

Education, Labor, and Pensions Committee, on legislative reform of the Pension Benefit Guarantee Corporation and its outside board.

Senator KOHL also deserves enormous credit for his committee's in-depth hearings and reports identifying financial scams and abuses targeting seniors and the elderly.

HERB KOHL is a good friend, and he has been an outstanding Senator. He has accomplished many things during his four terms in the Senate. But I can think of no greater accolade than to say, simply, that HERB KOHL is a good, decent, honorable person with a passion for social and economic justice and a determination to make life better for ordinary Americans.

I join with the entire Senate family in wishing HERB the very best in the years ahead.

#### COLLECTIVE BARGAINING RIGHTS

Mr. HARKIN. Mr. President, I wish to rise to express my deep sadness about the events in Michigan. Denied the chance to participate in their own government, Michigan workers have been the victims of backroom political trickery, and they have lost much in a short period of time. It is also a sad day, however, for our entire country because Michigan is only the latest battleground in a much larger war on workers' rights. If we lose this great battle, the casualty will be the American middle class.

I have always said and believe that strong unions are the foundation of a strong middle class. When union membership was at its peak in this country, we all grew together. The middle class grew and prospered. Everyone, from the richest CEO to the minimum wage worker, benefited from our Nation's prosperity when labor union organization was at its peak.

Michigan's economy has always been a shining example of that shared prosperity, where an autoworker who put in a hard day's work could earn enough not only to buy one of the cars he made but to buy a house, send his kids to college, take a nice vacation, have a good retirement, and live the American dream.

As unions have declined in this country, the middle class has suffered. Those at the top earn more and more, while ordinary working people are seeing the American dream slip out of their reach.

It is not just union workers who are losing ground because unions don't only benefit their members. They benefit each and every American worker, regardless of whether one has ever held a union card. It is unions that fought for all the things we sort of take for granted. It is unions that fought for the 40-hour work week, a fair minimum wage, laws against discrimination, and laws that keep workers safe on the job. It is unions that are fighting today for Medicare, Social Security, job training, and other programs that help working families succeed.

I think it is important to go back to, truly the founding father, if you will, of the American labor movement, Samuel Gompers. He was asked once, "What does labor want?" Here is what he said:

What does labor want?

We want more school houses and less jails; more books and less arsenals; more learning and less vice; more leisure and less greed; more justice and less revenge; in fact, more of the opportunities to cultivate our better natures.

That was Samuel Gompers, and he went on to say:

Where trade unions are most firmly organized, these are the rights of the people most respected.

Historically, we know that is true. Perhaps, most important now, America's labor unions are the last remaining voice strong enough to speak out for those who are not rich and not powerful. That is why they are under attack. Unions are under attack because they are one of the few remaining groups strong enough to stand up to the powerful, the very wealthy interests that want to run our country and ship our jobs overseas.

Last Thursday, Governor Snyder of Michigan called a press conference with the Republican leaders in the Michigan House and Senate and announced their plans to force through a change in Michigan laws for the so-called right-to-work law.

By the end of that same day, Republicans had introduced and passed right-to-work bills. There was no real debate. There were no hearings. To make matters worse, they manipulated the process to prevent the voters in Michigan from ever reviewing their actions. Why do I say that? Because Michigan law allows voter referendums on most laws but has an exception for appropriations bills. So the Republicans in the legislature attach their antilabor provisions to an appropriations bill to deny voters in Michigan the chance to even be heard on it.

But here is the key thing about the American people, when we are fighting for our families and our children's future, we will not be bullied, nor will we be silenced. This week's events in Michigan illustrate this so powerfully. Ordinary working people with bills to pay, kids to feed, and worries on their minds are taking time out of their busy lives to stand together, shoulder to shoulder, to say enough is enough.

This is not, again, just about organized labor. There are huge stakes for the middle class in the ongoing Republican assault on the right of American workers to organize and bargain collectively. There is a very direct connection between this war on unions and the harsh reality that American workers' incomes have effectively stagnated and even declined in recent decades, even as corporate profits have skyrocketed.

