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

Mr. ISAKSON. Mr. President, I rose yesterday afternoon when we opened the vote and voted in favor of going to a final vote today on the tax package before us. Like many have expressed in this body, there are things I like and things I dislike about it, but I come to the floor today to talk about the things I like about it and to make a particular point with regard to scoring.

First, I want to point out that 41 days ago the people of the United States went to the polls and voted. In the State of Georgia they voted for me. I ran a campaign on the basis that we do not have a tax problem; we have a spending problem. I ran a campaign based on the American people wanting us in Washington to do what they have had to do in the last 3 years: sit down at the kitchen table, reprioritize, and spend within their means. We must do that.

I commend what Senator CONRAD from North Dakota said, and I commend the courage of the others who voted for the deficit reduction commission report because it is the kind of shared sacrifice and tough love that all of us need next year to rein in spending in this country and get our balance back. But in the immediate future, in the next 3½ weeks, America's taxes are going up at a time of protracted recession and high unemployment. That doesn't make any sense.

In 2003, when I was in the House, I didn't like the idea of putting a sunsetting on the Bush tax package because I feared exactly what is happening now—protracted uncertainty, 2-year renewals, American business not knowing what to do. While I will vote for this package today, I hope we will learn the lesson that 2-year incremental sunsets or things such as that are not good for the economy and not good for America. We, as Members of this Congress and this Senate, must deal with challenges when they confront us—not by arbitrarily setting times for sunsets and sunrises that make us make policy under duress and difficult circumstances.

But on the scoring issue I want to point out two things about the tax rates and about the estate tax. There are those who say by extending the existing tax rates we cut revenue that would have come in. Hypothetically, that is correct, but in reality that is not correct because, historically, from John Kennedy to Ronald Reagan to George W. Bush, Republicans and Democrats who were confronted with difficult economic times, when they changed tax policy and lessened the burden, they increased the revenue. So my forecast based on the next 2 years is we will see for the first time a clear example of dynamic scoring and hopefully change a little bit of CBO's mind on how they look on tax policy. I think we are going to see more employment, we are going to see more risk capital put out by business, and we are going to see a sense of certainty and a sense of optimism, which certainly our country needs.

As far as the estate tax—and I love very much the Senator from North Dakota, but I disagree vehemently on his explanation about the estate tax. Let me tell you the reality of the estate tax. I have dealt with it. I have dealt with it for 33 years as a real estate broker in the State of Georgia.

The assets of most American families are real estate, whether it is farmers and landowners or whether it is simply a homeowner. Other wealth in America is by people who have a small business. With the confiscatory tax rate of 55 percent, which is what it would be January 1, and an inordinately low deduction or unified credit of $1 million, most American landowners, most American business owners who had an estate worth anything over $1 million would have had to liquidate their estates to pay their taxes.

A little known fact about the IRS Code that a lot of people don't realize but we all suffer from is that when you die, you have 9 months to file your taxes and pay your taxes with the government. They have 3 years to say whether they will accept it. So in a 9-month period of time, a family at a point of bereavement, with some assets, find themselves at a rate of 55 percent. That is confiscatory, and it is not right. If they have to liquidate their property or sell their business that asset no longer produces income; therefore, income taxes go down.

I can demonstrate on a graph or chart or blackboard that an asset that has to be liquidated and paid at a tax rate of 55 percent one time does not, over 10 years, pay as much as would have been paid over the earned income that small business or land would have created. So the estate tax 2-year deal is a good deal, and it should be permanent. Five million dollars is a lot of money, but in the scheme of things for a small business, a family farm, a cooperative, it is not a lot of money. But it is the lifeblood of a lot of families. If we confiscate that business or confiscate that land because the tax rate forces a sale, then we are actually hurting ourselves in the long run, and we are hurting families in the long run.

Last, there is a spending component, and we are going to have to, next year, sit around the kitchen table of the Senate and deal with our spending because it is out of hand. But I do believe the tax policy we are extending for the next 2 years will bode well for our economy. I agree with Senator CONRAD it will probably help increase productivity by about one-third, which will be good for our country. It will be good for our tax rates. If we can combine that with a fiscal policy that has shared sacrifice and tough love when it comes to spending, we can regenerate the American dream and the great American engine of entrepreneurship and return our country to the prosperity we all hope and desire it will have.

With those remarks, I yield the floor.

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until the hour of 2:15 p.m.

Thereupon, the Senate, at 12:44 p.m., recessed until 2:15 p.m. and reassembled when called to order by the Presiding Officer (Mr. BEGICH).

FEDERAL AVIATION ADMINISTRATION EXTENSION ACT OF 2010—Continued

The PRESIDING OFFICER. The Senator from New Hampshire.

FAREWELL TO THE SENATE

Mr. GREGG. Mr. President, I rise today on behalf of myself and my wife Kathy to thank the people of New Hampshire for giving us the great honor and privilege to represent them.

This is an extraordinary body, the Senate. It is filled with wonderful people. I look around this room and I see a lot of them, friends, people I have had the chance to do work with. I admire them immensely. I thank them for their friendship. And when people ask me about leaving the Senate, what is the thing I am going to miss the most, I always say, it is the people, the people of the Senate, because they are special, dedicated to making this country a better place, dedicated to doing their jobs well, dedicated to serving America.

So I thank you for the great honor and privilege that you have given Kathy and me to allow us to serve and participate in this body with yourselves and your spouses. I want to thank everybody else who has been so helpful throughout our career, the folks here at the dias, the staff, people in the cloakroom, throughout this building. I mean, there are so many people who make this Senate work, people working in the furniture room, and people working in the hallways, our staffs, obviously.

This is a special place filled with people who are committed to making the Senate work. I thank them for allowing Kathy and me to be part of that. But I want to take a point of personal privilege here and especially thank my wife Kathy who is here today. You are not allowed to acknowledge people, I know that, but I am going to violate the rules. My wife is sitting right up there. Kathy.

We have been married 37 years, and for 32 of those years we have held elective office; 9 major campaigns, innumerable campaigns such as those for other people that we have participated in. Through this whole intensity—and we all know, who have participated in this process, the intensity of the elective process in this Nation—there has been a rock and a solid force in our family. She has raised three extraordinary children, Molly, Sarah and Joshua, who have been exceptional in their own right and have done exceptional things, even though they are still young by our standards. Some of them think they are aging a little bit, but they are still young.

Their value system and their belief in this Nation and their willingness to give of themselves to other people is a direct expression of the values Kathy has given them; sometimes a little overcompetitive on occasion, but that has been one of her strengths also. We have been through some hard times and some good times, and always she has been there to basically be our lighthouse. So I express my love and thanks to her.

Bismarck, at the beginning of the 20th century said—first I should say, Kathy told me I should not walk back and forth like this. I have been doing it for 18 years. And she says it makes people sick who are watching it on TV. Like the famous time she called up, and we were having a colloquy, and there were a bunch of us talking this way, and I am talking to, I think, JOHNNY ISAKSON. She calls the floor staff and says: Go out and tell him to turn around and face the cameras.

Bismarck, at the turn of the 20th century—of course, Bismarck was one of the true great forces in Europe throughout the late 1800s and into the 1900s—said that: The defining fact of the 19th century was that England and the United States spoke the same language.

What I think he meant was that the defining fact of the 19th century was that England and the United States had a value system which believed in the individual, in liberty, democracy, and markets. It was a value system that grew out of the Scottish Enlightenment, people such as John Locke, Hutcheson, Adam Smith.

In the 20th century, if you look at it, it was a test of that value system against the other value systems which had come up over the years, mostly totalitarianism. There was a test of democracy against fascism, a test of democracy against totalitarian socialism. And we won. We won that test.

The second big challenge of the 20th century was a test of how you would create prosperity for people, a test of markets versus communism, of markets versus, again, totalitarian socialism. And by the end of the 20th century, there was no longer an issue, no longer an issue. The American philosophy of government had come to dominate the world—democracy, individual liberty, and markets. The whole world was moving in that direction. Now we are 10 years into the next century, and we are challenged again, challenged again. This time the challenge is different: Substantive, significant. Maybe not at the same level that the Soviet Union represented a challenge, because they had the capacity to destroy us, maybe not even at the same level of fights against Japan, fascist Japan and fascist Germany. But the challenges are huge and they will determine our future as a country.

They basically, in my opinion, break into two primary areas: The first is, of course, the threat of a terrorist group using a weapon of mass destruction against us. We must acknowledge that 9/11 fundamentally changed our culture, changed our personality as a nation, and caused us to realize our vulnerability. That threat of terrorism is driven by a fanatical belief in a religious philosophy. We should not deny that. We should acknowledge that. Because in order to defeat that threat we have to understand that.

The second major thrust that I see as our concern as we go forward is clearly of our own making. It is a positive making, but it is still an issue for us, and that is we have a nation which has always been extraordinarily prosperous, where one generation has always passed on to the next generation a better, more prosperous, and more secure country. Yet today we are on the cusp of not being able to do that again, because we have this population, of which I am a member, called the baby boom generation, which is taking our retired population from 35 million to 70 million people. As a result, we and the rest of the world, and in Japan for that matter, because of this demographic shift, find ourselves confronted with governments which are struggling to figure out how they are going to pay for what our entitlement society is. The way I have sort of phrased it is that when a populist government, a government that moves by election of the people—when a populist government meets a massive demographic shift in an entitlement society, you get unsustainable debt. That is something we confront right now and need to stand up to.

Those two streams are our biggest concerns, or at least my biggest concerns as I leave the Senate: How do we defend ourselves against a fanatical movement, which has an asymmetry base, which wants to do us harm,—they are not a nation state, we cannot find them easily—but wants to do us harm and will do us harm if they have the capacity, and will do it with a weapon of mass destruction? And, secondly, how do we deal with this shift in our society—this is driving the populist movement, which is making our structure of government unaffordable in many ways?

America's greatness and our ability to address the issues such as this comes from our people and from our Constitution. It is that Constitution which embraces, basically, the liberties that allow our people to create prosperity and give this Nation its strength.

Our freedom and prosperity is absolutely resilient. There is no question about that. But government can either be an enabler of that freedom and that resilience or it can be a stifler of it. Whether we are going to succeed, I believe, is whether we continue to assert the core values which allow us to govern well, and they all basically arise from our Constitution.

I have the good fortune to sit at the Webster desk. Daniel Webster was a Senator from Massachusetts. New Hampshire, in an act of appropriate stealthiness, had the desk designated to the senior Senator from New Hampshire by statute in the 1970s. It is a great honor to have the right to sit at this desk. Webster and Clay kept this Nation together at a time when had it been torn apart. It would no longer have existed, because we were not capable. We had no Lincoln, and we had no strength of the North to survive.

Webster, in his speech on the Compromise of 1850, said:

> I mean to stand upon the Constitution. I need no other platform. I know but one country. No man can suffer too much. No man can fall too soon if he suffers on or if he fails in defense of the liberties of the Constitution of our country.

At the center of our constitutional form of government, which was designed by Madison and Randolph, which was built on the concept that there should never be an overly powerful branch of the government, at the center of this government is the Senate. It is the cauldron of liberty for our Nation.

Why is that? Because it is the place where issues are aired, people are heard, amendments are made, and no one gets to shut down the minority until a supermajority decides to do so. The rights of the minority are the source of the power of our government. They are the source of the power of our Constitution. They are the source of the power of our liberty.

This is the center, this institution is the center of the rights of the minority. I have been in the minority. I have been in the majority. It is almost irrelevant from the standpoint of the importance of the role of the Senate, because it is the Senate that gives voice to all Americans, that does not allow us to shut out any American or any thought process in America that is legitimate and which can come to the floor of the Senate and make its case.

I have often wondered, what would this government be like if there were no Senate? Well, it would be a parliamentary government, for all intents and purposes, lurching to the left, lurching to the right, and as a result, in many ways, undermining individual rights, but, more importantly, having no continuity of purpose or force.

We play politics in this city and in this country between the 40 yard lines, for all intents and purposes. We are not a government that ever moves too radically left or radically right. That is the way it should be. That is the way it should be. In this institution, compromise is required. To govern you must reach agreement. We are 300 million people obviously of a diverse view. If we are going to govern 300 million people, we must listen to those who have legitimate views on both sides of the aisle.

So as I leave this Chamber, I want to say this, simply: It has been a huge honor to have the chance to serve here. It is something that is the highlight of our career, Kathy's and mine. We move on with reservations, we hopefully move on to something equally interesting, but it will never have the same status as being in the Senate.

This, to me, is the ultimate job when it comes to the governance of America. I simply ask you who stay here—and I know this will be done—continue to carry the torch. Understand that it is the Senate that is the center of the liberty that leads to the prosperity our people expect. It is the Senate that is the center of our Constitution.

Thank you very much.

(Applause, Senators rising.)

The PRESIDING OFFICER. The Republican leader.

Mr. MCCONNELL. Mr. President, I would hope it is not the intention of the senior Senator from New Hampshire to leave the floor. The accolades our friend and colleague, the senior Senator from New Hampshire, has just received from both sides of the aisle are richly deserved. I would hope he might be able to stay a bit longer so some of us have a chance to comment on his extraordinarily distinguished career.

He has devoted his entire life to public service, always served with a deep sense of purpose and with the overriding conviction that we must leave America in a better place than we found it, as he so articulately expressed. He has worked tirelessly for the people of New Hampshire and for all Americans, and he has been a truly invaluable member of the Republican Conference. He is the smartest guy in the room, usually the most strategic, and as witty as they come. Yet even as JUDD's national profile has increased over the years as a result of his many natural gifts, he never lost sight of where he came from or the people he represents back home in New Hampshire.

JUDD grew up in Nashua in southern New Hampshire and was introduced to the world of politics early on. In 1952, when he was just 5 years old, his father Hugh Gregg was elected Governor of the State. JUDD went on to Phillips Exeter Academy for high school in the mid-1960s and to Columbia University after that, graduating with a degree in English in 1969. It was an eye-opening experience being in New York City, particularly in those years. JUDD took it all in. He jokes that his minor in college was subway exploration.

Even as he witnessed all the student demonstrations and clashes with police on campus, he found time to dress up as the school's mascot for a time, the Columbia Royal Lion, working the sidelines at games. JUDD returned north to attend law school at Boston University and got his J.D. in 1972 and then an LL.M. in tax law in 1975. Then he returned to New Hampshire to practice law.

Meanwhile, he began to venture into New Hampshire primary politics, coordinating primary campaigns for Ronald Reagan in 1976 and George H.W. Bush in 1980. It was during this time that he really developed his conservative principles. Over the years, he has stuck to those principles, and the voters have rewarded him for it. He has never lost a race—not one. Part of the reason JUDD wins is that he is not afraid to lose. He would rather lose for the right reasons than win for the wrong ones.

Over the years, he has become something of a political legend in New Hampshire, and for good reason; he is the first person in New Hampshire history to serve as Congressman, Governor, and Senator. He was first elected to Congress in 1980, where he would serve four terms, and then, in what some viewed as a political gamble, he followed his father's footsteps to run for Governor in 1988. He was elected and easily reelected in 1990.

During his second term, New Hampshire, like the rest of the country, faced a difficult recession. But faced with pressure to raise the State's income tax or sales tax, he cut government spending instead. The New Hampshire Union Leader would later credit JUDD as being able to manage the State through the crisis far better than anyone expected, and the Wall Street Journal ranked him ninth in its Good Governor Guide for cutting spending and keeping a lid on taxes during a serious budget crisis.

In 1992, JUDD decided to run for U.S. Senate on his strong record on environmental protection and fiscal discipline. He won a close race. Upon arriving in this Chamber, JUDD immediately set out to work for the people of New Hampshire. I know one of the things he is proud of in his nearly 17 years in the Senate is the work he has done to protect more than 300,000 acres of land in New Hampshire from development. He can also be justifiably proud of the remarkable work he has done as a Republican, the top Republican on the Senate Health, Education, Labor, and Pensions Committee, and, most importantly from our Conference's point of view, on the Budget Committee, where his knowledge and command of the issues always impressed the rest of us. He was clearly the right man for the job. When the budget came up, I think we would all agree on our side of the aisle, when JUDD stood up and had something to say, everybody quieted down and listened. You can't say that about all of us on every issue all of the time. We recognized his talents from the very beginning.

Just 2 years after arriving here, he was selected to serve as chief deputy whip as well as cochairman of Senator Dole's Senate agenda committee, a working group tasked with developing and managing the Republican agenda at that particular juncture. It was the first time in 20 years that a Senator from New Hampshire had served in a Senate leadership role.

He never hesitated to work across the aisle to get things done. JUDD understood that to make something happen in this body, as he just described, it happens between the 40 yard lines, and that means both sides have to participate. He teamed up with Senator Kennedy to coauthor No Child Left Behind. Referring to that particular accomplishment, JUDD once said:

> I don't think any of us ever gave up our basic principles . . . Ted just understood that even though he had strong beliefs . . . he understood you had to legislate to accomplish that. There was no point in just standing off in the corner and shouting.

History will remember that JUDD also played a central role in Congress's response to the financial crisis of 2008 which we all remember very well. With our Nation on the brink of economic collapse, I was to select one person to represent our point of view at that critical moment. The choice was completely obvious, the one person we had who everybody knew had no other agenda and would at the end of the day do what was right for the country. So I made him the top Republican negotiator on the Emergency Economic Stabilization Act, now infamously referred to as TARP. His top priority then and throughout the entire debate over the effort was to ensure that the original package protected taxpayers by including language in the bill that stated all proceeds from the paybacks would go to reducing the debt, and he did a fabulous job.

