, as it has been relied on for generations of Americans, in order to pay for tax cuts for millionaires. This is the Wall Street Journal describing the Republicans' plan to essentially end Medicare.

The Republican plan to end Medicare would put insurance company officials between seniors and their doctors. You no longer have a claim to the individual benefit under their plan. You get a voucher that goes to the insurance company, and you are at the mercy of the insurance company. First of all, they raise drug costs for seniors from day No. 1 by repealing the repair we did to the doughnut hole. Then, of course, 10 years out, you are left at the mercy of private insurance companies.

The effect of that is that, on average, seniors will pay nearly \$6,400 more out of pocket every year as a result of this Republican plan. Rhode Island has a lot of seniors. I do not know a lot who have an additional \$6,359 every year to spend on health care costs that would no longer be covered.

It is worth noting that one of the first things that happens when you take the \$1 that goes to Medicare and give it to private insurance companies instead is, the 2-percent or 3-percent administrative costs that Medicare takes out—which leaves you, let's say, 97 cents of the \$1 to pay for health care—that jumps to between 15 percent and 25 percent, leaving you only 85 cents to 75 cents out of your \$1 to pay for health care because the private system is so inefficient and eats up so much in administrative costs for salaries and for quarreling with doctors and hospitals about payment and all that.

They do not even use this to reduce the deficit in a significant way. The savings achieved by ending Medicare

and raising seniors' health care costs by nearly \$6,400 every year out of pocket are being used to pay for, guess what. More tax cuts for America's millionaires and billionaires. Every 33 seniors who have to pay that extra \$6,400 will add up to one millionaire's \$200,000 bonus tax break.

The Republican budget makes average cuts of \$165 billion per year in Medicare between 2022 and 2030. That gives \$131 billion in tax cuts for millionaires, billionaires, big corporations, and Big Oil—\$165 billion out of seniors' pockets, \$131 billion to millionaires, billionaires, big corporations, and Big Oil. We think it is time for our colleagues to get serious about creating jobs to grow our economy out of this recession and abandon their attempts to ram through a clearly ideological agenda against Medicare—indeed, that ends Medicare and helps the Nation's very wealthiest at the expense of seniors and the middle class.

Let me talk for just a minute about where we are in the Tax Code with our wealthiest versus seniors and the middle class. Clearly, we agree we have to bring our finances into balance. Clearly, we have to avoid a debt-limit failure that causes a default by our country for the first time in its history. Eliminating unnecessary spending should be part of the Federal balancing equation. Indeed, through multiple appropriations bills this year, we have pared back billions of dollars in Federal spending, and we will do more, but bipartisan consensus seems to end here when we move to the revenue side of the Federal budget. Just last month, Republicans filibustered a measure that would have ended \$21 billion of unnecessary tax breaks for the largest oil and gas companies in the world, companies that have been enjoying record multibillion-dollar profits and do not need continued support from the American taxpayer.

That made the Republican message clear: In balancing the budget, closing tax loopholes and repealing corporate subsidies is not on the table. The debt and the deficit, they tell us, are the most important problems facing the country. But evidently they are less important than protecting tax subsidies for Big Oil. That is what their vote proves. They will cut education, police protection, health care, job training, and environmental protection but will not touch tax subsidies for large corporations or for millionaires and billionaires.

There is a basic question underlying all this; that is, are the superrich paying a fair share? Each year, the Internal Revenue Service publishes a report that details the taxes paid by the highest earning 400 Americans. I gave a speech a few weeks ago showing from what was then the most recent data, that in 2007, these super high income earners, earning nearly one-third of a billion dollars each in just 1 year, paid a lower tax rate than an average hospital orderly pushing a cart down the

halls of a hospital in Rhode Island. I showed the Helmsley Building in New York, big enough to have its own ZIP Code, because we know from IRS information gathered by ZIP Code that the wealthy, successful occupants of this building actually paid a 14.7-percent total Federal tax rate. There is the building. There is the Helmsley Building in New York. The people who live there do very well. They are very successful, which is wonderful. That is the American way. They are very well compensated. That too is the American way.