In an important column earlier this week, the Nobel Prize-winning economist, Paul Krugman, points out that

even as the economy has struggled, corporate profits are at an alltime high. Moreover, as Professor Krugman points out, "profits have surged as a share of national income, while wages and labor compensation are down. The pie isn't growing the way it should—but capital is doing fine by grabbing an ever-larger slice, at labor's expense."

As this chart shows, corporate profits have been rising rapidly for a decade in dollar terms, but wages have been stagnant, barely keeping up with inflation over time. In dollar terms, total wages have been increasing slightly, but that is because of inflation and the size of the workforce. A growing number of workers are dividing up their share of the pie. But corporate profits have been skyrocketing, almost tripling over a decade. Therefore, the worker's share gets smaller and smaller.

This is what this second chart shows. It is kind of a little confusing, so I will explain it. If we look at a longer period of time in terms of the gross domestic product, what we see is that from the 1950s till 2000, wages and corporate profits moved back and forth relative to each other. But since the 1980s, we see a picture of corporate profits increasing and exploding over the last decade. At the same time, wages and salaries have been on a steady downward slope as the economy has grown. As I said, this pattern has accelerated dramatically over the past decade.

So let's take a look and try to make some sense out of this chart. Here are wages as a percent of the gross domestic product. If we look back at the 1950s, 1960s, and 1970s, up to about 1980, we will see that labor's share was right around 50 percent, give or take a little bit—right around 50 percent of GDP—and corporate profits basically kept in line with its share. Beginning in 1980, wages—the red line—started going down and corporate profits started their huge climb. But for the recession, where they took a dip, we can see the huge increase now in corporate profits as a percent of GDP has more than doubled from its low point in the recession of a decade ago. It has reached its highest point in over 70 years. Wages have fallen down to below 44 percent of GDP.

So as a percent, we can see that corporate profits have skyrocketed but not wages, and this is what is happening: More and more of the pie is going to corporate profits, and less and less is going to wages. That is the squeeze that is going on. If we look at unions and trade unions during this same period of time, we see, beginning right in here—beginning early in the 1980s, right in here—the huge attack on organized labor, the eroding of labor's rights in many ways, and so wages started going down.

These are not just wages of union people. These are wages of all working people—all working people. That is why I say it is not just union members who have benefited from the strength of organized labor; everyone in the

middle class has benefited from it. Throughout most of the 20th century labor unions led the push for higher wages, for pensions, health care benefits, and safer working conditions. The gains won by unionized workers served to lift wages, benefits, and working conditions for nonunionized workers as well. Millions of middle-class Americans who never thought about joining a union have received very considerable benefits from the labor movement.

I always ask people: How did we get the 40-hour workweek, time-and-a-half overtime, paid vacations, worker safety? This didn't happen because management voluntarily gave it. People struggled for this. They fought for this, marched for this, and many got beat up, lost their jobs and their livelihoods fighting just for a 40-hour workweek or for time-and-a-half overtime or paid vacations. Yet it has benefited the entire middle class of America. That is why I say when the Republicans are doing an open assault on organized labor, they are assaulting the middle class of America. They are dragging down the middle class of America.

As the war on unions has succeeded in dramatically shrinking the share that is unionized, this has reduced the ability of most workers across the entire economy to negotiate increases in wages and salaries. The result is the growing imbalance—skyrocketing corporate profits at a time when personal income is stagnant or declining. The fruits of the expanding economy have accrued overwhelmingly to corporations, their executives, executive pay, and shareholders, leaving workers behind.

Despite skyrocketing profits, and despite the fact that corporations and shareholders have taken the lion's share of income from the growing GDP, corporations are still demanding lower rates of taxation and huge additional advantages regarding corporate taxes. So corporations get more and more of the GDP at the same time they say: We don't want to pay any more taxes; we want to pay less taxes. Corporations paid an average effective rate of just 7.9 percent in 2011—7.9 percent. Now, wasn't it Mr. Romney, the Republican nominee, who said corporations are people too? Well, I bet a lot of people in this country would like to pay 7.9 percent of their income in taxes. But the corporations are still not satisfied. They want even lower rates, even as the middle class and the poor are asked to make major sacrifices—major sacrifices—as we address the so-called fiscal cliff and the real deficit that we do have.