It was because of JUDD's principles, intelligence, common sense, and ability to work across the aisle, as I indicated, that I asked him to join my leadership team after I was elected Republican leader. I have relied on him heavily these last 4 years. JUDD has been right in the middle of every legislative debate we have had since I have been in this position. He has never disappointed. He has been so effective, in fact, that Senator REID gave him a couple of nicknames late in his career. First he called him the ''see-if-we-can-mess-up-the-legislation guy.'' After that, he described JUDD as ''somebody who comes into a basketball game, not to score points, just to kind of rough people up, just to kind of get the game going a different direction.''

I think JUDD and I would both agree that is a heck of a compliment. In fact, this is Senator GREGG's reaction to those nicknames given to him by the Democratic leader:

> I appreciate the Senator's comments. I take them as a compliment. I have been active legislatively. That is, obviously, our job.

It is funny how people see things differently. I never saw JUDD as a Bill Laimbeer-type player out on the court just to rough people up. I always saw JUDD—sticking with the basketball metaphors for a moment—as the intelligent point guard, as the ideas guy with the extraordinary judgment, as the type of guy who could see the whole floor, the big picture, and could make the unselfish play that would win the game.

Over the years, that is exactly what JUDD did for our team. He has been instrumental in our efforts to hold the line, slow down or call out the Democrats these past 2 years in particular on an agenda that we viewed as deeply harmful to our future. He has been an indispensable member of the team. In fact, I am not sure where we would be now without him, and sometimes I have wondered where we will be a few years down the road without him. But he leaves his example, and he leaves the knowledge he has passed on along the years, and we will all continue to draw on that in the years ahead.

JUDD was recently asked what the hardest thing about being a Senator was, and he answered without hesitation. The hardest thing was being away from his family. It is another principle on which he never, ever hedged.

I made a decision early on in my career which I've carried throughout my career—that if the choice was between being here and being with something that was important to my family, I would be with my family. Maybe my children feel differently, but I don't think I have missed anything that was really critical in their upbringing.

Which brings us to Kathy, as JUDD indicated, a wife of 37 years, a cherished member of the Senate family. We are so grateful for Kathy's grace and patience with the demands of public life, along with her important work in education, promoting the arts, the environment, and historic preservation, as well as her work in raising awareness about child abuse. Somehow, she and JUDD's three children—Molly, Sarah, and Joshua—managed to put up with JUDD's three decades of public service, and we thank them all for sharing JUDD with us all these years in Washington.

One of JUDD's greatest assets as a Senator has been his profound love for this institution and his gratitude for having had a chance to serve as a Member of it. He never took this place or this job for granted. As he once put it:

From my first day in the Senate to today, I remain in awe of this fabulously interesting place. When I'm on the floor and I look around and take in its history, it never ceases to hit me that this is the most successful deliberative democracy in history. It's an honor to serve there.

To say that I tried to convince JUDD to stay is an understatement.

But he knew it was his time to move on and to write the next chapter in his life. While Senators come and go all the time, I cannot help but note that when JUDD walks out of this Chamber—when he walks out of this Chamber for the last time—he will leave an enormous void.

So I will close, old friend and colleague, by saying you certainly are going to be missed. We wish you well in your future endeavors. Thank you for your service. You have done an extraordinary job.

I yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. ENZI. Mr. President, I want to say a few words about the Senator from New Hampshire as well.

I have had the pleasure over the years of serving with him and watching him and learning from him, as we did once again today. It is always amazing at these going away speeches that we learn things we did not learn about them during the 18 years they served. So I appreciate Senator MCCONNELL's comments and some new insights there.

But I know Senator GREGG at one time moved from being the chair of the Health, Education, Labor, and Pensions Committee to being chair of the Budget Committee, and that gave me the opportunity to be the chairman of the Health, Education, Labor, and Pensions Committee. For that I will always be grateful, and I hope I have made good use of the things he taught me when he was in that position.

Over the years as we have watched Senator GREGG in action in committee or on the floor we have all learned a lesson or two about how to be a more effective Senator. That is why when I look back on Senator GREGG's career, I will always think of him as one of the best of my Senate mentors. Over my 14 years in the Senate, I have learned more from him than almost anyone else.

I know no one knows better how this Senate operates and the procedural details than the Senator does. If I were on the other side of an issue and I saw Senator JUDD GREGG getting up to plead his case, I know I would feel a sense of grave concern as I listened to him that would only increase in strength and intensity. It is always a worry for either side when he unfolds, if he might be on the opposite side. But, on the other hand, if he is on the floor to express support for my position, I would sit back, relax, and watch him in action with great relish.

He is a brilliant legislator and orator because he is always one to follow the admonition of Rudyard Kipling to ''keep your head when all about you are losing theirs and blaming it on you.'' Once he had determined the right thing to do and how to do it, he would very calmly come up with a plan of action that made it happen, and then follow his strategy step by step without ever wavering from his plan.

In all my years of public life, as an observer and a participant, I do not think I have ever worked with anyone quite like him. No one speaks better off the cuff than he does. Even in a few casual remarks, his context and focus showcase his natural talent for the art. He knows the right words to say and how and when to say them for maximum impact. That means more often than not he knew how to present the perfect argument that could not be refuted. Year after year, that great talent has shown itself on the floor and in committee as he took a more and more active role in our deliberations on a long list of subjects, including but not limited to budget reform, education reform, and entitlement reform. He has, for instance, been a very strong supporter of the need for Congress to take action to address the problems currently facing Social Security, Medicare, and Medicaid. This has been most recently evident as the ranking member of the Budget Committee and an active member of the President's National Commission on Fiscal Responsibility and Reform.

To put it quite simply, during his service in the Senate, he has been the younger generation's best friend, as he has done everything he possibly could to ensure that our children and grandchildren would have it as good as we did—if not better.

Senator GREGG has been a true leader on budget reform issues for his entire public service career. One of his greatest successes as the chairman of the Budget Committee was the passage of the Deficit Reduction Act in 2005. It was the first time in 8 years that the Congress took the necessary steps to curb entitlement spending and begin to put our country's fiscal house back in order. In his own words, Senator GREGG said the following on December 21, 2005:

This bill represents a reduction in the federal deficit of nearly $40 billion over five years. Yes, there is more to be done, but it is a step in the right direction . . . It is my hope that the Congress will continue the hard work we have done here, by seeking to reduce the rate of growth of government at every opportunity. By focusing on how to make government programs work more effectively and at a lower cost. And by making fiscally responsible decisions about what kind of economic future we want to leave to our children and grandchildren.

As an accountant, Senate colleague, and his friend, I could not have been more proud of the bold step Senator GREGG took in addressing our Nation's deficit by drafting, promoting, and ultimately enacting the Deficit Reduction Act. We will miss his leadership on the Budget Committee.

As a member of the Health, Education, Labor, and Pensions Committee, it was good to have a chance to see how well he worked to get things done in committee. For example, he worked well with Senator Kennedy on creating and passing the No Child Left Behind Act. He was able to bring together Senator Kennedy and President Bush to work on a common goal for our Nation's children and our country's future.

What he was able to accomplish during those days has made a difference and it will continue to do so for many years to come. Because of the work he has been such an important part of, countless Americans are living better, more rewarding, and more fulfilling lives all over the country.

Needless to say, the people of New Hampshire were very fortunate he was willing to serve in so many posts over the years. I have no doubt his insights on the law and how it affects the people back home come from his experience on every level of our government.

Since he first arrived in the Senate, with every trip home his constituents would tell him how the changes in the law were affecting them and their businesses and, if they are like the people of Wyoming, they also gave him some very valuable suggestions on what we could do in the Congress to address their concerns. I always tell my constituents to share their good ideas with me. It is my secret weapon and it really helps me to make a difference. I am sure it has been the same for him.

I do not know what he has planned for the coming years, but one thing I feel certain about: We have not heard the last from JUDD GREGG. That will be a good thing for all of us, as well as the younger generation who is very concerned about the legacy we are leaving behind for them. As he has pointed out repeatedly, it would not be fair for us to continue to spend their inheritance to such an extent that they will be left with a huge deficit and an economy so slow and weak that they will not have any possibility of paying it off without a great deal of pain and difficulty. They are counting on us to do the right thing to ensure they have the same advantages and ability to access the American dream we have had.

There is an old Native American saying: We have not inherited the Earth from our ancestors, we are borrowing it from our children. If we follow this lead and use that frame of reference as our guide, we will be able to ensure their future will be as promising as they have every right to expect and demand.

As the end of the current session of Congress approaches, I know I am not the first, nor will I be the last to say thank you, JUDD, for your willingness to serve the people of New Hampshire and the United States for so long and so well. Most of all, thank you for your friendship and for serving as such a great resource for us all during your service in the Senate.

Before I close, I know I would be remiss if I did not also say a quick thank-you to your wife Kathy. As we both know from serving in the Senate, there are a lot of late nights, trips both home and abroad with little notice, and a lot of other things we have to deal with because they come with the job. Our wives never complain, but we both know they have every reason to do so. They probably do not because they know, as well as we do, we could not do what we do without them by our side. They are our greatest supporters, our best friends, our most trusted political advisers, and the ones who always make sure we are heading in the right direction.

So while I am thanking you for your service, I think Kathy deserves a word of thanks too. Together you have been a remarkable team, and that is why New Hampshire is so proud to claim both of you as their own.

In the days to come, Diana and I will not be the only ones who will miss you and Kathy. Fortunately, we know where to find you—right near the ocean. We had so much fun there when we had the chance to explore it with you both earlier this year. The fishing was pretty good and the scenery was just magnificent. Just let us know when the fish are biting, and we will be there. Come to Wyoming anytime. Good luck in your future. Thanks for all you have done for us.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mrs. SHAHEEN. Mr. President, I am honored to be here on the floor today to join Senator MCCONNELL and my other colleagues in recognizing the service Senator JUDD GREGG has provided to the people of this country, and for us, importantly, to the people of New Hampshire.

I have had the good fortune to know Senator GREGG since I first got elected to public office. In the New Hampshire political tradition, you learn to work together with people on both sides of the aisle for what is in the best interests of New Hampshire. Senator GREGG has been a fine example of that tradition.

I have enjoyed working with him over the years, and his presence in the Chamber and the Senate halls will be missed both by me and, as we have already heard, by the rest of our colleagues. I think, as Senator GREGG was giving his remarks, the number of Senators who were here to say goodbye shows the respect and how much he will be missed by all of our colleagues.

Throughout my own public life, I have always appreciated the civility and generosity Senator GREGG has shown me. When I was elected to the State senate in New Hampshire, it was then-Governor GREGG who swore me in for the first time. When I was elected to the Senate, he was the first Republican to call me, not just to offer his congratulations but to offer his advice and help in getting started in Washington.

The Senator and I have followed similar paths to the Senate, although his service has been longer than mine, although we are the same age.

So I will not say your service has been older than mine, JUDD.

But I think that experience—both of us having served as Governor, leading New Hampshire—has given us a much more similar mindset than most people would expect. I think it contributes to our concern about controlling the debt and ensuring that this government is functioning in the best interests of all of its citizens. I, again, appreciated his commitment to addressing that debt for future generations in his remarks this afternoon.

While we have not always agreed on the best approach to solve those problems, Senator GREGG's civility has never wavered. Since coming to the Senate, I have noticed that he extends that same civility and courtesy to colleagues on both sides of the aisle. In a town that is not always known for its good manners, Senator GREGG reminds us we can disagree without being disagreeable.

Senator GREGG, of course, is known for his expertise on budgetary matters and his dedication to one of the gravest issues that faces this country; that is, its rapidly ballooning deficit. His expertise will not be easily replaced, especially at a time when our Nation so urgently needs a New Hampshire-style approach—strong, bipartisan, and no-nonsense. It is a concern about the deficit that we share, and I hope in some small way I can continue his search for solutions to this challenge.

What might be less known to people in Washington—although Senator MCCONNELL mentioned it—is Senator GREGG's passion for the preservation of open lands. He is a conservationist in the fine Republican tradition of Teddy Roosevelt, and he has helped preserve New Hampshire's wonderful legacy of forests and lakes.

For those of you who may some day visit the New Hampshire statehouse, you will be surprised to see that Senator GREGG appears in his formal gubernatorial portrait in the mountains of New Hampshire, as I think is fitting for somebody who cares so much about the environment.

In 2001, when I was Governor and Senator GREGG was here, we worked together to preserve the Connecticut Lakes Headwaters. At more than 171,000 acres, it was the largest contiguous block of land in New Hampshire in private ownership, and with his leadership we were able to ensure that future generations could enjoy the beauty of this beautiful working forest and part of New Hampshire.

As another well-known Senator—again, one that JUDD alluded to when he spoke—Daniel Webster once said:

> We have been taught to regard a representative of the people as a sentinel on the watch-tower of liberty.

In Congress and the Governor's office, in Washington and in New Hampshire, Senator GREGG has served as that sentinel. He will be missed. I join my colleagues and the people of New Hampshire in wishing him and Kathy and their whole family well in all of their future endeavors.

I yield the floor.

The PRESIDING OFFICER. The Senator from Maine.

Ms. COLLINS. Mr. President, as I listened this afternoon to Senator GREGG's farewell address, I thought about how much all of us who have been privileged to serve with him will miss his wisdom. But for me, the loss will be even more intense, for there is no one to whom I have turned more often for advice during the past 14 years than my neighbor from New Hampshire—unless, of course, it was his wife Kathy, who also gave very good advice.

JUDD's extraordinary knowledge of so many issues, his keen insights into policy and politics, and his abiding friendship have meant so much to me. I truly cannot imagine a debate in this Chamber about the budget, spending, entitlement programs, or taxes without his leading it. Given his strong work ethic, his commitment to the prosperity of future generations, and his unwavering dedication to doing what is right, I am confident his clear call for action on our fiscal crisis will continue to be heard and to be influential in the debates ahead of us.

Raised in a family devoted to public service, Congressman, Governor, and now Senator GREGG has always been guided by the principle that the public interest is paramount and the public's trust is essential. As a strong voice for fiscal discipline and a champion of bipartisan solutions, Senator GREGG has always upheld those principles.

Senator GREGG faced up to the looming entitlement crisis and our inequitable tax system by introducing comprehensive, bipartisan bills to address both concerns. His sponsorship of legislation early this year to establish a bipartisan commission on fiscal responsibility brought to the forefront of the national debate our debt—a debt that America can no longer ignore.

Senator GREGG's service on the President's commission demonstrated his determination to present to the American people an analysis of the tough choices we must face and the means to return to fiscal sanity. As always, JUDD has been dedicated to one goal: ensuring that our country's children and grandchildren inherit a just and prosperous nation where the American dream can still be a reality for millions of hard-working families. The idea of saddling future generations with trillions in unpaid bills has always been an anathema to Senator GREGG.

Although fiscal issues have been JUDD's passion, the soaring and unsustainable debt has not been his only focus. For example, two years ago, Senator GREGG helped lead a coalition that called for a bipartisan national summit to develop an energy strategy for our country. He recognized and warned against our over-reliance on foreign oil as a threat to our Nation that forces one energy crisis after another on the businesses and families of our great country. Senator GREGG has been a powerful advocate for a common-sense, achievable energy policy that balances increased domestic production, conservation, and the development of alternative and renewable fuels. As his colleague from New Hampshire mentioned, JUDD's work to preserve open space in New Hampshire has led to the conservation and protection of more than 330,000 acres of sensitive land, leaving a tangible legacy for future generations to enjoy.

Senator GREGG is also committed to strengthening our national security. In 2005, I was honored to join with him and thousands of people throughout Maine and New Hampshire in saving the Portsmouth Naval Shipyard, which is, by the way, in Kittery, ME, not Portsmouth, NH, but it was indeed a joint effort. Standing together under Senator GREGG's leadership, our two delegations, working with the people of our two States, prevailed. In addition to saving the shipyard, JUDD has been in the forefront in strengthening and modernizing it. Thanks to his efforts, the U.S. Navy submarine fleet remains unsurpassed as our Nation's shield and our sword.

As chairman for years of the Homeland Security Appropriations Subcommittee, Senator GREGG recognized the threat we faced from radical Islamic terrorism, and he ensured that the resources were provided to help protect our homeland, while eliminating funding that was ineffective or extravagant.

This is quite a career. Throughout his long and distinguished life in public service, JUDD GREGG has been a champion of good government, an independent and creative thinker, and a bipartisan problem solver. He has fought for the public interests and has earned the public's trust. I know that, not only the people of New Hampshire and Maine, who know him well, but people all across this great country join me today in thanking Senator JUDD GREGG for his exceptional leadership, countless accomplishments, and fierce dedication to our country and the State he loves so much. We wish both JUDD and Kathy all the best.

Thank you.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. ALEXANDER. Mr. President, during the 1980s, somehow the Senate took a survey among themselves about who was the most admired Member of the Senate, and according to press reports, Senator Howard Baker of Tennessee was the most admired Senator by both Republicans and by Democrats. If such a survey were to be taken today, JUDD GREGG would certainly be at the top of that list for most of us. There is not a better Member of the Senate.