But what is different is that they actually paid a 14.7-percent total Federal tax rate, which is lower than the average New York janitor or doorman or security guard pays. If averages hold, the very successful and well-off inhabitants of this building are paying a significantly lower tax rate to the Federal Government than the doorman who works for them and the security guard who keeps an eye out for their security and the janitors who clean up the halls.

The most recent IRS report is out about the top 400, from 2008. Let's take a look at that information. The top 400 incomes in America in 2008 had an average income each in that 1 year of \$270 million. That is a pretty good year when you can make more than one-quarter of a billion dollars. That is the American dream, big time. But what they actually paid in taxes, those 400, on average, was a rate of 18.2 percent. That is their total Federal tax rate, all the taxes put in. What did they actually pay—not what the nominal rate is but what did they actually pay? The IRS calculated this. This is not an estimate, this is the IRS's calculation. Although we spend a lot of time debating around here whether the top income tax rate for the wealthy should be 35 percent or 39.6 percent, that is not what they pay. The Tax Code is filled with special provisions that tend to either exclusively or disproportionately benefit the wealthy so the top 400 income earners in the country pay an average tax rate of 18.2 percent.

Who else pays an 18.2 percent tax rate in this country? If you are a single filer, you hit 18.2 percent when your salary gets to \$39,350. When you are making \$39,350 your Federal taxes—income and withholding, payroll taxes—combine to 18.2 percent, just like the 400 millionaires and billionaires who made actually over one-quarter of a billion dollars in the same year that this taxpayer would have made less than \$40,000.

What does that equate to in terms of jobs? The Bureau of Labor Statistics for the Providence, RI, labor market says, on average, a truckdriver will earn about \$40,200. At that income point, \$40,200, that truckdriver is paying the same tax rate as the 400 biggest interest earners in the country. They each earned over one-quarter of a billion dollars. They paid 18.2 percent. The truckdriver earns \$40,000. He would be paying 18.2 percent, maybe a little

over. If that truckdriver gets a raise or if he or she decides they are going to work a second job at night and increase their income a little bit, guess what. They would then be paying a higher tax rate than those 400 super high income earners. In fact, the highest income earners pay a rate far below what people who think their average income earners actually pay.

Of course, tax inequality extends beyond just individuals. At a time when household budgets are strained, profitable corporations are paying just about their lowest share of Federal revenues in 75 years. If you go back to 1935, you see that regular Americans and corporate America evenly split the responsibility to fund our country's obligations, to pay for America's expenses. Then, in each of these following years, the ratio between what corporations pay in revenues to the government versus what individuals pay broke through these ratio levels. By 1948, the individuals were paying twice as much in revenues to the Federal Government as corporations. By 1971, regular humans, regular Americans were paying three times as much of the revenues of the United States of America as corporations were. In 1981, it broke through 4 to 1. For every \$1 an American taxpayer paid to support this country, corporations just kicked in one-quarter. In 2009, it broke through 6 to 1, meaning that the average American, the ordinary taxpayer, the individual human being puts in \$6 of revenue to support this country for every \$1 corporate America contributes.

When people say how overtaxed corporate America is, it is worth looking at this record of an ever-diminishing contribution by America's corporate community to our Nation's revenue. Of course, the Republican filibuster of our efforts to strip Big Oil subsidies that would have put \$21 billion back into taxpayers' pockets or reduced the debt and the deficit by \$21 billion is noteworthy in this light.

Even against this rapid decline in corporate tax support for American Government compared to a huge runup in what individual Americans pay, our colleagues on the other side of the aisle insist on continuing to support tax subsidies for Big Oil, while they are making the biggest profits any corporation has ever made.

We looked at the Helmsley Building a moment ago. Let's look at a different building. Let's look at a picture that our Budget Committee chairman, KENT CONRAD, uses. This was taken in the Cayman Islands. It is a relatively nondescript building, not worthy of particular note, except that over 18,000 corporations claim this building as the place they are doing business out of; 18,000 corporations. Really? Do we think 18,000 corporations are doing real business out of that building?

As Chairman CONRAD has pointed out, the only business going on in that building is funny business, monkey business with the U.S. Tax Code.

This is estimated to cost us as much as \$100 billion every year. For every one of those \$100 billion lost to the tax cheaters hiding down there in the Cayman Islands, honest, tax-paying Americans and honest tax-paying American corporations have to pay an extra \$1 or more to make up the difference.

