and Democrats together are going to have to reconcile this. We must do it.

WALL STREET

Mr. DORGAN. Madam President, I came to the floor to talk about something else today. On the way to the Capitol this morning, I was thinking of this: a quote by Will Rogers. I heard on the radio again today that we have a couple things going on. No. 1, we have a whole lot of folks who have lost their home in the last quarter, with a record number of home foreclosures in our country—and then, in the same newscast, $140 billion in bonuses to be paid by the major firms on Wall Street. I am thinking maybe these are two different countries or at least two different economies. Here is what Will Rogers said many decades ago. He said:

The unemployed here ain't eating regular, but we'll get around to them as soon as everybody else gets fixed up OK.

The unemployed ''ain't'' eating regular, but we will get around to them when everybody else gets fixed up.

Well, last year we watched some big shots steer this economy into the ditch. It caused an unbelievable financial wreck. It has had an impact on everything in this country. The fact is, we need to reform the system that allowed that to happen. But—do you know what?—as to the story I heard this morning about $140 billion of expected bonuses to be paid by the top 23 firms on Wall Street, the fact is, less than a year later, after the economic collapse in this country, we see these stories:

The U.S. has lent, spent or guaranteed $11.6 trillion to bolster banks and fight the longest recession in 70 years.

By the way, ''banks'' here mean the biggest financial institutions in the country.

The Wall Street Journal, August 31 of this year:

Wall Street is suiting up for a battle to protect one of it richest fiefdoms, the $592 trillion over-the-counter derivatives market. . . . Five U.S. commercial banks, including JPMorgan Chase & Co., Goldman Sachs Group Inc. and Bank of America Corp., are on track to earn more than $35 billion this year trading unregulated derivatives contracts.

This story is what we have been reading day after day.

Steven Pearlstein: ''The Dust Hasn't Settled on Wall Street, but History's Already Repeating Itself.''

The Wall Street herd is at it again. Even as the cleanup crew is carting away the debris left by the last financial crisis, the investment banks, hedge funds and exchanges are busy working on the next one.

I will go through these in a hurry because there is a narrative here that is pretty easy to see.

The New York Times: ''A Year Later, Little Change on Wall St.''

One year after the collapse of Lehman Brothers, the surprise is not how much has changed in the financial industry, but how little.

. . . banks still sell and trade unregulated derivatives, despite their role in last fall's chaos.

The Washington Post, September 15: ''The Wall Street Casino, Back in Business.''

Wall Street's actual role is more like that of a giant casino where the gamblers are rewarded for taking outrageous, unconscionable risks with other people's money. If the bets pay off, the gamblers win. If the longshot bets turn out to have been foolish, we're the ones who lose.

The Washington Post, September 8: ''A year after Lehman, Wall Street's Acting Like Wall Street Again.''

[Wall Street] still operates on the principle of taking care of itself first, really big and [most] important customers second, everyone else last.

The Wall Street Journal, August 22: ''Bankers Play Dress Up With Old Deals.''

Irresponsible securitization helped bring the financial system to its knees. Yet, as banks start to heal, little seems to have changed. Wall Street has quickly fallen back on old habits.

The Washington Post, September 11: ''Wall Street's Mania for Short-Term Results Hurts Economy.''

It's been a year since the onset of a financial crisis that wiped out $15 trillion of wealth from the balance sheet of American households, and more than two years since serious cracks in the financial system became apparent. Yet while the system has been stabilized and the worst of the crisis has passed, little has been done to keep another meltdown from happening.

The Los Angeles Times: ''The Financial Meltdown: Crisis has not altered Wall Street.''

Bellwether firms led by Goldman Sachs Group are churning out mouth-watering profits. Risk-taking and aggressive securities trading are mounting a comeback. And compensation—the lifeblood of Wall Street—is pushing back toward pre-crisis levels.

The Wall Street Journal, October 14: ''Wall Street On Track To Award Record Pay.'' That was yesterday.

Major U.S. banks and securities firms are on pace to pay their employees about $140 billion this year—a record high. . . .

Total compensation and benefits at . . . firms analyzed by the Journal are on track to increase 20% from last year's $117 billion—and to top 2007's $130 billion payout.

Total compensation and benefits at 23 major Wall Street firms—this, from the Wall Street Journal—you can see what has happened—2009—a record in the last 3 years. Nothing has changed.