Much has been said about him, so I will say three things quickly because there are other Senators who wish to speak. First, JUDD GREGG is of New Hampshire, not from New Hampshire. Sometimes we say, Senator so-and-so is from Tennessee or from New York or from South Dakota or from Maine, but the Senator whose roots are where roots are supposed to be is ''of'' his State. JUDD GREGG sounds as though he is from New Hampshire. He acts as though he is from New Hampshire. He is from New Hampshire. He votes as though he is from New Hampshire. The Old Man of the Mountain, which was a rock up in New Hampshire, could be seen by those who drove by it. The rock fell down a few years ago and I thought: Well, maybe the best way to replace it is to put JUDD GREGG back up there because he is of New Hampshire.

Second, JUDD GREGG is a very good politician. I know that from direct experience. There is such a thing as the ''Gregg machine'' in New Hampshire. Those who have the temerity to run for President find that out. It was on the other side of my efforts when I was there, and to give an example, one day a reporter asked me: Well, Mr. ALEXANDER, what is the price of a gallon of milk? Of course, I knew what a gallon of milk costs, but I made the mistake of turning around to someone and asking, just to make sure what it was. A press person overheard it, and the next thing I knew, the ''Gregg machine'' had spread that story all over the state that this fellow in a red and black shirt didn't know what the price of milk was. So they are a very intimidating, effective crowd in New Hampshire.

The third thing, the final thing I will say about JUDD is one reason I admire and like him so much is that I so often agree with him. I agree with him on conservation issues, on education issues, on fiscal issues but especially on his view of this body, which he expressed so eloquently many times but especially in his remarks today. JUDD GREGG knows and understands that this body is the Citadel of the protection of liberty in our government. He said that today. It is the place where we avoid the tyranny of the majority. It is a place where the voices of the American people are heard, where we have open amendment and open debate. He has been an effective advocate for that. He understands we are not just a debating society, but that in the end, we are a governing body; that the purpose of our 60-vote majority is to force consensus and a compromise so we can act, so we can do our job.

JUDD leaves a wonderful legacy. He has many friends here. He will continue to have many friends here, this Senator who is of New Hampshire, who is a pretty good politician and with whom I so often agree. My special best wishes to his wife Kathy, with whom I also agree. Thank you.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. CORKER. Thank you, Mr. President. I appreciate the Senator from South Dakota allowing me to speak for about 60 seconds. I don't give long speeches on the floor. I seldom use notes. I know Senator GREGG knows this, but I have been here 4 years, and I can honestly say one of the greatest highlights of my 4 years has been being able to serve with Senator GREGG. I know of no one in the Senate whom I hope to be remembered even close to as far as my service. I know of no one whom I think creates a better example for those of us in the Senate. I know of no one whom I respect more than Senator GREGG. I know he knows that. I know his wonderful wife Kathy knows that.

I think, upon his departure, there will be a tremendous vacuum. I think all of us understand what each of us is going to have to do to try to fill a component of the shoes of the Senator from New Hampshire or the example he has set.

So I just want the Senator to know he certainly has raised my thinking as to what it means to be a Senator in the Senate. Each of us have frailties and each of us have strengths. There are always going to be occasions when Senators cause us to rise because they inspire us. They do things that are inspirational. There are always going to be times when Senators disappoint us because we are human beings, and that is the way human beings are. But I can say that you, more than anybody in the Senate, have caused me to want to be better more times than anyone and have disappointed me fewer times than anybody in the Senate. I will miss you. I wish you well, and I thank you for being my friend.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. THUNE. Mr. President, I ask unanimous consent to speak for up to 15 minutes.

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

Mr. THUNE. Mr. President, I also wish to join with my colleagues today before I speak to the issue of the day and express my appreciation to Senator GREGG for his great service to this institution and to our country. I think it is fair to say there is nobody quite like JUDD GREGG. He truly is one of a kind.

I remember when I first got here, I thought he didn't like me, and maybe he didn't like me, but I concluded that part of that was just his serious demeanor. He is a guy who means business. Once you get to know him, you not only appreciate that side of his personality, but you also gain an appreciation for the incredible wit and sense of humor he also possesses. I have had the opportunity to experience that on many occasions.

I think what the institution is going to miss the most—he is certainly someone who cares a lot about this country's future and the policies we put in place—is his abilities, his great skill and his great talent. It will be a real loss to the Senate because JUDD GREGG has a mind like a steel trap. He is able to analyze with great effectiveness the issues of the day and to explain them clearly. He is someone in whom I have tremendous respect. He has been a great mentor, a great leader, and someone, as I said before, we are going to miss around here.

I can't say enough about how much I appreciate his service and the service and the sacrifice his family has made. He has served in public life for many years, both as a Congressman, Governor, and a Senator. His wife Kathy, similar to many of our wives, puts up with a lot of things. JUDD, similar to me and many of my colleagues, I think, I would say probably married over his head or, as one of my friends said, outpunted his coverage. But we are grateful to his family.

We are going to miss the many contributions he has made, but probably none more than the passion with which he approaches this job and the passion with which he approaches building a brighter and better and stronger and more prosperous future for future generations. There has been no clearer voice on the issue of fiscal responsibility, no clearer voice when it comes to the important task we have in front of us, to insist that we take steps and we put policies in place that will make the country stronger and better for future generations.

So I wish to compliment as well my colleague from New Hampshire. I have heard from folks from other parts of the country. As someone who comes from the Midwest, I wish to say how much I appreciate JUDD GREGG, the incredible contribution he has made, and I, similar to so many others, will miss him greatly.

Mr. President, let me, if I might, speak to the issue before us today. We are debating a tax proposal, and on January 1 of 2011, just 17 days from now, families and small businesses across this country are going to see their taxes go up if Congress doesn't take action on the tax relief proposal that is currently before the Senate. There are elements of this proposal I don't like. I think it is fair to say there are a lot of us here who, if we were able to write this, certainly wouldn't have written it in the fashion we have in front of us today. But letting the perfect become the enemy of the good will result in one thing and one thing only; that is, higher taxes across America in 2 weeks.

It is easy to stand on the sidelines and to criticize this proposal, and it is perhaps even politically expedient to stand on the sidelines and criticize this proposal. But let me make one thing very clear. Advocating against this tax proposal is to advocate for a tax increase, and that is something we cannot and the American economy cannot afford.

It would be great if we could wait a few weeks, until we have a changeover in the Congress. Frankly, I would be very happy to see a bill written a few weeks from now when the newly elected Republicans are going to be sworn in. But that is a luxury that doesn't exist because of this reality that we have—this deadline looming in front of us. If we wait for the perfect proposal, the perfect agreement, then American families and small businesses are going to pay higher taxes just 2 weeks from now. That is not a scare tactic, that is not political posturing, that is simply a fact.

Taking action now to prevent this tax increase would do a number of things. First, it would protect 21 million households from being hit by the alternative minimum tax in the year 2010. It would preserve relief from the marriage penalty. There are many provisions of the Tax Code today—some of which have been addressed in previous tax law, expiring tax law—that lessen the impact of being married. Ironically, in the Tax Code, we punish people for being married in this country. Taking action now would prevent job-killing tax increases on many of our small businesses across this country, and it would protect farmers and ranchers from the death tax that would confiscate over half the value of the family farm.

What happens if we don't pass this tax proposal? Well, according to a number of economists, we would see a drop in the gross domestic product from somewhere between 1.7 percent to 2 percent. That is according to a number of private economists. Even the Congressional Budget Office suggests we would see about a 1.4 percent negative impact in our economy, in the gross domestic product, if we don't take the action necessary to prevent these tax increases.

Failure to act now, according to the Tax Foundation, with regard to my State of South Dakota, would cost the average family in South Dakota about $1,700 a year in higher taxes. The average American household would be faced with higher taxes to the tune of about $3,000. If we don't take the steps that are necessary to address the death tax on January 1, the death tax kicks back in at $1 million—a $1 million exemption—and everything above that would be taxed at 55 percent. So imagine the impact on a farmer, a rancher, a small businessperson in this country, who is trying to pass on that operation to the next generation, and what this would mean in their ability to do that.

As I said earlier, this is not a perfect agreement, but no compromise is. The fact we are dealing with Democrats, who still run both the House, the Senate, and the White House, if we want to stop taxes from going up on everyone, then we are going to have to figure out a way to get that done. And if we stand around trying to debate the perfect, then taxes are going to go up on families and businesses and our economic recovery is going to stall out.

I think it is also important to note that it will send a negative message to the financial markets. If we don't take action to address this crisis looming in front of us on January 1, we can expect the 9.8-percent unemployment rate could go significantly higher.

I would simply argue that inaction is not an option, and advocating against this proposal is no different than advocating for higher taxes. I hope that my colleagues will see their way to support this today and to support it in big numbers. It will go from here to the House of Representatives, and they will look closely at the vote coming out of the Senate. I think it is fair to say, if and when it gets to the House of Representatives, it will pass provided the Senate sends a very strong message—a message I think consistent with the will of the American people. In fact, according to public opinion polls, one as recent as this morning, 70 percent of Americans believe and agree this tax proposal ought to be enacted and signed into law.

The real issue that I think affects our fiscal situation in this country isn't the fact we don't have enough revenue, it is that we spend too much. If we look historically—and it is an empirical fact—at what happens when you lower taxes—look at John F. Kennedy, at Ronald Reagan, and George W. Bush in recent history—anytime you lower marginal income tax rates, taxes on investment, you get more revenue, not less revenue. That is an empirical fact. You also get a growing economy. When you have a growing economy, it is obviously creating more jobs, and that is what we want to see happen. We want to get this 9.8-percent unemployment rate down.

I would argue that the issue we have in front of us with regard to spending and deficits and debt doesn't have to do with the fact we don't have enough revenue, it has to do with the fact that Washington spends too much, and that is where we ought to be targeting and focusing our efforts.

Historically, if you look at the last half century, I think the amount we spend for our government as a percent of our gross domestic product hovers somewhere in the 20½ percent range. Today, it is about 24, 25 percent we are spending on government as a percentage of our total economy.

We have complicated and added to that burden by enacting major legislation in this last year. The massive new health care entitlement program, when it is fully implemented, will cost on the order of $2.5 trillion. We have lots of other legislation that has moved through here. The stimulus bill passed earlier this year was $1 trillion of borrowed money, which didn't have the desired impact. The one thing we know with certainty is that—at least based on history—when you raise taxes, you get fewer jobs; when you lower taxes, you get more economic activity, more jobs for the American people and, frankly, more revenue. That helps to deal with the issue of the deficit and the debt.

In this particular proposal there is some new spending. There are unemployment benefits included. I would like to have seen that offset. I had an amendment that would do that, that would pay for the additional spending in this bill. We are not going to have the opportunity to offer amendments, but there will be a couple of motions offered by my colleague from Oklahoma, Senator COBURN—motions to suspend the rules and pay for the additional $56.5 billion in new spending as a result of extending unemployment benefits in the bill. I think that is important for us to do.

Since we got into this recession, we have spent, I think, about $124 billion, borrowed from future generations for these extensions that we continue to pass for unemployment benefits. This particular one would take us up to almost $180 billion in borrowed money to pay for these benefits. It makes sense, in my judgment, when you are spending new money, you should offset or pay for that. Frankly, I would like to see that as part of this proposal. It is not in there. As I said, I have an amendment to rectify that, which won't be considered because we are not being given the opportunity to offer amendments. But I will support the motion to suspend the rules and pass a pay-for for the unemployment benefit extension the Senator from Oklahoma will offer later.

All that to say again the real issue here, in my judgment, comes down not to an issue of revenue but it comes down to an issue of spending. I think the American people recognize that. I think that is why there is such broad public support for this tax proposal, because the American people recognize that you can't raise taxes in the middle of a recession and expect the job creators in this country—our small businesses—to create jobs. It is counterintuitive and it defies all empirical knowledge and experience that we have to suggest otherwise. On the other hand, the American people do believe that government has gotten too big, that it is growing too fast, and it needs to be reined in. That is where we have to attack the spending side of this equation. I believe when the new Congress is seated next year there is going to be an intense focus on this issue of spending, and it is high time that happen, because it is high time we get the debt and the deficit issue that will plague future generations under control. The real issue doesn't have to do with revenue, it has to do with spending.

So I would urge my colleagues to support this proposal. As I said earlier, it is not perfect—certainly not in my estimation, nor I think in the eyes of many people who have looked at this. But on the other hand, it does prevent us, on January 1, from seeing a massive tax increase—the largest tax increase in American history—start to hit American families and American small businesses. That is why I hope we will pass it out of the Senate with a big bipartisan vote.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. MANCHIN). The Senator from Iowa.

FOR-PROFIT EDUCATION INVESTIGATION

Mr. HARKIN. Mr. President, for more than 50 years, the Federal Government has provided students with grants and loans to help pay for college. That is a public-private partnership between the government and the students, between our taxpayers and students. It is an investment premised on the idea that a higher education will improve life for the borrower and also will strengthen our society by giving more Americans the knowledge and skills to get better jobs and to be able to give back to their communities.

I know firsthand how higher education can transform one's life. I went to college on student loans and to law school on the GI bill. That is why I have spent my career in Congress fighting to ensure that all students who wish to learn, who wish to get a college degree, also have the opportunity to do so. I have worked on the Appropriations Committee to expand funding for Pell grants and student support programs. And now, as the HELP Committee chairman, I have worked to expand Pell grants to make sure our student loan programs are well run.

For the past 2 years, Congress has provided significant resources to help students access and finance a college education. In 2008, we increased the amount of Stafford loans that undergraduates can borrow by $2,000 a year. The Recovery Act of 2009 provided another $17 billion to the Pell grant program. The recent reconciliation law added another $36 billion to Pell grants over the next 10 years. So the Congress has made hard choices to secure these increases for financial aid programs. The money is an investment in our Nation's students and also in our country's future. For that investment to pay off, we must ensure that students are being well educated and that schools are using Federal dollars responsibly. To ensure our investment is paying off, earlier this year I initiated an oversight investigation into for-profit education companies. Education companies that make a profit for shareholders and investors are growing at an astonishing pace. Enrollments, profits, and share of the Federal financial aid budget going to those schools are skyrocketing.

In 2008, these for-profit schools accounted for 10 percent of the students enrolled in higher education, but those students received 23 percent of Federal student loans and grants and they accounted for 44 percent of the defaults. Again, for-profit schools, 10 percent of the students, got 23 percent of the Federal loans and grants and accounted for 44 percent of the defaults.

Confronted with numbers such as these, I became increasingly concerned a significant share of our Federal investment in higher education is being misused and that some companies are using the Federal aid program as a cash machine to drive up profits as their main purpose. Across the country, some higher education companies are using a high-pressure sales force, persuading consumers in search of the American dream to go deep into debt to purchase a product of often dubious value.

Default rates are sky high, taxpayer money is being squandered, top executives walking away with fortunes. You might think I am talking about the subprime mortgage industry, which came crashing down 2 years ago, because that does describe it. But what I have just described is also the situation created by many for-profit colleges. Just as in the subprime mortgage crisis, countless thousands of ordinary Americans are being harmed by the reckless pursuit of profits by a few.

This summer, I heard testimony from Ms. Yasmine Issa, a single mother of twin girls. Two years ago, she went back to school to earn her degree in medical sonography. She went on line, typed in sonography, and found an advertisement for the Sanford-Brown Institute, part of a chain of for-profit colleges owned by Career Education Corporation, a publicly traded company. The folks at Sanford Brown sold Ms. Issa on the value of their program. They told her how it would help provide for her daughters, so she enrolled and paid out $29,000 for an 18-month program.

The recruiters at Sanford-Brown did not tell her that she could have gone to the local community college and received the same degree for $7,000. They also didn't bother to tell her that her degree at Sanford-Brown wouldn't even allow her to sit for the sonography exam. Nor did they tell her that without passing the exam, she would not be able to work as a sonographer. So after $29,000 invested, 18 months of hard work, Ms. Issa couldn't even sit for the exam.

Ms. Issa is not alone, but she and students like her are the reason I decided we in Congress need to take a closer look at this for-profit college situation. After three hearings, I believe it is an important time to report back to the Senate on what we have found to date. So today I am going to take the time to walk through the findings of each of these three hearings, talk about the problems facing these students and taxpayers, and conclude by talking about where the HELP Committee investigation is going in the coming years.

The first hearing in June asked what are for-profit colleges? We focused on this issue following dozens of troubling reports about students being ripped off by for-profit colleges. The New York Times, Bloomberg News, ''Frontline,'' even Good Housekeeping had reported extensively about the growth of federally funded, for-profit higher education corporations. Our first task was to get a sense of what these for-profit colleges were, how big they were, and how well they were serving our students. Given that these companies receive almost all of their revenue from Federal dollars, one would think all of this information would be easily available to the public and not require a congressional investigation to unearth. But, unfortunately, that was not the case.

First, what are for-profit colleges? For-profit colleges or proprietary institutions, as they are known in the law, are institutions of higher education that provide a program of training to prepare students for gainful employment in a recognized occupation. Essentially, in 1965, we recognized that career or vocational schools, as they were then known—most of them were privately owned—played a valuable role in our education system and that the people who attended the schools should be able to get financial aid to attend them. At the same time, we required these schools to demonstrate that students were being prepared for gainful employment in a recognized occupation—something we do not require of 2- and 4-year programs at public and nonprofit schools.

Today, we find ourselves in a world where proprietary schools offer everything from basic school training to liberal arts graduate degrees, and some for-profit schools enroll not a few hundred students but in some cases a few hundred thousand students. If these schools were providing high-quality education for most of their students, those numbers would be a cause for celebration. Instead, they are a case for concern, and these concerns are longstanding.