We recently voted for a continuing resolution to fund the government for the remainder of the fiscal year, and in it I supported, and my colleagues supported, belt tightening across many agencies and programs, including even cuts in the accounts that fund Senators' offices. So we are not against cuts.

But serious people understand we cannot just cut our way back to a balanced budget. There simply is not enough to cut. Not since 1960—more than half a century ago—have we had a balanced budget at the revenue levels as a percent of GDP that the Republican House-passed budget proposes.

When our tax system permits billionaires to pay lower tax rates than truckdrivers and allows some of the most profitable corporations in the world to pay little or no taxes at all, even if we had no budget deficits fairness and equality would demand that we address these preposterous discrepancies.

Our budget crisis, however, brings new urgency to the problem. As we continue to debate ways to close the budget gap, I hope my Republican colleagues will revisit the potential to significantly cut the deficit by addressing tax loopholes, tax gimmicks, tax subsidies, and the daily injustice to the ordinary taxpayer when the wealthiest and highest income Americans pay tax rates that are the equivalent to an ordinary truckdriver in Rhode Island, and the basic lawyer or realtor or doctor is paying rates far, far higher than the super, super-rich.

I see other colleagues have come to the floor, so I will yield the floor to them and appreciate very much the attention that has been paid to these remarks.

The PRESIDING OFFICER (Mr. TESTER). With some reservation, the Senator from Illinois.

Mr. DURBIN. Mr. President, there is a prohibition in the U.S. Constitution from cruel and unusual punishment, and the fact that you will be presiding in the chair when I am going to be speaking on an amendment which you are offering is truly cruel and unusual, but I am going to inflict it anyway. I will try to be as gentle as I can in the process.

Very briefly, I want to thank the Senator from Rhode Island for his comments on the Tax Code and the need we have in this country to address taxes in a responsible, humane, and, I would add, progressive way. I think he has made the point over and over again, which I will make myself in just a few moments, and I think the Senator from Vermont may follow me.

#### DEBIT CARD SWIPE FEES

Mr. DURBIN. But before that, I would like to address what is known affectionately as the Tester-Corker amendment, which was brought up on the Senate floor earlier this morning by Senator CORKER of Tennessee.

One year ago—to be more specific, about 11 months ago—we had a big debate on the floor of the Senate about Wall Street: What are we going to do about Wall Street and the practices on Wall Street which hurt our economy? Especially we were worried about the last recession and some of the things that happened on Wall Street at the biggest banks and biggest insurance companies that hurt Americans across the board; that reduced the value of our savings and caused us as a Congress, with President Bush's cooperation, to pass a basic bailout bill sending billions of dollars to these banks that had made stupid, reckless decisions that wrecked the economy; to try to save them from going under.

Think about that. Here are the biggest financial institutions in the United States that have made terrible decisions—some failed, such as Lehman Brothers—which harmed our overall economy—we are still suffering from it—harmed individual families and businesses across the board, and then, as they were about to sink out of sight, they said: You have to save us. Send us taxpayers' money.

Well, I will tell you something: I voted for that. I am not proud or happy about that, but that is the situation. But when the Chairman of the Federal Reserve and the Secretary of the Treasury came and said, as they did to us: This could be a catastrophe equal to the Great Depression if you do not do something—I thought to myself: This violates every value I have about these Wall Street financiers and the way they operate, but I cannot let the American economy go down. I think many Senators felt the same way on both sides of the aisle.

So we sent them billions of dollars to keep them afloat after their terrible decisions. How did they reward us? What was the thank-you card they sent to the taxpayers of America? They gave themselves bonuses—multi-million-dollar bonuses. These same banks, in their reckless stupidity, driving us into a recession, bailed out by taxpayers, then came back and announced they were giving each other rewards for great performance—millions of dollars. It finally ended up being billions of dollars to these big banks. Outrageous.

So last year we sat down with the Wall Street reform bill, the Dodd-Frank bill, and said: We are going to change some of the rules you play by up on Wall Street so you never have a chance to do this to America again.

We went through a broad array of things we considered. One of the things we considered affects virtually every single American; that is, the use of something called a debit card.