CNN news:

. . . there really is . . . this disconnect still between what's happening on Wall Street . . . and what's happening with the every day Joe. We talked about record home foreclosures once again, as we said these problems with employment, worries about whether benefits, jobless benefits are going to continue.

On the flip side, . . . major banks and security firms are on pace to pay employees $140 billion this year . . . a record high.

And so it is. It was said once that investment banks are to productive enterprise like mud wrestling is to the performing arts. Well, I don't know, I guess that was tongue in cheek. We need investment banking in this country. It is essential for the creation of capital. It can, working properly, assist this country, and has assisted this country in lifting our economic opportunities.

But we have all too often, in recent years, seen the creation of exotic financial instruments that have almost nothing to do with creating wealth, except for those who trade them and those who created them. That is what steered this country into the ditch. CDOs, credit default swaps, unregulated derivatives, dark money—a lot of people got wealthy trading it. The fact is, it created an unbelievable bubble of risk that began to wind this economy down and finally steered this economy into a serious wreck last fall. The question is, What do we do about that? Well, when you hear on the same newscasts that we reached a record number of home foreclosures and people are still losing their jobs, and then, on the other hand, we see the very same interests that have been at the trough of the Federal Reserve Board for at least $8 trillion, at risk by the taxpayer, in loans and commitments to some of the biggest financial enterprises in the country and then you see $140 billion in compensation and bonuses from those firms? There is something disconnected here.

I want our financial system to work. I am not someone who comes to the floor of the Senate who says investment banks are worthless. That is not my point. We need investment banking. But we also need to understand we cannot take FDIC insured banks, those that are insured by the Federal Government, and decide it is OK if you trade on your own proprietary accounts on risky enterprises such as derivatives. That is all right. That is not all right. They may just as well put a keno pit or a craps table right in the middle of the bank lobby. Just call it what it is. It is simply flatout gambling with the taxpayers' money.

As we end this issue of financial reform, there are a lot of ideas around. What do you do to make sure this does not happen again? I wish to make this point: There is a doctrine called too big to fail. We have seen it in practice in the last year: interests that are too big, banks, investment banks especially, that are too big to fail, and so it is no-fault capitalism. Whatever risks they have taken, whatever losses they have had, the taxpayer picks that up to the tune of $11 trillion in exposure from Federal programs.

Well—do you know what?—when the dust is settled, and whatever is done on financial reform, if we do not address this issue of too big to fail, shame on us. In fact, the very firms that are declared too big to fail are now getting bigger, supported by the Federal government, and that is flat wrong.

Let me quote Professor Joseph Stiglitz:

. . . our bail-outs run the risk of transferring large amounts of money . . . to those banks that did the worst job in risk management. . . . In effect, the government is tilting the playing field—towards the losers. . . .

Paul Volcker says:

I do not think it reasonable that public money—taxpayer money—be indirectly available to support risk-prone capital market activities simply because they are housed within a commercial banking organization.

The question at the end of the day is, Are we going to address these things, such as too big to fail and get rid of no-fault capitalism and see if we cannot push investment banking to that which it used to be? I hope so. But on today, a day in which we hear of record home foreclosures and $140 billion in bonuses and compensation on Wall Street, I just say there is some huge disconnection in this economy of ours and it is something we ought to care about and something we ought to do something about.

This country works best when we lift the country, when we expand the middle class, when we have jobs available to people who want to work. There is no social program in this country as important as a good job that pays well. That is what makes everything else possible.

But this question of financial healing—when, first, the healing occurs to those who caused the problem, and the healing occurs in record compensation, $140 billion, at a time when other people are struggling to pay their grocery bills, struggling to buy the medicine they need, struggling to make their house payment because they have lost their job, there is something missing in this country.

My hope is, when I see all these stories about Wall Street—the same old Wall Street, nothing has changed, going right back to the same old risk, right back to the same old risk because they know, they have learned in the last year, whatever they lose, the American people will pick up the tab—this Congress had better say to them: No more, no longer, never again. Too big to fail is a doctrine that cannot continue to live at the Federal Reserve Board or in this government. It is time those at the top at the biggest institutions who take the biggest risks, when they lose—it is time they lose, not the American people.

So we are headed toward financial reform. When that happens, I will be on the floor of the Senate talking about the too-big-to-fail doctrine and how we are going to end it, and quickly.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. WHITEHOUSE). The Senator from South Dakota is recognized.