Twenty years ago, former Senator Sam Nunn of Georgia held a series of hearings looking at the for-profit sector, and because of the problems he found, he initiated a series of legislative fixes to ensure that for-profit schools were a good investment for students and taxpayers. As with many laws, 20 years has taken its toll, and those reforms have been almost completely rolled back. We find ourselves today facing some of the same problems, with few tools in place to provide genuine oversight of our taxpayers' investment.

What has not changed is that, unlike public or nonprofit schools, proprietary schools are legally bound to operate in the interest of their owners. As the companies have gotten larger, they have been transformed from mom-and-pop operations into high-growth, high-investment, big businesses. Fifteen for-profit education companies that operate 69 schools with an enrollment of 1.5 million are actually publicly traded on the New York stock exchange or on NASDAQ. Another 33 for-profit education companies operating 65 more for-profit schools are at least partially owned by private equity investors or hedge funds. The result is that the vast majority of for-profit schools have prioritized growth over education in order to satisfy the demands of their investors. In fact, growth and return on investment for shareholders is their legal obligation. So it should not surprise us that educating students is taking a backseat to just getting more bodies in the door.

For-profit colleges traded in the stock market are a relatively recent phenomenon that has created a drastically transformed landscape for us here in Congress, the legislators. As I said, in 1992—the last time Congress took a serious look at this sector under Senator Nunn—there were no publicly traded, for-profit higher education institutions—none, zero. In 2010, 15 publicly traded institutions enrolling a million and a half students are in existence. That is just publicly traded. There are many more that are equity owned, owned by equity investors or hedge funds, which also did not exist 20 years ago.

To satisfy shareholders, publicly traded schools must constantly focus on growth, measuring up to Wall Street's laser-like attention to quarterly enrollment statistics. Publicly traded schools must also generate higher revenues while keeping down costs, including teaching costs. These schools do this by raising tuition and increasing the number of enrolled students, which in turn increases the amount of Federal student aid dollars flowing to the schools. But it does not necessarily do anything about the quality of the education received.

A focus on growth at the expense of student outcomes is not just the province of the publicly traded companies. As I said, increasingly, hedge funds and private equity firms invest in for-profit colleges and manage the business end of the operation. For example, how many people know that Goldman Sachs—yes, the same Goldman Sachs—is the owner of more than one-third of the publicly traded EDMC—that is a for-profit college—which is the operator of something called the Art Institute and Brown Mackie? These are colleges; these are for-profit schools. A vice president and a managing director of Goldman Sachs sit on the EDMC board. These firms are interested in short-term profit and have little interest in the long-term educational outcomes of the students attending the schools.

It certainly is not clear to the students that the school is owned by a bunch of Wall Street investors. I had this chart printed. These are not all of them, but these are for-profit schools owned by private equity and hedge funds that we were able to come up with. How many students at Rasmussen College or Morrison University or the Institute for Business and Technology or Beckfield College or Chancellor University or Ashworth College or Florida Coastal School of Law—how many students signing up for this know they are owned by private investors or hedge funds that operate these schools? They sound as if they are just legitimate colleges.

An estimated 1.3 out of 1.8 million students attending for-profit schools in 2008 were attending schools primarily owned by Wall Street investors. Let me repeat that. Out of 1.8 million students going to for-profit colleges in 2008, 1.3 million students were attending colleges primarily owned by Wall Street investors. Again, this landscape was not around 20 years ago. In fact, most of it was not around 10 years ago.

Here is what the hedge fund owners of Westwood College state on their Web site:

> They always keep their eye on the ball of what is best for the business over the long term.

Not the students, not the education of students, but they keep their eye on the ball of what is best for the business, the hedge fund. That is funny, I thought the ball we should be keeping our eye on is how good a job we are doing educating students with taxpayer money.

Westwood is under investigation by the attorney general in Colorado. It has had its operation shut down in Texas, and it was told not to operate online in Wisconsin. No accrediting agency seems willing to acknowledge that it accredits this school, yet Westwood College turned a profit of $46.7 million in 2009. It is owned by a hedge fund.

While we call these schools for-profits to distinguish them from public community colleges and 4-year colleges and the nonprofit universities, it is really a misnomer since they are largely federally funded through student loans, grants, and military benefits. As a group our committee looked at, these publicly traded companies receive at least 85.6 percent of their revenue from Federal dollars of one sort or another. That is for profit?

Under current law, these companies cannot get more than 90 percent of their revenue from student loans and grants. We call it the 90–10 rule. To me, that seems like a lot, but for these companies, it is not enough. According to an internal lobbying document from the Career College Association released by the New America Foundation, one of the top priorities for the for-profit college trade association is to roll back that rule and increase the amount of Federal dollars these companies can get from the government. Ninety percent is not enough. They have clearly done a good job since at least six of the companies—Kaplan, EPCI, TUI, ACC, Remington, and Vatterott—get more than 90 percent of their revenues from the Federal Government.

You might say: Wait a second, Senator HARKIN, I thought you said they were limited to 90 percent by law.

True. Here is how they get around it. The University of Phoenix, for example, in its SEC filing acknowledged it received 89 percent of its revenues from Federal financial aid programs. Document requests that we got indicate they receive an additional 1.5 percent of revenues from other Federal sources, including military benefits. That means even the largest for-profit school—Phoenix—is receiving more than 90 percent of its revenues from Federal taxpayer dollars.

Again, how do they do that? If you get military money, that is not counted in the 90 percent; that is counted in the 10 percent that is private. Let's get that again. If they enroll a military person who gets GI bill benefits and they put it into these schools, that is not counted as part of the 90 percent. That is what their nice lobbying got done for them. Some of them get more than 90 percent of their money from the Federal Government.

So, again, just looking at Phoenix, the University of Phoenix took in more than $1 billion in Pell grants last year and more than $3 billion in Federal student loans—$4 billion in revenue from American taxpayers for just one company in 1 year.

More than 93 percent of the students in these schools take out Federal student loans. The loans go to these schools. By relying so heavily on Federal subsidies, these for-profit colleges have privatized the process of collecting Federal subsidies, but they have left the students holding the bag for the cost of a subpar education at a very high price.

Of course, the term ''for-profit'' is not completely misplaced because, regardless of how poorly students perform, as long as these companies can demonstrate enrollment growth, they remain profitable. In 2009, the same 30 schools that received 86 percent of revenues from Federal dollars generated $3.5 billion in profits for the hedge funds, the equity investors, or stockholders, shareholders.

Last year, together, all the schools had a profit margin of 19 percent. How many businesses in the State of West Virginia have a profit margin of 19 percent, I ask, or Iowa? But that is the average. Some schools have profit margins of 33 percent. The highest we found was a 37-percent profit margin last year. Where did the money come from? Taxpayers. The taxpayers of America. It is not a bad deal if you can get it.

Then look at what happened with the executive salaries. That 85 to 90 percent-plus of their revenues coming in from the taxpayers really paid for some high executive salaries. BusinessWeek recently reported that the CEO of Strayer, one of these schools, was paid $41.6 million last year—that is the president of a school—26 times the highest salary paid to a nonprofit or private university president, probably more than at the University of West Virginia or Iowa or Iowa State.

Combined, the executives at the 15 publicly traded schools received $2 billion from the sale of stock over the last 7 years. Let me repeat that. Over the last 7 years, these executives who run these schools started dumping stock. They started selling all their stock back. Do you know what they got? They got $2 billion in the last 7 years from the sale of their stock.

If they loved these schools so much, you would think they would be investing the money in the schools, to help some of these students, maybe tutoring, some kind of support mechanisms for those poor students who come in who do not have an experience of going to school; that they would be doing everything they could to make sure students who came in stayed and did not drop out.

No. They sold stock and walked away with $2 billion in the last 7 years. The co-CEO of the company that owns the University of Phoenix was paid $11.3 million last year. That is more than 7 times the $1.6 million paid to the highest paid head of a nonprofit—more than 14 times the compensation paid to the president of Harvard.

Boy, they are walking away with money. Well, that was our first hearing. What are these schools? Our second hearing that we had in August, we featured testimony from the Government Accountability Office, the GAO, focused on how for-profit schools go about recruiting students. We had heard companies—these for-profit schools—complain that their rapid growth was nothing more than students voting with their feet.

Unfortunately, the GAO and our witnesses, including a former recruiter at Westwood College, I just mentioned, made clear that for-profit college growth is actually the result of an aggressive, well-funded marketing effort by the schools, including lies and deception.

Using undercover agents and hidden cameras, GAO presented a troubling picture of student recruitment. Undercover investigators from GAO visited 15 campuses of 12 companies and they found misleading, deceptive, overly aggressive or fraudulent practices at every one of those campuses, every single one.

We watched the films. We watched. They had these little hidden cameras and microphones. We watched them in our committee hearing. Startling. Startling. Students were lied to and misled about the costs of the program, about what they could expect to earn, about how many students graduated, whether their credits would transfer, and whether the program was accredited.

They were misled about whether their student loans were dischargeable in bankruptcy and even were prevented from having a conversation with a financial aid officer until after they signed on the dotted line. So you sign on the dotted line. Then you get to talk to the financial aid officer.

That does not happen at West Virginia University or Iowa State. You can see the financial aid officer and see what you are eligible for before you decide to go there.

I wish to digress for a minute about these loans being dischargeable in bankruptcy. That is one thing very few of these students know. Let's face it. A lot of these students come from low-income families—and I will get to that also in a minute—and they have not probably had a good educational experience in secondary school, but they want to better themselves.

So they listen to this high-pressure sales tactic. They get these kids online and stuff and they call them on the phone and they say: Do not worry about anything. We will fill out all the paperwork. We will take care of all the paperwork, and based upon what you said, you are eligible for this much Pell grant—you will get the money—and loans and you can get these Federal loans. We will take care of all the paperwork. You do not have to worry about a thing when you sign up.

What the students do not know is that the loans they are taking out can never by discharged—never, until they die. We talked a lot about the subprime and how many people were left with houses they bought that they could not pay for. Here is one difference. You can walk away from the house. If you buy a car and you get a loan on a car and you cannot make it, you can walk away from the car. Students cannot walk away from these debts. Once that school gets that money and they drop out, they have that debt hanging around their neck.

You know what happens—and I will get to this letter, too—these students then cannot go on to another school. They cannot get another loan. They cannot do anything until they pay that debt. The Federal Government will be after them on that debt. Even when they get Social Security, they will go after the Social Security payments.

How many students would borrow $29,000 if they knew that, if they knew that debt will be yours until you pay it off? They do not know that. They drop out of school, they borrow the money, they gave it to the school, and that is it. Not true. Schools do not inform them of this.

The committee received recruitment training manuals from several different campuses. They have one thing in common: manipulation. Get this, and this is written up. They encourage their sales staff to identify the emotional weaknesses of prospective students, to exploit the pain, to motivate students to enroll. Again, do not take it from me. A recent Business Week article described a document from Kaplan University that urged the recruiters to focus on ''the fear, uncertainty and doubt of their prospective students.''

These recruitment practices more likely characterize boiler-room sales tactics than trying to get someone a good education. These abusive recruitment practices result in students unprepared for or poorly matched to their academic program, with a high probability of dropping out, leaving school not with a degree but with a mountain of debt.

Some for-profit companies spend in excess of 30 percent of total cost just to fund an aggressive sales force, 30 percent of total cost, just in their sales force.

Those abusive practices, so widespread that GAO found them at every campus of every company it visited, are the symptoms of a very sick industry. While GAO made some minor revisions and clarifications of the long list of misleading practices it documented—and that the industry has now tried hard to use to discredit the work of the GAO—the essential finding stands; that every single school engaged in misrepresentation, deception or outright fraud.

I urge anyone interested to go to our committee Web site, the HELP Committee Web site, and listen to those GAO tapes for themselves. In fact, the 30 companies from which I requested information spent a combined $4.12 billion in marketing in fiscal year 2009, $4.12 billion they spent on marketing.

If you say: Well, what is wrong with that? Just think, 86 percent of that came from the taxpayers. Six companies: Apollo, Walden, Grand Canyon, Bridgepoint, Strayer, and ITT actually spent more than 50 percent of their revenues on a combination of marketing and profit. So you add up their marketing and their profit, over 50 percent of their revenues.

The second HELP Committee hearing made clear to me the problems of the for-profit sector cannot be chalked up to a few bad actors. The opportunity for great profits, in spite of poor student outcomes, has become the business model in this sector. I became worried this approach, characterized by aggressive recruitment, high cost, high debt, low graduation rates, was creating a vortex, sucking in even the good actors in the industry.

Think about this business model. Think about it. If you are one of these for-profit schools, you make the most money by recruiting the poorest students, and here is why. Because if you get the poorest students, they are eligible for the maximum Pell grant. You get the poorest students, they are eligible for the maximum Federal loans.

That is profit. That is profit to these companies. So that is the business model. Since they, the companies, are legally bound to try to increase their returns, either to their equity investors or hedge funds or their shareholders, they have to have this growth. So they keep aggressively recruiting more students. The poorer you are, the better they like it because it gives them more money. Then, if you drop out, it is no skin off their teeth. They do not owe you anything. So the poorer students get recruited. They do not get any support or very little, a little help. They drop out—I have a chart to show you that after a bit—and they have all this debt and the schools have all the money. That is the business model.

The HELP Committee held its third and most recent hearing in September, with a focus on answering the question: What is happening to all the students whom these schools are pushing so hard to bring in the door—the ones I just talked about.

Unfortunately, according to information provided by the 30 schools and analyzed by the HELP Committee, it appears these students are not faring very well. At the 30 companies we analyzed, 54 percent of the students who came in the door in the 2008–2009 school year had left without a degree by the following year. OK. At 30 companies we had analyzed, 54 percent of the students who came in the door that year left the following year without a degree. They vanished—54 percent, one out of every two, they left. That number is striking.

We know from the Department of Education that nearly every student at a for-profit college will take out a Federal student loan. Of course, they will get their Pell grants too. That means more than half these students are enrolling, being saddled with debt, and dropping out without a degree.

The numbers are even worse when we look specifically at students enrolled in associate's degree programs. This chart will show this. The chart shows the 10 associate's degree programs with the worst outcomes for students, these 10. The column in yellow shows the percentage of students leaving—right here. So here is the institution's total students. Here is the withdrawal rate. This is the withdrawal rate in the first year; in the first year, 84.4 percent of students from Bridgepoint who signed up dropped out in the first year. What do you think happened to their loans? What do you think happened to their Pell grants? Students get those back? Not on your life. Bridgepoint kept them, the money went to their shareholders.

In that program, Bridgepoint, 84 percent, nearly all the 7,900 students they have, left before attaining their associate's degree. I am not talking about a master's degree, I am talking about a 2-year degree. Nearly 70 percent at the second school, Lincoln, with the rest in the 60-percent range. So they had 69 percent who did not finish.

Just among those 10 schools, 375,000 students enrolled in the 2008–2009 school year. Nearly 250,000 dropped out without a degree a year later—250,000. These are staggering numbers.

Behind these numbers are students who are fed up with the lack of help or support from the school. They can no longer justify the level of debt they are taking on because they realize the dream job the recruiter sold them on is not waiting at the end.

I should be clear, these are not the complete dropout rates. More students are actually likely to quit by the time we would actually measure that. These are students who are gone within 1 year, many of whom never even register in the Department of Education's annual enrollment count.

Guess where they are counted, though. They are counted by investors looking to value the company and measure its likely profit. So when I say all these students dropped out, that is just 1 year. How many dropped out the second year? We do not know that.

Let me focus, for a moment, on Bridgepoint. Bridgepoint operates Ashford University and is based, sort of, in Clinton, IA. A group of private equity investors purchased a small Catholic school in 2004, when it had about 375 students. In 2004, this small Catholic school in Clinton, IA, had 375 students. They transformed it into a for-profit school. It now has 67,000 students, a 17,000-percent increase in student population in 6 years, 17,000 percent.

Ashford still operates the small campus in Iowa. About 600 students go there. The other 67,000 take classes online. I, obviously, was very interested to know how the heck they can be doing such a good job for students with that kind of growth. What the data we have collected for our investigation can tell us, for the first time, is they are not doing a very good job for their students.

Eighty-four percent of the students seeking an associate's degree and 63 percent of bachelor's degree-seeking students leave Ashford within 1 year, without finishing their programs.

But look at the growth—17,000 percent growth. This is not terribly surprising because Bridgepoint offers no tutoring or other student services. If a student starts to have difficulties at Ashford online, they have two options: talk to their part-time teacher online or ask the computer avatar, who is the online student resource center.

Should a student succeed in completing a degree at Ashford, they had best not expect a lot of help finding a job. While Bridgepoint employs 1,703 recruiters, they employ just one person to handle career planning. They employ 1,703 recruiters, and one person to handle career planning for the entire student body of 67,000 students. According to a recent study, 60 percent of all community college students need extra help to succeed in school. They need tutoring and classes to make up for what they may not have learned in middle school and high school. For-profit colleges have served a similar population with similar needs. As they often remind us, the for-profit sector serves a group of students that traditionally lack access to higher education. Their students are the ones who are the most vulnerable, the ones who didn't have parents who went to college, who didn't grow up in a fairly wealthy household. And to make it through college, they require a significant support structure that is not available at these for-profit schools.