Very high income Americans get most of their income from capital gains and dividends. The tax on that type of income is now 15 percent—the lowest percentage since the 1930s. I repeat: Since the 1930s, the lowest percentage on capital gains and dividends is right now, at 15 percent. But until 2003, dividends were taxed at the same rate as regular income. Now dividends

are getting the same very generous treatment as capital gains, while regular income rates are now 35 percent.

So just think about that: It wasn't until 2003 when we said, OK, capital gains, dividends, 15 percent. Before dividends were always the same rate as regular income. So who gets that? The wealthy. Average working people don't have significant dividends or capital gains.

Republicans claim that economic calamity will occur if those rates go up. But let's look at recent history. When the 1993 tax bill passed, every Republican here voted no. Many Senate Republicans predicted economic calamity if it passed. I was here. I remember those debates. You can look it up in the RECORD. However, in the 5 years after the passage of the Clinton tax bill in 1993, 14 million jobs were created. Contrasting that, in the 5 years after the 2001 tax bill passed—that lowered the regular rate to 35 percent—only 4 million jobs were created.

Now, I am not saying raising taxes creates jobs, but raising tax rates does not kill jobs either. As we address the fiscal cliff, corporations and high-income individuals can afford to pay a greater, fairer share of Federal revenue. In recent years, they have seen their incomes grow by huge sums. It would be grossly unfair to shift the burden to the middle class, which has already been deprived of its fair share of the growing economic pie in recent decades.

Mr. President, people in Washington are obsessing about what they call the fiscal cliff. Well, we do indeed face fiscal challenges in the future. But I am more concerned about the crisis of America's middle class—a middle class confronted by stagnant or declining wages, with jobs being shifted overseas and with traditional benefits, such as pensions and health insurance, being taken away.

There is no doubt the debate over collective bargaining rights will continue—in Michigan and across the country—for months, probably years to come. While there is little I can do standing in the Senate to directly help the people of Michigan today, I wanted to come to the floor to tell them a lot of us stand with them, and we will stand with them tomorrow. A great injustice is being committed in the State of Michigan—again, not just against union members but against the middle class.

I think we have to recognize what is happening in this country: an assault on union workers, on collective bargaining, and the assaults we have seen by my Republican friends on the National Labor Relations Board, the National Mediation Board—anything to take away from workers their right to bargain collectively.

When you are a minimum-wage worker or just above, and you are working at Walmart, how much power do you think you have against the Walton family or their corporate execu-

tive? What, are they the second or third richest family in the world now? Do you think you have some bargaining power? You don't have anything. But if you are unionized, and you have all of the union members with you, now you can bargain. Now you get on a more even keel with wages and capital to make sure wages and capital don't get too far out of kilter.

That is simply what has happened. Too much of our GDP in the last 30 years has gone to capital and not enough to labor. When that happens, middle-class America suffers. When middle-class America suffers, we all suffer because we know from history, from our American experiment, the American economy grows best from the middle out, not from the top down.

So, again, Mr. President, I feel sorry for those workers who were caught off guard in Michigan. I feel sorry for the middle class in Michigan—those whose rights are being undermined. But we stand steadfast in our support for the rights of working people and for the inherent—the inherent—right of people to be able to join together to form an association or a trade union and to bargain collectively for their wages, hours, and conditions of employment.

Mr. President, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. TOOMEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

#### TRANSACTION ACCOUNT GUARANTEE PROGRAM

Mr. TOOMEY. Mr. President, I rise this morning to address legislation that is under consideration—the extension of what is known as the TAG Program. The acronym stands for the transaction account guarantee. I wish to discuss this a little bit and give the reasons for my opposition to the extension of this program.

First, a little bit of history about this. Many people are familiar with the FDIC Insurance Program. It is a long-standing program that provides a limited guarantee on bank deposits. Actually, for a very long period of time—I think it was over 25 years, starting in 1980—the limits on the dollar amount of a balance that would get this FDIC guarantee was \$100,000. That limit was raised for all accounts to \$250,000 during the financial crisis of 2008, and then subsequently this new program was created, this Transaction Account Guarantee Program, which provides an unlimited guarantee. There is no limit whatsoever for a large category of deposits—not all deposits but all non-interest-bearing transaction deposits, which is a long way of saying pretty much checking accounts, although it