Mr. THUNE. Mr. President, I ask unanimous consent to speak as in morning business for up to 20 minutes.

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

HEALTH CARE REFORM

Mr. THUNE. Mr. President, earlier this week the Senate Finance Committee, by a vote of 14 to 9, reported out its version of health care reform. That makes now five committees that have acted on this issue, five committees of jurisdiction—three in the House of Representatives and two in the Senate—all of which have now at least put out their products. But I say that loosely because what emerged from the Senate Finance Committee was not, in fact, legislative language; it was a concept paper. It is yet to be reduced to legislative language. That will take some time, I suspect, because many of the concepts that were included in the concept paper are pretty complex.

So what is happening now on the issue of health care reform, at least in the Senate, is in the leader's office. The chairman of the Health, Education, Labor, and Pensions Committee is meeting with the chairman of the Finance Committee, and I suspect a number of the members of the White House to hammer out what will eventually be the bill I suspect will come to the floor of the Senate. I say that only because the process has been very much flawed from the beginning. It is not one that is inclusive in terms of allowing ideas from our side of the aisle to be incorporated. It has not been a bipartisan process, to say the least.

My guess is that at the end of the day, what comes out of the leader's office will be a very different bill than anything we have seen so far. But I think there are certain characteristics in that bill that have been in all of the bills. I think we know a few basic things about all of the bills so far that are consistent, those things that have not changed.

The first one is it will lead to higher premiums. The second one is it will lead to higher taxes. The third one is it will include cuts in Medicare. So those three basic characteristics are the same with regard to all of the bills, the three that have emerged from the committees in the House of Representatives and now the two that have emerged from Senate committees and are currently being married up in the leader's office.

I predict when that bill comes to the floor of the Senate, the American people will have the same thing to look forward to that they have now with all of these various bills: higher premiums, higher taxes, and cuts in Medicare. Why is that significant? It is significant for this reason: Health care reform, at least as stated in terms of its purpose, is to lower costs. For the past decade and beyond we have been talking about health care costs in this country and how we have to do something to rein in the escalating costs people deal with every single year for health care and double-digit increases in health care costs for many of those years.

So the whole purpose of health care reform, at least my understanding of it, and I think as stated by the President and others, is that we need to rein in and get control of health care costs in this country. That is why it is ironic that of the five bills so far that have emerged from House and Senate committees, none bend the cost curve down. All increase premiums for people in this country, increase the costs for health care coverage.

In the Senate Finance Committee bill—the most recent version, which, as I said earlier, was reported out this week by a 14-to-9 vote—there wasn't a direct assessment or estimate of what that increase in premiums would be. There were simply generalized comments by the Congressional Budget Office that, yes, these increased taxes in the bill would be passed on generally dollar for dollar. In other words, the taxes that are imposed—a 40-percent excise tax on some of these insurance companies—would be passed on in the form of higher costs or premiums to health care consumers in this country without being more specific or quantifying in any more precise way what those increased costs would be. Nevertheless, they said basically the same thing we have seen in all of these various bills, and that is that health care costs—coverage, premiums—are going to go up. We are going to have higher premiums.

In the last week or so we have now seen two studies where independent analysts have looked at this and concluded the same thing. In fact, the PricewaterhouseCoopers study from a few days ago went so far as to say if you are an individual buying in the individual marketplace, you are going to see your health care premiums go up about $2,600 if this bill becomes law. That would be in the year 2019 at the end of a 10-year window, which is what the people who analyze these things look at. So it is about a $2,600-per-person increase in premium if you are buying on the individual market.

If you are a small employer who is employing 50 or fewer employees or an individual who is employed at one of those small businesses, you would see premiums increase $2,100 if you are an individual. If you are a family, you would see premiums increase $5,400 under the bill that was produced and emerged from the Senate Finance Committee. So whether you are an individual buying on the individual marketplace or whether you are getting your insurance through your employer, you will see higher premiums, higher health care costs according to this analysis. If you are a family, it is the same thing. It is just a varying difference in the amounts, but it is anywhere from $2,100 up to $5,400 of increased premium costs, according to the PricewaterhouseCoopers study.

This week there was a study released by Oliver Wyman which came to the conclusion that if you buy your insurance on the individual marketplace, you will see a $1,500 increase for single coverage and $3,300 for family coverage annually. That is exclusive of inflation. That doesn't include the normal inflationary costs that we deal with year in and year out for health care in this country. This study concluded the