Like Bridgepoint, schools that have large online programs seem to have particularly troubling outcomes. This becomes clear when we look at a large publicly traded school that has both a large online program and a large campus-based program for associate degree-seeking students. I am talking about a 2-year degree. We can see it on this chart.

Career Education Corporation—that is another one of these for-profit schools—has a withdrawal rate of 44 percent on their campus-based programs, and a whopping 69.5 percent in their online programs. Campus-based program withdrawal rate 44 percent; online withdrawal rate 69.5 percent. Something is very wrong here. To me, this suggests these online students are not getting the support they need. It is inexpensive for a school to enroll a student online, but to ensure those students are learning and succeeding would require a major investment that for-profit schools, obviously, are not willing to make.

What these high dropout numbers illustrate is a phenomenon called ''churn.'' That is an industry term for bringing in students, signing them up for loans and Pell grants, and then leaving them to sink or swim. Then they go out the door, and they bring in more. That is what they call churning through the students because so many students at these for-profit schools come in the door and then leave within 4 months, 5 months, 6 months. Many of these students don't even show up in the data the Department of Education collects.

At Bridgepoint, for example, on the first day of classes in the fall of 2009, there were about 48,000 students signed up. Over the next year, recruiters signed up 77,000 additional students. Let's keep these figures in mind. In the fall of 2009, 48,000 students signed up for Bridgepoint.

In the next year, they signed up 77,000 additional students. Then at the end of that school year in 2010, there were only 67,000 total students enrolled. That means the school's actual head count for that year was about 125,000 students enrolled at some point. But 58,000 students, nearly half of them, didn't stick around. They were out the door. These are the kinds of things people don't know. This is what our investigation has uncovered by getting the documentation that led us to these figures.

The picture is much the same at other for-profit schools. In fact, most schools we analyzed recruit at least the equivalent of their entire starting student population anew each year. That bears repeating. Most of the schools we analyzed recruit at least the equivalent of their entire starting student population anew every year.

This chart describes the University of Phoenix. We have all heard of them. If someone has never heard of them, they don't watch TV or read newspapers or ride a bus or anything else to see all their ads. They do a great job of advertising. At the University of Phoenix, in 2008–2009, the school started the year with 443,000 students. They ended the school year with 470,800 students, so almost a 28,000-student increase, 27,800 to be exact. They grew their enrollment by 27,800. In fact, they actually recruited and enrolled 371,700 new students in that year to get 27,800. Again, these numbers can get a little confusing. Let me try that again.

The University of Phoenix started the school year in 2008 with 443,000 students. They ended the school year with 470,800, a growth of 27,800 students. How did they get 27,800? They recruited 371,700 students just to get that 27,800. That means almost 350,000 students passed through the University of Phoenix in 2009 without anything to show for it. They came in. A lot of them gave them their Pell grants. They turned over their student loans. Then they vanished. The students got the debt and the University of Phoenix got a nice little profit. Actually, a nice big profit.

At another company, EDMC, the marketing and recruiting machine signed up 124,000 new students in the last school year. But they ended up the year with only 19,000 more students than when they started. Recruiters for these schools face the imperative of enrolling large numbers of new students each year to replace those dropping out and eventually reach the point where the number of new students is sufficient to actually cause the enrollment to grow.

That is what the shareholders demand. That is what the hedge funds who own them demand. That is what their equity investors demand. The schools may be very successful as companies, making profits for their investors and their owners and, I might say, huge compensation for their executives and their presidents, but it is hard to say they are successful as educational institutions.

(Mr. BENNET assumed the chair.)

Mr. DURBIN. Will the Senator yield for a question?

Mr. HARKIN. I am delighted to yield.

Mr. DURBIN. I wish to ask the Senator, most people say businesses ought to have their opportunity to make a profit. That is what America is all about. What percentage of the revenues at, say, the University of Phoenix come from Federal taxpayers?

Mr. HARKIN. I am glad the Senator asked that question. I will go over that again. There is a Federal law that says they can only get 90 percent of their revenue from Federal financial aid sources, loans or grants, Pell grants, loans, that type of thing, 90 percent. The University of Phoenix reported last year they got 89 percent of their money from the Federal Government. But here is the kicker. If you are a GI and they recruit you and you are giving them your GI bill benefits and other educational benefits you get through the military, that is not counted in the 90 percent. For some reason that is not taxpayer money. Actually, the University of Phoenix got more than 90 percent of their money from the taxpayers.

Mr. DURBIN. If I might follow up, didn't we ask the GAO to do a study, or the Department of Defense to do a study about GI bill benefits and how much we were actually spending through the GI bill for education through the for-profit schools compared to the public schools, community colleges, colleges and universities? We asked for that number, and we ended up learning these for-profit schools were charging GIs and veterans three times the amount being charged for those who went through other traditional schools, public schools, and universities.

It strikes me we have a legitimate concern. I know the Senator from Iowa and myself have been dutifully and loyally voting for Federal aid to education. I don't know his story. My story is, I am standing here today because of a National Defense Education Act government loan that let me finish college and law school; the Senator from Iowa the same thing. I have thought, goodness' sakes, if that is how I reached this point in my life, other people deserve the same chance. I have been almost an automatic vote when it comes to that kind of assistance.

I thank the Senator from Iowa. Now that he has had these hearings and I have joined him in investigating it, I find that a growing percentage of Federal aid to education is going to for-profit schools that operate with 90 percent Federal tax dollars and don't end up providing the kind of education these young men and women need to succeed, and many of them end up defaulting on their student loans. So there they are with the debt and nothing to show for it, which I believe is the point the Senator is making.

I ask my colleague, a veteran himself, how can it be fair to the government or the veterans for this kind of exploitation to continue?

Mr. HARKIN. I say to the Senator, who has been a leader in this effort of looking at the for-profit industry, trying to get the facts so we can make reasonable decisions as legislators about protecting both the taxpayers' dollars and protecting students, on December 8 our committee published this report called ''Benefiting Whom, For-Profit Education Companies and the Growth of Military Education Benefits.'' I suggest that he might want to look at that. The Senator is absolutely right. More and more of this money is going to the for-profit schools.

Let me put it this way: Between $640 to $700 million in GI bill benefits went basically to public institutions, public schools—the University of Illinois, Iowa State, University of Colorado, University of Georgia—all that. About $640 to $700 million went to public schools. That supported 209,000 students. About the same amount of money from GI bill benefits went to the for-profit schools and supported 75,000 students.

Mr. DURBIN. So it is roughly three to one.

Mr. HARKIN. Yes. That is about right.

Mr. DURBIN. So for every dollar we spent through the Department of Defense to help veterans in the GI bill, if they went to a for-profit school, they were being charged three times what public schools were charging.

Mr. HARKIN. The Senator is correct.

Mr. DURBIN. And the numbers we found show that, for example, four of the five biggest schools receiving the most post-9/11 GI bill funding have at least one campus with a student loan default rate above 24 percent over 3 years. In comparison—and I don't have the numbers in front of me—I believe when we look at public schools, the default rates are in the 7- to 10-percent range.

Mr. HARKIN. That is correct.

Mr. DURBIN. So more and more students are being charged higher tuition, going deeper in debt, and defaulting at a rate of 3 to 1, being charged three times as much, defaulting three times as much as those who are attending public schools?

Mr. HARKIN. That is right.

Mr. DURBIN. It seems to me, at a time of great national deficits, when we do care about our veterans, this is an unexplainable, indefensible situation. I thank the Senator from Iowa for his hearings on this matter. I ask him: At this point, where do we go from here in terms of these schools and in terms of what we should be asking of them to make sure the students, the veterans, and the taxpayers get a fair shake?

Mr. HARKIN. I thank my friend from Illinois for his focus on this issue for a long time and bringing it to our attention. Again, where are we going? We have some more hearings we are going to be having after the first of the year. Then we are going to be looking at legislation we need to do. We need to take care of this.

As I said earlier, our friend and former colleague, Senator Sam Nunn of Georgia, in 1992, had hearings on this very same subject, and we put in place what we thought were fixes to straighten out this industry and to make sure taxpayers' dollars were better protected. Almost all those have been done away with—the fixes that were made by Senator Nunn and this body, this Congress at that time. We have to reexamine those fixes and others again.

For example, as the Senator knows, in 1992, we put a ban on compensating employees solely for recruiting students; in other words, you could not pay recruiters for how many students they recruited.

Mr. DURBIN. Bounties.

Mr. HARKIN. A bounty. That was rolled back in 2001. We also had a provision that was put in the law then, that at least 50 percent of your students had to be campus based. That was done away with in 2005. So all your students can be online. Since 2005, we have seen this huge explosion in online students going to these private schools online. So those are just two of the things that have been rolled back. I think we have to reexamine that and reexamine how we better protect both taxpayers and students.

Mr. DURBIN. If I could ask one last question of the Senator from Iowa.

So the U.S. Department of Education is looking at this?

Mr. HARKIN. Yes.

Mr. DURBIN. Secretary of Education Arne Duncan is looking into this.

Mr. HARKIN. Yes.

Mr. DURBIN. You cannot escape the reaction of the for-profit school industry. They are buying full-page ads in every newspaper they can get their hands on, claiming we are, by this investigation, trying to deny an opportunity for education for particularly disadvantaged students.

Mr. HARKIN. Yes.

Mr. DURBIN. Isn't the bottom line that we want to make sure that, first, schools are accredited, so when they hold themselves out to offer a training program, certificate, degree, they, in fact, are doing that; second, to make sure they are charging a reasonable amount for the education they are offering; third, if you have so many defaults, it basically says your students are just accumulating debt, not accumulating diplomas, and we have to bring that to an end; and they are asking about whether students end up in a job when it is all over, gainful employment. Are any of these unreasonable if the Federal Government is providing 90 percent of the revenues for these schools?

Mr. HARKIN. I think the Senator is being very reasonable. I think these are the minimum kinds of things we ought to do, as I said, to be stewards of the taxpayers' money, protect our veterans, and protect other students.

One of the tricks in the trade, as they say—I bet if I asked most Senators to describe a semester, what is a semester, you would think a semester goes usually from September to January, one semester; and maybe January to May is another semester; and then there is summer school. That is not it. A semester is what you make it. Some of these schools have a semester that is 5 weeks long. So if you can keep your students in for 60 percent of the semester, you keep all their money. Then they drop out, and you have the money.

This is something else we have to look at, a better definition of what the timeframes are. What do we mean by a semester? How much time is that? How much time does a student have to stay there before the school can keep the grants and keep the loans from the student? But, again, these are things I think our committee and others are going to have to wrestle with, as we go ahead on this issue.

I know others are backed up here to speak. I started a little bit late. I was supposed to start at 3:15. I think I started at 3:30, if I am not mistaken. So I will just take a few more minutes and try to close. I do not wish to keep other Senators waiting.

I, again, wish to close on this, on the cost and debt. At these for-profit schools, many students do not leave with a degree, but most leave with debt. The average student attends for about 128 days before dropping out. That is a little over 4 months. That is the average. For most schools, that is two terms. That is enough time for students to rack up thousands of dollars in debt—anywhere from $6,000 to $11,000, depending on the program and school.

That is because for-profit schools are far more expensive than comparable programs at community colleges or public universities. The average tuition for a for-profit school is about six times higher than a community college and twice as high as a 4-year public school. Average annual tuition for a for-profit school was about $14,000 in 2009, while tuition at community colleges averaged about $2,500, and instate 4-year tuition was about $7,000.

Of the 15 schools investigated by GAO, 14 had higher tuition than the nearest public college offering a similar program. One that we looked at offered a ''computer-aided drafting certificate'' for $13,945, when the same program at a nearby community college cost $520. The cost of an associate's degree offered by the second largest for-profit is over $38,000, and a bachelor's degree can cost up to $96,500.

Again, I just referenced to the Senator from Illinois the recent study we had done regarding the GIs and what the GIs are coming out with. They are paying three, four, sometimes five times as much going to an online school as they could at a community college or a local public or even a nonprofit university.

On the placement—I know others are here, and I do not wish to again hold them up. I talked about what Senator Nunn had done back in 1992. Let me just respond on one thing on the accreditors. The Senator from Illinois mentioned accreditation. I wish to just respond to that because a lot of people think, if they are accredited, they must be all right. But here is what we found.

All institutions of higher learning are governed by a combination of the Federal Department of Education, State agencies, and private accrediting agencies, which ought to act as a safeguard against the proliferation of high-cost, low-quality educational institutions. A few States have passed strong State authorization requirements, which have made it difficult for some questionable for-profit colleges to set up shop in those States. Unfortunately, those States are the exception rather than the rule. Accrediting agencies are charged with the mission of ensuring educational quality. However, this does not happen at a lot of for-profit schools.

There are two types of accrediting agencies: the so-called national accreditors that focus on accrediting for-profit schools, and there are regional accreditors that accredit most public and nonprofit universities. Increasingly, for-profit schools are seeking regional accreditation. One particular regional accreditor, the Higher Learning Commission of the North Central Association of Colleges and Schools, accredits 18 of the 24 for-profit schools that have regional accreditation and, until recently, was known as the go-to accreditor for for-profit schools.

They have a cozy relationship. We had testimony from a witness employed by one of the national higher education accrediting organizations. He testified:

> Accreditors must hold institutions accountable to ensure that only the highest level of integrity is injected into the student recruitment and admissions process.

The same witness assured the committee that in 629 onsite evaluations of member schools over the previous 2 years, the agency did not find even a single example of ''substantial noncompliance.'' Yet this witness's organization accredits three of the schools documented by the GAO as having engaged in misleading or deceptive recruiting.

So, again, that is where we find ourselves: One-quarter of our financial aid budget is going to a sector dominated by education companies owned by investors and shareholders seeking to maximize short-term profit. Their mission is to grow and to get profits at the expense of positive student outcomes. There are virtually no legislative checks in place, though new Department of Education regulation on incentive compensation is a step forward. The current accreditation bodies in higher education are ill-equipped to deal with the size and relentlessness of the investor-owned companies. As a consequence, as I just said, we have ''for-profit'' companies financed with over 85 percent of taxpayer dollars, reaping $3.5 billion in profits, and millions of students leaving these schools with debt but no diploma.

These schools will receive more than $30 billion in Federal aid this upcoming year—$30 billion. It seems to me it is the obligation of us here and Federal regulators to provide effective government oversight and regulation of Federal financial aid dollars. The public is watching to see whether taxpayers' dollars are being used wisely and effectively. With high-cost schools, and sky-high dropout rates, with limited job placement and services, I have grave doubts that many of these for-profit schools are a good taxpayer investment.

At stake in the debate is the future of millions of Americans who are being aggressively recruited into high-cost programs of often dubious educational quality. For all these reasons—for every Yasmine Issa who has been misled or defrauded by a for-profit college—we have an obligation to make sure these schools are doing a decent job for their students. We need for-profit schools that put the interests of their students first. We need for-profit education companies that strive to serve the needs of the students they recruit and enroll. That is not always the case today. Congress and the executive branch have an obligation, I would say a moral obligation, to provide effective oversight of the for-profit sector in higher education. We owe this to the students, and we owe it to every taxpayer.

I yield the floor.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. SANDERS. Mr. President, I am aware that yesterday, by a vote of 83 to 15, the Senate voted to ask for cloture on the tax agreement reached between the President and the Republican leadership. I was in the minority, and I wish to very briefly—I spoke on the issue at some length the other day. I will be a little bit briefer this afternoon. But I think it is important to explain why I and a number of us and many Americans think this is a bad agreement and that, in fact, we can do a lot better.

Just a few points. No. 1, this country has a $13.8 trillion national debt. Our middle class is shrinking, and it is unconscionable to me that we are in the process of providing huge tax breaks to the wealthiest people in this country to drive up the national debt, which our kids and grandchildren will have to pay off. I think that is absolutely wrong.

During the Bush Presidency alone, the wealthiest 400 Americans saw their income more than double, while their income tax rates dropped almost in half from 1992 to 2007.

The richest 400 Americans now earn, on average, $345 million a year and pay an effective tax rate of 16.6 percent.

The bottom line is, given all the problems facing this country, lowering taxes for people who are extraordinarily wealthy, whose incomes are soaring, whose tax rates are going down, should not be a major priority of the Senate.

Let's be very clear. If we continue to borrow money now to give tax breaks to those people who do not need it, our kids and our grandchildren will be paying higher taxes in the future. We should not be doing that.

Here is a point I wish to emphasize. I know the President and many of my colleagues are saying: Hey, don't worry about it. This extension of tax breaks for the wealthy is only for 2 years. I wonder if my Republican friends would agree with me that it is not their intention to only make this extension for the wealthy for 2 years. I am quite sure 2 years from now they will be on the floor, maybe along with some Democrats, saying: Oh, no, that is not enough. We have to extend it again. So anyone who thinks we are only extending tax breaks for the wealthy for 2 years I think—maybe I am wrong—is sorely mistaken. I think we are talking about extending the tax breaks to millionaires and billionaires into the indefinite future.

That is not just what I am thinking. Here is what Dan Bartlett, a gentleman who was President Bush's former communications director, said to the well-known columnist, Howard Kurtz, just recently, last week, December 3, 2010:

> We knew that, politically, once you get it [the tax cuts] into law, it becomes almost impossible to remove it. That's not a bad legacy. The fact that we were able to lay the trap does feel pretty good, to tell you the truth.

My Republican friends know it. In 2 years, you will be back to extend it, and that is what we are voting on. Let's be clear about it. We do not know what the future brings us, but if, in fact, we do end up extending the tax breaks for the next 10 years, as our Republican colleagues want it, it will increase the national debt by $700 billion and would give a tax cut of over $100,000 a year to people earning more than $1 million. It doesn't make a whole lot of sense to me.

We should also be clear that this agreement between the President and the Republican leadership also continues the Bush era 15-percent tax rate on capital gains and dividends, meaning that those people who make their living off of their investments will continue to pay a substantially lower tax rate than firemen, teachers, nurses, and police officers. Does that make sense? Well, maybe it does to some people; not to me.

This agreement also includes a horrendous proposal regarding the estate tax. Under the agreement between the President and the Republicans, the estate tax, which was 55 percent under President Clinton, will decline to 35 percent with an exemption on the first $5 million of an individual's estate. This decline in taxes in the estate tax applies to the top three-tenths of 1 percent. This is not just the tax breaks for the wealthy; this is a tax break for the very, very, very wealthiest people in this country. At a time when we have a record-breaking deficit, if that makes sense to some of my colleagues, that is fine. It surely does not make sense to me, nor do I think it makes sense to most of the people in this country.

The Congressional Budget Office has estimated that this estate tax giveaway would increase the deficit by more than $68 billion. And while this extension is for 2 years, there is little doubt in my mind that our Republican colleagues will continue to push for lower and lower estate tax rates in the future, on their way to eventually repealing the estate tax permanently. I would remind my colleagues that last year, some of us brought to the floor an amendment that said maybe at a time when our seniors and disabled vets have not gotten a COLA for the last 2 years, maybe we should give them a $250 check. This is for people trying to live on $14,000, $15,000, $16,000 a year. We didn't get one Republican vote—not one Republican vote—but when it comes to huge tax breaks for billionaires, the top three-tenths of 1 percent, I guess there is a lot of support for that. Again, it may make sense to some people; not to this Senator.

There is also an issue I wish to spend a moment on which I think has not gotten the attention it deserves, and that is that this agreement contains a ''payroll tax holiday'' which would cut over $114 billion in Social Security payroll taxes for workers next year. While on the surface this sounds good, it is actually a very dangerous idea. This payroll tax holiday originated from conservative Republicans. Our Republican friends think this is a good idea, because for many of them—not all—the goal is to choke off money going into Social Security to divert money that should go into the Social Security trust fund and over a period of time weaken the solvency of Social Security. Once again, while this is supposed to be a 1-year payroll tax holiday, frankly, it is hard for me to imagine that it will not be continued next year. I suspect it will go on and on, and for many of our conservative friends who want to destroy Social Security, I think they are feeling pretty good about it. I think they are on their way. Less and less money is going to go into the Social Security trust fund and that, in fact, is what they have on their minds.

While the administration claims the money lost from this proposal will be paid back through the general fund of the government, this proposal would leave Social Security dependent on government revenues rather than the direct contributions of workers who have successfully funded this program for the last 75 years. And once you are into Federal funding for Social Security, let me tell you, it will be cut and cut and cut and you are talking about the beginning of the end for Social Security. So I have very real concerns about that. Frankly, maybe it is a 1-year program. I doubt it very much. I think it will be extended.

Further, while some of the business tax cuts in this agreement may work to create jobs—maybe some won't—economists I think from all ends of the political spectrum believe that the much better way to spur the economy and create jobs is to spend money rebuilding our crumbling infrastructure. No debate. We need trillions of dollars of work to rebuild our roads, bridges, water systems, levees, public transportation, our rail system. I think most economists believe when you put money into infrastructure, not only do you increase the long-term productivity of our country and our international competitiveness, you also create jobs a lot faster than many of these business tax cuts do.

Furthermore, one of the other reasons I am voting against this agreement is that I know the President and some of the Republicans said, Well, we reached a compromise on extending unemployment benefits. Well, I don't believe that was a compromise. The truth is that while it is morally unacceptable that we would turn our back on millions of workers who in the midst of this terrible recession have for a very long period of time not been able to find a job—obviously we have to extend unemployment benefits, but to say it is a compromise that our Republican friends came along with, this is something I don't accept. The truth is that for the past 40 years under both Democratic and Republican administrations, under Republican leadership in the House and Senate, and Democratic leadership in the House and Senate, whenever the unemployment rate has been above 7.2 percent, unemployment insurance has always been extended. In other words, this has been for decades bipartisan policy. Republicans and Democrats have said, You can't leave people to lose everything, leave them to lose their dignity, not being able to take care of their families when unemployment benefits are not allowed. This is not a compromise. This is just an extension of 40 years of bipartisan policy.

Furthermore, there are a number of additional extenders in here dealing with ethanol, dealing with NASCAR, dealing with tax breaks to oil and gas companies, dealing with rum producers in Puerto Rico and the Virgin Islands that I think, to say the least, have not gotten the kind of discussion they deserve.

Are there positive aspects of this agreement? Of course there are. Extending middle-class tax cuts to 98 percent of Americans, the earned income tax credit for working Americans, and the child-in-college tax credits are all extremely important, and that is something we have to do. But when we look at the overall package, we must put it in a broader context. What will the passage of this legislation mean for the future of our country?

The bottom line is, as I think most Americans know, the middle class is in a state of collapse, poverty is increasing, people on top are doing phenomenally well. We need to put people to work and put them to work right now. I think the fastest and best way to do that is to address our crumbling infrastructure.

Second of all, when we have the most unequal distribution of income of any major country on Earth—the top 1 percent earn more income than the bottom 50 percent—giving tax breaks to people who don't need it—and in fact, ironically, there are millionaires and billionaires out there who are saying we are doing great. We don't need a tax break. Use it to deal with the poverty rate among our children. Use it for education. Use it for health care. We don't want it. We don't need it. We are throwing it back.

So I think, and I believed from the very beginning, that we could reach a much better agreement than we have reached right now.

I intend to vote no on this agreement, and I hope as many of my colleagues as possible will do the same.

With that, Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Georgia.

DEFICIT REDUCTION

Mr. CHAMBLISS. Mr. President, I rise today to speak on a matter with my colleague Senator WARNER. I understood Senator WARNER and I had the time from 4:15 to 5 o'clock which was generously given to us by Senator SANDERS who had the time before 5 o'clock. Unfortunately, Senator HARKIN has gone over and used some of Senator SANDERS' time. I know Senator KIRK is coming down to give his maiden speech at 5 o'clock, and I hope he will bear with us. We have a number of folks who are going to speak very quickly today on an issue that is of major importance to America.

America's fiscal house is in disarray. Our budget process is broken, and future generations will end up paying the price if we continue to ignore the difficult decisions required to fix this grave threat to our country's fiscal stability.

Recently, the National Commission on Fiscal Responsibility and Reform has worked in a bipartisan manner to produce recommendations on how to best address our current levels of debt. While these recommendations may not reflect the beliefs of all Members of this body, I commend the Commission's members for having the courage and the open minds to tackle the problem. At the very least, their recommendations can serve as a starting point for a serious debate on how we can ensure a better life for our children and our grandchildren.

Today, spending has reached almost 24 percent of America's gross domestic product, while our revenues were at their lowest levels last year in 60 years. Not too long ago, the debt ceiling was increased by the largest amount in history: $1.9 trillion—nearly twice as large as the previous record of $984 billion. Our current statutory limit on the public debt is now set at $14.294 trillion and is expected to require an increase again sometime this spring.

With that backdrop, Senator WARNER and I began talking this summer about this grave issue facing America and about the fact that if we don't address it now, then it is going to be too late, and that it was incumbent upon us to try to educate ourselves as well as educate other Members of this body about the seriousness of this issue and what is the way forward. So we began talking among ourselves. We expanded our group and expanded and expanded, and we now have a significant number of Senators who are prepared to come forth and say we have to address this and we have to address it next year. Some of the members of that group are going to be here today to give their thoughts on it. We are going to be joined by several Republicans and Democrats to pledge our commitment to addressing this issue and addressing it in the right way.

I wish to thank my friend Senator WARNER for his leadership, for his commitment to do this. It has been a pleasure to work with him. As we move forward next year, this group is going to provide the momentum to carry the ball to make sure we address the issue of reductions in spending as well as major tax reform to get the fiscal house of the United States back in order.

With that, I yield to Senator WARNER.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, let me echo the comments of my good friend, the Senator from Georgia, Senator CHAMBLISS. It is time for us in this Senate—and excuse the language—to put up or shut up. A lot of folks talk about deficit reduction in both parties time and again, but over the next year, there is a growing group of us—and I think folks will see this group in the next 45 minutes, hopefully briefly, each one of us—starting to raise the issue that next year we have to take on deficit reduction and major tax reform.

The country is approaching $14 trillion in national debt. It has been estimated that every day we delay, we add close to $5 billion to that national debt. So whether your issue is the solvency of Social Security, whether your issue is tax rates, whether your issue is making sure we pass on a balance sheet to our kids and our grandkids and allow America to continue to be the economic superpower it has been, unless we take on this issue, we won't be able to accomplish those goals.

While I believe, as imperfect as this compromise between the President and others is in terms of short-term stimulus that we will vote on later tonight, we also have to demonstrate that this body can actually walk and chew gum, that we can do short-term stimulus now, but next year engage in meaningful tax reform and deficit reduction. Because if we act later tonight, we will be adding $900 billion over the next 2 years to our national deficit.

So today—and we will come back on a regular basis—we will hear very briefly from a number of my colleagues on both sides of the aisle, and I think in our new respectful way—we may not agree on the ultimate solutions, but we are going to agree to listen to each other respectfully and recognize that at the end of the day, meaningful tax reform and meaningful deficit reduction has to be a goal of this Senate, of this Congress in the next year.

I yield the floor to my good friend, the Senator from Mississippi.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. WICKER. Mr. President, I am glad to join this bipartisan group today. I see 10 of us on the floor at this time and we all have agreed to speak briefly about this, because we want to make the case that over the next several months we mean business and we intend to do what we can to actually make some tough choices.

I join my colleague from Georgia in commending the membership of the National Commission on Fiscal Responsibility and Reform, and particularly the leaders of this group, Erskine Bowles and Alan Simpson—great patriots, people with a great history of service in their own right. They have come forward with some recommendations in their preamble. They make it clear none of us like every element of the plan, but they put forward a plan that I think is a starting point for us, and we intend to use these next few months—frankly, we intend to use the runup to the vote we will have to take on the debt ceiling around April of 2011—to make real progress.

Let me subscribe to several of the statements made in the preamble of this fiscal responsibility commission. They say: ''We cannot play games or put off our choices any longer.''

I think the American people know that, and they expect leadership from their elected representatives in the House and Senate in that regard. The report and the preamble go on to say: ''The American people are counting on us to put politics aside,'' and that is what we are trying to do on the floor today. And that is what we are trying to do on the floor today with a bipartisan representation—pull together and not pull apart and agree on a plan to live within our means and to make America strong for the long haul.

It has been pointed out that ADM Mike Mullen, Chairman of the Joint Chiefs of Staff, says that the most significant threat to national security today is our national debt. I agree with Admiral Mullen, and I think Americans agree also.

''Kicking the can down the road is not going to suffice any longer,'' to quote our colleague from Oklahoma, Senator TOM COBURN.

The preamble goes on to say:

> The contagion of debt that began in Greece and continues to sweep through Europe shows us clearly that no economy will be immune.

No economy, not even the U.S. economy.

> If the U.S. does not put its house in order, the reckoning will be sure and the devastation severe.

The title of the report of the Commission is ''The Moment of Truth.'' And I think we are here on the floor of the Senate today, on December 14, 2010, to say there is a bipartisan working group that believes we have arrived at a pivotal moment of truth and we intend to get down to the business of rectifying the problem of national spending and our national debt.

I yield to my friend from Montana.

The PRESIDING OFFICER. The Senator from Montana.

Mr. TESTER. I thank Senator WICKER for his remarks, and I rise to share a few words also about the debt and about the bipartisan tax cut compromise we will vote on this evening. Before I get into these remarks, I wish to thank Senators WARNER and CHAMBLISS for their good work in putting together a group of Senators to help address this issue in a bipartisan way.

As far as the compromise tonight, I look forward to voting for this compromise. It is a matter of creating jobs and rebuilding the economy. I think the bill does that. Is it a compromise plan I would have written? No. But it does cut taxes for the folks who need tax relief the most—middle-class families, small businesses, family farmers and ranchers. They are the real job creators in this country, and aiming tax relief at them required compromise and working together, and it happened. It is a victory for all Montanans and especially all Americans.

I wish to point out another example of working together. Over the past few days, a number of my colleagues—Democrats, Republicans, and Independents, 22 in all—teamed up to put forth the resolution we hope will be a part of this package we will vote on tonight. This resolution puts all of us on record expressing our deep concerns about the unsustainable path of this country's debt and showing our commitment to working together to dig ourselves out of the ditch we are in. To do that, any plan will have to have tax reform, spending cuts, and deficit reduction. It is not going to be an easy process. In order to have a serious debate about cutting our debt, we are going to need to make some tough decisions and not just pay lipservice or play political games.

Much like the report of the President's Commission on Fiscal Responsibility and Reform, there are a lot of things Members of this group and of this body are not going to like in any potential plan. But what is important here is that all of these Members are serious about putting this country on a sustainable path and are committed to devising and voting on a plan to do that within the next 12 months. It is that important an issue.

This is, hands down, the most important issue this Senate will deal with over the next few years—putting our Nation's economy on a sustainable path to control this country's debt and to offer opportunity for the future. I look forward to working with my colleagues on this issue, as I know they share my same commitment to getting something done.

The truth is, we are not going to be able to get anywhere unless we trust one another. This process isn't going to be pleasant for anyone, but we can be successful if we have a bipartisan effort. This bipartisan resolution is more than just lipservice; it is a plan to move forward together.

I yield the floor to my friend, the Senator from Nebraska, Mr. JOHANNS.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. JOHANNS. Mr. President, this is a rather remarkable moment. On each side, Republicans and Democrats are standing to describe a problem that literally jeopardizes not just the future of our children and our grandchildren, but it jeopardizes our security; that is, our runaway spending and our deficit.

If I might, let me put this in perspective. As a former Governor of Nebraska, I used to tell my cabinet, when we were struggling through budget issues, that this is not magic, it is math. That is the reality of what we are dealing with here. We simply have a problem that is so gigantic, it can only be solved in a bipartisan way.

Let me offer a couple of statistics to back up that statement. If you look at the entire Federal budget, this is what you see. If you add Medicaid, Medicare, Social Security, and the interest we pay on our debt, that is 64 cents of every dollar we spend annually. Let me repeat those programs: Medicaid, Medicare, Social Security, and the interest we pay on our debt. Everybody will acknowledge the importance of those programs. Let's compare that to the revenues coming in this year. The revenues coming in don't even cover the full cost of those programs. So if anyone is out there suggesting that a little nip and a little tuck and a tweak here and a tweak there is going to solve this problem, it just fundamentally won't. We literally have a situation where if we just shut down the entire Federal Government—national defense, every single program out there except the ones I mentioned—we would still come up a bit short.

We need to fundamentally change how we are operating this government because, quite honestly, to date we all recognize—Democrats and Republicans—that we have been operating this government on the credit card of our children and our grandchildren. That won't work. It simply can't work any longer.

I conclude my comments today by saying I appreciate the opportunity to work with my colleagues on the other side of the aisle and to work with my colleagues on this side of the aisle to try to solve what I consider the most pressing, most urgent need our Nation faces today.

Mr. President, I yield the floor for Senator WYDEN.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. WYDEN. Mr. President, I wish to commend Senator WARNER and Senator CHAMBLISS in particular for their important work, and tomorrow it will be even more important given that this agreement will pass tonight.

There is always another election around the corner, a big array of special interest groups that need to be satisfied, and the constant scream of public opinion polls that politicians live and die for. Why take action that could offend a group today if you can put it off for a while?

In my view, the agreement that will pass tonight is a victory for the politics of procrastination. At a time when Americans are swimming in debt, more water will be put into the pool. Instead of taking steps to fix the market-distorting, job-killing Tax Code—last overhauled a quarter of a century ago when China and India were blips in the global economy—this vote, tonight, will prop up our broken Tax Code. Millions of Americans are out of work, small businesses are closing their doors, and instead of finding permanent solutions to the problem, the agreement is smiling like Scarlett O'Hara and saying: Fiddle-dee-dee, I will think about it tomorrow.

The agreement doesn't come close to what is needed to get our economy back on track. In many ways, this deal will make the problems worse. For one, it adds more to the deficit than TARP, more than the 2009 stimulus bill—858 billion more dollars will be added to the national debt.

At a time when our economy desperately needs to create more jobs, the agreement continues the same tax policies that failed to create jobs for the past 10 years.

At a time when businesses are saying that uncertainty is keeping them from hiring and investing, this deal increases that uncertainty by essentially turning the entire personal income tax system into a temporary structure that will all expire in a year or two.

And at a time when China is planning to invest a trillion dollars in crucial industries for its long-term growth, there is nothing in this agreement that makes so much as a downpayment for investing in our Nation's future.

It did not have to be this way. As Senator WARNER and colleagues have mentioned, there was a blueprint provided by the deficit commission. I don't happen to agree with everything in it, but clearly it was a very important blueprint.

In the 1980s—and I see Senator ALEXANDER here, who clearly remembers those days—President Reagan and the Democrats worked for bipartisan tax reform to clean out the loopholes, hold down the rates, and keep progressivity. In the 2 years, colleagues, after Democrats and Ronald Reagan worked together, our economy grew by 6.3 million jobs—twice the number created between 2001 and 2008 when tax policy was purely partisan.

I don't think it had to be this way. Senator WARNER and Senator CHAMBLISS tried very hard to add a provision that might at some point insert consequences for inaction. Colleagues—and I will close with this—nothing will happen in this town where there is this culture of procrastination unless there are some consequences for inaction.

There are provisions in this measure tonight that I support very strongly—unemployment insurance, help for the middle class and small business. I was willing to extend the whole Bush-era program for a year if it were done in a way to force action. But that is not going to be done.

Tonight, I intend to vote no. Tomorrow, I will be back with Senator WARNER and Senator CHAMBLISS to build on the good work of the deficit commission, build on the good work Democrats and Ronald Reagan did in the 1980s to give us a model so that finally in this country we tackle the major problems—debt reduction and fixing the job-killing Tax Code—and bring back the middle class to the prosperity they deserve.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAPO. Mr. President, I also am honored and very appreciative of the opportunity to join this bipartisan group speaking to the Nation tonight about the fact that we cannot any longer delay dealing with the most significant threat our Nation faces—our debt and our fiscal difficulties.

I was one of the members of the President's Commission on Fiscal Responsibility and Reform, and I had the opportunity over the past year to work on a bipartisan basis with people on that Commission who took testimony from experts, evaluated the issues, studied the economies of the world, studied the details of what was happening in the American economy, and came forward with a plan.

This plan got 11 of the 18 votes on that Commission. It was required by the President's order to get 14 of the 18 votes in order to force that plan to Congress for a vote. I was disappointed that didn't happen. But let me make a couple of points of clarification. Eleven of the 18 votes represented over 60 percent of the votes of the members on that Commission. That is enough votes to pass any bill in this Senate. It is enough votes to pass any bill in the House of Representatives and to get that bill to the desk of the President. And 14 of 18 would have been over 77 percent of the votes—a margin that has rarely been met in this Congress.

My point in making this clarification is to say that on a bipartisan basis, we were able to come up with a supermajority of support on the Commission for a plan. Now, did that plan contain everything I wanted and leave nothing out I didn't like? No. There were parts of that plan that caused me great heartburn. But that plan did put America on a path toward a balanced budget. It stopped the erosion. In fact, it stopped the explosion of our debt across this country, and it did so in a way that focused on the right elements. What were those elements? Spending and tax reform.

Many of us were worried at the outset that the Commission would focus on just trying to solve the problem with more tax increases and tell the American people that our spending habits here in Congress were too important to be dealt with and we would simply have to increase taxes in order to keep Congress spending at its breakneck rate. The Commission denied that fact and said: The reality is that the problem in Congress is they spend too much, and it put spending caps on discretionary spending and at least started—not as much as I thought it should do—the debate about how to deal with our entitlements.

One very important addition. It proposed a major reform of our Tax Code—probably the most sweeping tax reform I have seen in my lifetime. If you were to try to come up with a tax code that is more unfair, more complex, more costly to comply with and more anticompetitive to Americans seeking to do business in the world, you probably couldn't do much worse than we have done with our Tax Code. And one of the most important parts of dealing with our fiscal policy is to reform that Tax Code. So that is another reason I am so glad to see we have bipartisan support for that kind of reform.

As I close, I would simply say that I am heartened by the fact that we see Republicans and Democrats alike saying that the time for further inaction is gone. The time for gridlock is gone. We do not have time to continue the kind of gridlock debate we have seen over the years here in Congress as we deal with this issue. And it is my hope that in the near future, we will force process reforms in this Congress that will put votes on the difficult issues we must face as Americans before us.

With that, Mr. President, I yield my time and yield the floor for the Senator from North Carolina.

The PRESIDING OFFICER. The Senator from North Carolina.

Mrs. HAGAN. Mr. President, when the fiscal commission released its report on December 1, it started with the guiding principle on which all Americans can agree: We have a duty to make America better off tomorrow than it is today. But the picture is pretty bleak right now. Let me give a few examples.

In 1982 our deficit had never exceeded $100 billion. By March of 2004, 22 years later, the debt was $3.7 trillion. Today, 6 years have passed, and the debt held by the public has ballooned to $8.7 trillion. The Federal debt was 33 percent of GDP in 2001. It is now 62 percent and on a trajectory to reach 90 percent of GDP by 2020. Interest on our national debt could rise to nearly $1 trillion annually by 2020. That is the entire amount of the individual income taxes we are collecting this year.

It is impossible to look at these numbers and believe this trajectory will result in an America that is better for our children than it is for us.

We cannot continue to just grow the debt and run huge deficits each year with the expectation that our children will pay the bill. This trend of borrowing will eventually have to come to an end one way or the other. The only question is, How are we going to reduce our deficit responsibly and in a bipartisan fashion and in a way that encourages investment and economic growth? Are we going to cruise blissfully along until some external crisis forces us to make these adjustments in the most sudden and painful way possible?

The time for Congress to act is now. There is a mounting chorus growing from all sides that recognizes our current path is unsustainable. Eleven members of the fiscal commission voted for the bipartisan deficit reduction report, including my friends, the Senators from Illinois, North Dakota, Oklahoma, Idaho, and New Hampshire.

Just today, Moody's announcement that it could move a step closer to cutting the AAA rating on our debt is why I am here today joining with my colleagues in vigorous support of concerted bipartisan action on the deficit in 2011 and the resolution introduced by my colleagues, Senator CHAMBLISS and Senator WARNER.

It is past time to get to work. We need to think seriously about reforming the Tax Code and tackling the deficit and the debt in a civil and bipartisan manner, and we need to do it now.

I yield the floor.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. RISCH. Mr. President, I rise today to speak very briefly about this issue. This easily could be the most serious issue we have dealt with in recent years and in future years. We have an enemy today that is at the door. This is not an enemy that is out there somewhere and we can talk about philosophically. It is an enemy that is at the door.

Last year the Federal Government spent around $3.8 trillion. That doesn't mean anything to me or probably much to anybody because nobody knows what $3.8 trillion is. If we say it is a little over $7 million a minute, it starts to sound a little bit more like we could understand it.

But none of that is important. It is how much do we have. The Federal Government was short 41 percent of that money; 41 cents out of every dollar that the U.S. Government spent it borrowed.

I hope everyone listened closely to the Senator from Nebraska when he said if we funded only Social Security, Medicare, Medicaid, and the interest on the national debt, we would be short of money coming in to pay for that. If we shut down all other aspects of the Federal Government, we still could not put it in the black if we paid for just those.

This moment in history is an absolutely critical moment for the American people. We have gotten jaded because all of our lives we have heard about the national debt, and we have heard about annual deficits. We get jaded about it. But these numbers today are real, they are serious, and they could bring down this government. There is absolutely no question about that.

This Congress has to do something about that, and it is not going to be done by Republicans, it is not going to be done by Democrats, it is going to take a bipartisan effort to do that. I am here today to support that.

I yield the floor for my good friend, Senator UDALL from Colorado.

The PRESIDING OFFICER (Mrs. HAGAN). The Senator from Colorado.

Mr. UDALL of Colorado. Madam President, I am pleased and proud to follow my colleague from Idaho. What we are hearing about is all the challenges that face our Nation, and there are many of them right now. This massive set of budget deficits and overall debt we face—it is a crippling debt—requires probably the most serious and difficult effort we are facing right now as a people.

A strong country—I heard Senator WYDEN say this, in effect—is a solvent country. Conversely, a broke country is a weak country.

I can't help but remember Erskine Bowles, the Cochairman of the Commission we are talking about today. He was asked: Why are interest rates still low? Why are our bonds still desirable? He said: Don't let's fool ourselves. Senator CHAMBLISS would appreciate this because he used a Southern turn of phrase. He said: Look, we are still the best looking horse in the glue factory. That is the only reason that our interest rates and our bonds are still strong.

What do we do about that? There is a way forward. The bipartisan commission has put in front of us a plan. None of us agree with every single item. It is a way forward. It is important to note of the 11 votes, 5 of those votes were Senators from our body. Five of the six Senators who represented us on this Commission voted to move forward.

That is the way forward—for us to join together, Democrats and Republicans alike. Despite our differences of opinion on many other issues, I think we can agree on one thing; that is, developing fundamental tax reform and addressing, in the process, our long-term debt problems.

Like Senator WYDEN, I am going to vote no tonight. I think this is a misguided effort, and we will add $900 billion to our debt load. But I respect my colleagues who see it otherwise. I am going to vote no, and I am going to come right back to work tomorrow with all of us in the Chamber. We are going to meet this challenge head on. The stakes are too high if we do not.

I yield the floor to the Senator from Tennessee.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. ALEXANDER. I am here tonight in the spirit of my late friend, the author of Roots, Alex Haley, who lived and died by these words: ''Find the good and praise it.''

I am here to praise Senator WARNER, Senator CHAMBLISS, and the bipartisan group of Senators who have focused their attention on this urgent crisis that our country faces, the national debt.

This is the way the Senate is supposed to work: to see an urgent need, develop a bipartisan consensus to get to work on it, come up with a strategy to deal with it, and get a result—not just make speeches but get a result.

We have heard the evidence. We have had the good example set by five Members of our body—two Democrats, three Republicans—who took a courageous step in their action on the fiscal commission earlier this month. The Senate should follow that example.

I am encouraged by what I hear from the bipartisan group of Senators addressing our debt issue. This is the way the Senate is supposed to work. Let me conclude with just one example from history. I picked up a book the other night called ''The British Overseas.'' It is a British historian's view of the American Revolution.

He pointed this out: At the time of the American Revolution, the interest on the national debt of the British empire amounted to one-half of the national revenue of the British empire. In other words, at the time we fought for and won our independence, Great Britain had an unconscionable debt. The debt forced the British into some imprudent decisions. One was the Stamp Act and one was a little tax on tea, which occurred at about that time.

So big debts force big countries into bad decisions. The leadership we have seen across the aisle is a good start for the serious effort toward dealing with our debt crisis. I am here today to commend those Senators, both Democrats and Republicans, who are part of it.

I yield the floor for the distinguished Senator from Colorado.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. BENNET. Madam President, I am so pleased to be here in this room with Democrats and Republicans, talking constructively with each other. It has been a long time since we have seen that. It is one of the things I heard day after day over the last 22 months as I had townhall meetings across the State of Colorado. I too wanted to read something from the words of the deficit and debt commission because I think it is important for people to understand, people who are watching this at home and people working in Washington, that this is not optional.

They write:

> Large debt will put America at risk by exposing it to foreign creditors. They currently own more than half of our public debt and the interest we pay them reduces our own standard of living. The single largest foreign holder of our debt is China, a nation that may not share our country's aspirations and strategic interests.

In a worst-case scenario, investors could lose confidence that our Nation is able or willing to repay its loans—possibly triggering a debt crisis that would force the government to implement the most stringent of austerity measures.

As the President knows, I never ran for office before this election. I spent half my life in the private sector and half working in places such as the Denver Public Schools. The former Secretary of Education is here today. Nothing else in the world runs like this. Nowhere else would we say to ourselves that our theory is, we would look the other way, borrow the money from the Chinese, one of our greatest competitors, and stick our kids with the bills.

The reason this has become so important now is because the size and scope of this debt puts us in the position where one day—I will close with this—where one day somebody may say: I am not going to buy your debt at that price. The day that happens interest rates are going to spike, and this recession is going to look like nothing compared with what we are going to face. We owe it to our kids and grandkids to make sure we are paying our way. I am so pleased we are here today in a bipartisan way to talk about it.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Madam President, I know the Senator from Illinois is going to do his maiden speech in a couple of moments. I ask his forbearance for an extra 4 or 5 minutes.

Our colleagues have been a little bit over subscribed, which I think is an indication of the enormous interest in this issue and Senator SHAHEEN, Senator CORKER, Senator KLOBUCHAR, and Senator NELSON wanted to speak briefly on this issue. If the Senator from Illinois would grant us those couple of minutes, we would all be very grateful because I know, once he makes his maiden speech, he will be part of this effort as well.

With that, to Senator CORKER.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. CORKER. Madam President, I rise to speak on the topic that has been discussed over the last hour. I thank my colleagues for focusing on this issue. Yesterday's and tonight's votes are tough votes for me. I think they are tough votes for each of us. We have a bipartisan compromise that has come forth. There are things in this bill that trouble each of us for different reasons. But I think all of us understand our deficit issue is the biggest threat to our country's economic security and in many ways to our sovereignty.

Over this summer I had 46 deficit presentations around the State of Tennessee. I think what people walked away with from these meetings—and they were large meetings—was the severity of this issue. Most Americans have not focused on the severity of our debt issue. Most Americans think it is going to affect a neighbor, might affect another generation. I think a lot of Americans think if we would do away with things such as earmarks—and I don't earmark—we would solve our problems.

That is what I hoped to accomplish this summer in Tennessee, was to make people aware of how big this issue is and that the steps we are going to have to take are Draconian. I applaud those who have been involved in the process that has just taken place at the deficit reduction commission. I am hopeful that sometime very soon, in the next few months, we will have the opportunity to vote on something similar in nature that deals with real spending constraints.

I think all of us know spending as a percentage of GDP is at an all-time high in modern history. I think we know spending has to come under control. At the same time, we understand in our Tax Code each year we give away $1.2 trillion. I think that shocks people. If we were to eliminate those—I know Senator WYDEN and others have worked on this—if we would eliminate those, everybody's tax could be less. We could lower individual rates, we could lower corporate rates, we could help our economy and spur it on.

I know it is irresponsible, when a debt ceiling comes before us, to not vote for a debt ceiling in that it is like running up a credit card tab and not agreeing to pay the bill. But I heard a great Senator getting ready to retire, and I won't say what his name is, say it is also irresponsible to not be responsible prior to voting on a debt ceiling increase.

It is my hope that sometime between now and April or May or early June, whenever this vote has to take place, instead of us just talking about this today—and I applaud all of those who are; I thank them for that—we actually vote on something of substance that deals with this issue in a real way and does not kick the can down the road.

This is the issue that could create the greatest crisis in our country, something that, by the way, is totally within our control. Many of the problems we face as a country we cannot deal with solely ourselves; it involves lots of other people. This is one of those issues that we have totally in our control, and all it takes is the courage to deal with this issue. The reasoning, that we are not going to get everything exactly the way we want it, but as a group, we have got to have the courage to actually deal with it.

So I hope that we move more than just to a construct but to a real vote. I have a bill on the floor, and I am thankful that CLAIRE MCCASKILL has agreed to cosponsor an amendment to actually this tax bill, that I know is not going to pass, probably is not even going to have a vote but to build momentum toward there actually being a construct in place that sequesters spending to drive us from where we are today to a more responsible place, a place where we have been over the last 40 years.

I thank the Senator from Illinois, who I respect. Thank you for your forbearance.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mrs. SHAHEEN. Madam President, I am pleased to be here on the floor this afternoon to join my colleagues on both sides of the aisle, to talk about the need for us to deal with our deficits and our debt in this country.

I made the decision to vote for the tax cut package that we are going to be voting on this evening. I did that with some sense of ambiguity, because it does not adequately put in place a plan to address our debt in this country. All the economists, however, I have spoken to have indicated that this is important for us as we are looking at continuing to stimulate our economy and provide the relief that middle-class families and small businesses need.

So despite the fact that there are things in it that I do not like, I am going to support it. But I would feel a lot better about it if it contained language that all of us have talked about, that says, as part of doing this, once we get this economy moving again, we have also to address the long-term debt we face in this country. And make no mistake about it, we have to do that both by addressing spending and by addressing tax reform.

I was at a small business in Salem, NH, yesterday, at a company called MSI. They do HVAC systems. They are a small business. They have about 25 employees. I asked them what they were looking for from us in Washington, and they said, a fair, simple Tax Code.

So we have to get serious about this problem. All we have to do is look at what is happening in Europe to know that we are headed that way if we do not get this debt under control. We have to make some tough decisions that include both tax reform and fiscal restraint. I would feel better if this language were in the legislation that we are going to be voting on, but I think it is clear it is the sense of the Senate—if we can get this resolution done, it will be important to send that message to everybody in the country about what we need to do.

I yield the floor.

The PRESIDING OFFICER. The Senator from Florida.

Mr. NELSON of Florida. Madam President, I want to say to the new Senator from Illinois, thank you for your forbearance. 10 years ago, this Senator made his maiden speech on the floor, and it was about this very same issue. Because then, a decade ago, we had the privilege of having surpluses. My maiden speech was about exactly if we did not watch out, what was going to happen is those surpluses were going to go into deficits. If we had been good stewards of our condition, we could have paid off the national debt over the course of 12 years. But we took a different direction.

I am to be followed by the Senator from Minnesota, and the Senator from California.

I think what we are hearing here, in a bipartisan way, after we are swallowing a bitter pill of what we are going to vote on tonight, that is going to increase the debt $900 billion, because under these economic circumstances it is the right thing to do to jump-start the economy—

I think what we are hearing now is a confluence of events that is going to bring us starkly face to face, that we are going to have to reduce the debt and we are going to have to do tax reform. Because the conditions are so raw now, it is our responsibility to explain what we see as the economic circumstances of the country, explain it to the American people, and then act on it.

When emergency conditions arise, there is opportunity, and that is the opportunity to make change for the good.

I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

Ms. KLOBUCHAR. Madam President, I also want to acknowledge the new Senator from Illinois and thank him for the time. But I also want to acknowledge the senior Senator from Illinois who is here, who just spent the last few months serving honorably on the debt commission on the National Commission on Fiscal Responsibility.

They came out with some recommendations. A number of us in this Chamber, while we may not support every one and disagree with some of them, think that is something we must pursue. As they wrote in their report, ''Every modest sacrifice that we refuse to make today only forces far greater sacrifices of hope and opportunity upon the next generation.''

They are right. The longer we wait, the more wrenching the choices become. And guess who is going to have to make those painful choices. It is our children and our children's children. But you know what else. It is ourselves. As the Senator from California pointed out about an hour ago, 6 percent—6 percent—of our spending is interest on that debt.

So there are some commonsense suggestions in that report. That is what we have to do next year. When you look at this idea, people making over $250,000, the fact that going back to the Clinton levels—the Clinton tax levels—when our country was incredibly prosperous, that that would bring in $700 billion to bring down the debt, that is why the majority of the people in this country, the vast majority of the people in this country, want to see it as one of the options for the long term.

For the short term, we know that our country is still in a fragile state. We know we cannot sock the middle class with a $3,000 tax increase. We know that we have 200 million who are unemployed, through no fault of their own, who are still looking for work. That is why we are passing this bill tonight.

But beyond that, as we go to the next year, we must work together, as you see what is going on today in a bipartisan way, to put a plan in place. Because the markets will respond to that. It will be good for our economy. We will show we mean business, and we will not turn into one of those countries overseas that is experiencing what they are experiencing now because they did not make that long-term commitment.

I yield the floor.

The PRESIDING OFFICER. The Senator from California.

Mrs. FEINSTEIN. Madam President, I also am one of those who worried over this vote over the weekend that we passed yesterday. I spoke on this very floor about the fact that I did not like the estate tax. I did not think wealthy Americans needed a sustained tax cut. Then I began to make some calls to economists. What I found was a kind of double-edged sword. One, they did believe the package had a stimulative nature of anywhere between .6 and 1.1 percent, .6 being about 600,000 jobs—so 600,000 to 1.2 million jobs; unemployment insurance was stimulative; the payroll tax cut was stimulative, et cetera; and that we needed to do this.

But then the flip side. And the flip side was, we are now reaching 63 percent of GDP in debt. What will happen is one day, if this continues, we will go off a cliff economically.

Some time ago, during the end of the Bush administration, many of us were on a phone call. We heard Secretary Paulson and Federal Reserve Chairman Bernanke say that we are on the brink of a major collapse of this economy. Everything could go down—banks, credit institutions, et cetera.

I never thought this could ever happen in America. I now know that the unprecedented can, in effect, happen in America, and that when we vote for a package that puts almost $1 trillion additional on debt and deficit, we had better have a way to make a pivot, as some people have called it, and do those things that can curb expenditures.

We are fortunate. This National Commission on Fiscal Responsibility outlines a course. Not everything do I agree with, just like the tax bill. But, nonetheless, it is a course of action which can bring down this debt and bring down this deficit. I am very proud of those Members who voted to sustain this report. Even with 11 Members, I think it gives the kind of substantial ability to this report to bring it before this body.

I would hope that before we have to raise the debt ceiling, we would have before us a package, that we would set limits on spending, that we would freeze pay across the board, that we would make substantial across-the-board cuts in travel, in printing, and those things, not because that is a big item but because it is an item that wakes up people. I found that on a city level. It exists on a State level, and it exists on a Federal level.

There is much we can do, and I think at 63 percent of GDP, this debt and deficit says to America: America, be concerned. America and American business, come home. Build your plants here. Help us rebuild this great country. Help us build the industries of the future. But at the same time, right now, we have got to make very deep cuts across the board.

I yield the floor.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. BEGICH. Thank you to the Senator from Illinois for giving us a little time before you have your maiden speech. I appreciate that. Thank you very much.

Let me echo and associate my comments with all of the Members who have spoken previously, and thanks to Senator WARNER and Senator CHAMBLISS for their work in bringing truly a bipartisan approach to how we start the discussion and move forward on deficit management and tax reform, which is critical for this country.

You have heard all of the statistics, all of the numbers, all of the reasons why we should do it. But pretty simply, the way I look at this, if there is one issue in my 2008 campaign that I talked about at the very beginning of the campaign it was about the deficit and what was happening, how much of your tax dollars are going toward paying the debt, paying the interest.

I know, Madam President, you spoke about it, the interest costs that are absorbing the amount of the budget here. But in reality, I remember in 2008, no one paid much attention. Then suddenly the crash occurred at the end of 2008 and then everyone wanted to talk about it, because it affected them and they now saw the picture.

But where we are today is an important point. Tonight we will have a vote on a tax package that will be temporary, a 2-year fix to a much more complicated problem. When I came to the body here, I sat down with a couple of Senators, both on the Republican side and Democratic side, talked about the issue of reform, and recognized that we are truly going to change the way our Tax Code works. We cannot do these in bits and pieces. It has to be true reform.

So as we move into this next year, 2011, not only do we have to take the tough decisions regarding the deficit, we have to be aggressive about tax reform if you want to create certainty to the business community and our economy. A 2-year fix does not do that.

I know there are many who have spoken before me on all of the data points. But purely and very simply put, if we do not deal with this now—and ''now'' is in the next few months—we will hit that crashing wall, we will hit it hard, and we will not have choices because we have not made a plan regarding the deficit and tax reform.

I thank the people who have put this together, Senator WARNER, Senator CHAMBLISS, and thank all of the Members, over two dozen, Republicans and Democrats, who are here tonight talking about the need for serious attention to the deficit and tax reform. I look forward to next year.

I yield the floor.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Madam President, I again thank my colleague, Senator CHAMBLISS. There will be more to come. There were a number of other colleagues who couldn't be here. The Senator from Illinois has been more than kind. He will be part of meeting this challenge as well.

I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois.

ILLINOIS SENATORS

Mr. KIRK. Madam President, almost 30 years ago, I worked in the House of Commons in London. In Parliament, a new member's maiden speech is given great weight. Traditionally, this speech is used to highlight what a member's priorities are and sets the tone for his tenure. My experience in London guided my thoughts 10 years ago when I was elected to the House of Representatives. My maiden speech focused on the unique political history of the 10th Congressional District of Illinois and its tradition of electing thoughtful, independent leaders.

As I stand here today, newly elected by the people of Illinois to represent their interests in the U.S. Senate, I recall my first speech in the House and how humbled I was to follow such a distinguished group of men and women in office. I am equally humbled as I assume the office of United States Senator from Illinois.

Since our admission to the Union in 1818, Illinois has sent a diverse list of Senators to this Chamber. Many of my predecessors served in uniform valiantly, others had brilliant legal careers, while still others excelled in international diplomacy. As I take office, I want to reflect on those who represented Illinois in the Senate before me, their accomplishments, and the imprint they left on our great Nation.

One name hangs above all others. He never served in the Senate but ran for the office in 1858. Abraham Lincoln was defeated in that election but won the Nation's support for a higher office during the Lincoln-Douglas debates. His story also reminds the Republican and Democratic opponents of the current Members of the Senate that their best days in public life may still be ahead.

With regard to our Senators, one of the first was Ninian Edwards, a pioneer at a time when Illinois was actually the frontier. First elected in 1818, he served until 1824, when he stepped down to become the United States' Minister to Mexico. He had the distinction of being the Governor of both the territory and State of Illinois. A true servant of the people, he died in 1833, while he helped treat victims of a cholera epidemic carried by soldiers serving in the Black Hawk War.

Senator James Shields reminded us that we are a State and Nation of immigrants. Born in Ireland, he became a naturalized citizen in 1840. He served in the Mexican-American war under General Zachary Taylor, commanding a brigade in the battles of Vera Cruz, Cerro Gordo, Contreras, Churubusco, and Chapultepec.

Already one of America's leading Irish-Americans, Brigadier General Shields would later command a division during the Civil War, taking his men against Stonewall Jackson in the Valley Campaign of 1862. He was twice elected to the Senate in 1849—first in March, and again in October. But his first election was voided on the grounds that he had not yet been a U.S. citizen for the required 9 years. Eight months later, he won election again and finally was seated. Senator Shields is the only Member of this body to have served in the Senate from three States—in addition to Illinois, he was elected in Minnesota and Missouri.

Senator Shields also nearly changed the course of our Nation. In 1842, a young Abraham Lincoln wrote an anonymous letter to the Sangamon Journal criticizing then State Auditor Shields for his decision to require the payment of taxes in silver or gold. When Lincoln's future wife, Mary Todd, and her friend got into the act by writing additional missives, Shields asked the editor to reveal the identity of the letter writers. When Lincoln claimed responsibility for all the letters, Shields demanded satisfaction and challenged Lincoln to a duel.

Lincoln chose broadswords as the weapon of choice, and the two made plans to travel to Missouri as dueling in Illinois was illegal at the time. Luckily, cooler heads prevailed and the duel was called off, averting a potentially history-changing event.

Serving from 1847 to 1861, Democratic Senator Stephen Douglas was known as the ''little giant'' due to his short stature but powerful hold on the Senate. While accomplished, he was overshadowed by Lincoln despite Lincoln's loss to Douglas in the 1858 Senate election. Douglas served as the architect of the Kansas-Nebraska Act of 1854 that repealed the Missouri Compromise, allowing settlers in Kansas and Nebraska to determine whether or not they would allow slavery. Douglas's reputation waned in later years as he led the Democratic Party to defeat in the election of 1860 by defending slavery in the southern States. His miscalculation dealt a blow to the ruling Democrats, allowing the new antislavery Republican Party to win the White House.

Another Illinois Senator, David Davis, holds a unique distinction, having served as an Associate Justice on the U.S. Supreme Court prior to his Senate service. In his nearly 15 years on the Court, Davis is best known for writing the decision in Ex Parte Milligan, holding that a death sentence handed down by a Civil War military commission against a civilian was unconstitutional, as civilian courts were functioning at the time.

The Illinois Legislature elected Davis to the Senate in the midst of the disputed 1876 presidential election between Rutherford B. Hayes and Samuel Tilden. Because of his service on the Supreme Court and his long reputation for fierce independence, Senator Davis was elected President pro tempore of the Senate following the assassination of President Garfield. Under the law at the time, this placed him next in the line of succession to President Chester A. Arthur, even though he was a freshman Senator.

One of our greatest Senators was the ''man from Pekin,'' Senator Everett McKinley Dirksen, who served for nearly 20 years in the middle of the 20th Century. His leadership was apparent early in his life. During the First World War, he entered service in the field artillery as a private and left a second lieutenant. While in the Senate, he worked his way to lead his party as Minority Leader and developed a reputation as a pragmatic, thoughtful legislator. He is perhaps best known for his role in passing the Civil Rights Act of 1964. It was Dirksen who said on the floor of the Senate:

> The time has come for equality of opportunity in sharing of government, in education and in employment. It must not be stayed or denied. It is here!

It was Dirksen who helped gather the votes for cloture on the ground-breaking legislation, ending the longest filibuster in Senate history at 534 hours, 1 minute, and 51 seconds.

If there is one of our Illinois Senators whose spirit hangs closest to me as I begin my service here, it is Dirksen's. Senator Dirksen's reputation as a fiscal conservative and a social moderate is one I hope to follow in my service in the Senate. He died after a bout with cancer in 1969, but his legacy lives on. One of the three Senate office buildings bears his name, as well as Chicago's federal courthouse.

Senator Charles Percy entered the Senate in 1967, serving alongside Senator Dirksen for 2 years. He was a ''Rockefeller Republican,'' representing the moderate wing of the Republican Party in the Senate and went on to chair the Senate Foreign Relations Committee. In addition to his work on foreign relations, he worked on legislation to provide home ownership to low-income families. Senator Percy and I also share a similar background. Both he and I are graduates of New Trier High School in Winnetka, IL, and we also both served in the United States Navy.

Senator Percy's greatest legacy for Illinois was his work to eliminate the corrupt practice of nominating Federal judges from the Chicago political machine. I wish to follow in Percy's footsteps, by ensuring all judicial nominations go through a rigorous advisory process.

Alan Dixon served Illinois in the Senate from 1981 to 1993, but before he came to Washington, he served in both the Illinois House and Senate, and later won statewide elections for treasurer and secretary of state. He earned a reputation as a thoughtful, moderate Senator who served the people of Illinois with a quiet dedication. After leaving the Senate, he went on to chair the Defense Base Realignment and Closure Commission in 1994 and 1995.

Born in Eugene, OR, Senator Paul Simon served from 1985–1997 as a staunch fiscal ''pay-as-you-go'' Democrat. Simon worked with Senator ORRIN HATCH of Utah on a balanced budget amendment that, although unsuccessful at the time, deserves renewed attention now in light of our crippling Federal debt. Although he did not win the Democratic presidential nomination in 1988, his greatest legacy will be the creation of the Paul Simon Public Policy Institute at Southern Illinois University where he served as director until his death in 2003 following heart surgery.

Senator Carol Moseley Braun is a true daughter of Chicago. She was born in the city, attended Chicago public schools, and received degrees from the University of Illinois at Chicago and the University of Chicago. She remains today the only African-American woman to serve in the Senate. After she left the Senate she served as Ambassador to New Zealand, and she remains committed to public service, as she is currently running for Mayor of Chicago.

Senator Peter Fitzgerald came to Washington 2 years before I began service in the House. I was honored to serve in the Illinois delegation with him for 4 years. When I took the oath of office here in the Senate, it was with Senator Fitzgerald and Senator DURBIN at my side, recognizing that leadership for our State requires a firm commitment to bipartisanship. Senator Fitzgerald was born in Elgin and raised in Inverness. He represented the northwest suburbs in the Illinois State Senate before his election to the U.S. Senate. Senator Fitzgerald's legacy in Illinois will forever be remembered for bringing one of our Nation's most dedicated crime fighters to our State. Senator Fitzgerald is the reason why the Northern District of Illinois is home to one of the best prosecutors in America, U.S. Attorney Patrick Fitzgerald. Patrick Fitzgerald, who is of no relation to the Senator, has done more to fight public corruption in our State than any other person. Senator Peter Fitzgerald fought a tough battle to recruit and appoint Patrick Fitzgerald. Before his arrival, Illinois was the wild west of politics, and one of the most corrupt in the Nation. Under his tenure, U.S. Attorney Fitzgerald convicted two Governors of corruption and countless other State and local officials. We will forever live with the embarrassment of convicted criminals like Governor Blagojevich, but with the leadership of Senator Peter Fitzgerald, we found the right prosecutor to slowly restore integrity and honesty to our State.

Now I have spoken about the past greats who have represented Illinois in the Senate, but our recent Senators have been champions in their own rights. I am honored to call Senator DICK DURBIN my colleague, and while we hail from different parties, we have pledged to work closely on issues that will benefit the people of our State. He, like me, came to this body from the House and quickly became known as a champion of infrastructure improvements, including the critical O'Hare Modernization Program and mass transit. His knowledge of the process of government is unmatched, and he is quick to tell tales of his time as the parliamentarian for the Illinois General Assembly. His father died of lung cancer when he was 14, and he has since fought tirelessly to protect kids from tobacco. We fly in smoke-free airlines because of Senator RICHARD DURBIN of Illinois.

Recognizing his leadership, his caucus has voted to make him majority whip the past 4 years, one of the few Senators from Illinois to hold such a position of distinction.

This brings me to perhaps one of the best-known Senators, and the man whose term I complete—Barack Obama. The first time I had heard of now-President Obama was in Springfield, IL, in 2000.

I was filing petitions to run for my first term in the House, and in front of me in line was a young staffer who worked for a State senator from Chicago who was running for Congress. It is highly ironic that I won my election that year, as state senator Obama lost his, but 10 years later Illinois had its favorite son in the White House.

Despite the media spotlight upon him, then-Senator Obama sought out a low initial profile in the Senate and worked with Senator DURBIN and the rest of our congressional delegation to quietly advance some projects. While his tenure in this body was brief, he and I successfully worked together to secure Federal school funding for military families in north Chicago, IL, fulfilling an important promise to take care of those who take care of us. In 2008, Barack Obama was elected the first African-American President of the United States, creating a vacancy that was filled by Roland Burris. It was the greatest honor of my life to win election to both Senator Obama's unexpired term and a full six-year term.

As I enter the Senate and open a new chapter in the rich history of this body, I stand before you a fiscal conservative, a social moderate, and a national security hawk.

I bring a commitment to fiscal responsibility, spending restraint, lower taxes, tolerance, a strong national defense, and, above all, thoughtful, independent leadership.

Today, we face great challenges both here and abroad.

Here at home, runaway spending and unsustainable borrowing threaten the future of our economy. Unemployment remains high, economic growth slow, and small business employers are crippled by the tax and regulation decisions of an ever-growing government.

As we look abroad, our challenges are no less complex.

We remain a nation at war with a terrorist enemy that seeks our destruction.

As America winds down our mission in Iraq, our mission in Afghanistan grows more challenging by the day.

Iran continues its pursuit of nuclear weapons, as terrorists in Gaza and Lebanon threaten the security of our strongest ally in the Middle East.

At home and abroad, our country faces threats from Iran, North Korea, and a number of terrorist cells based in Pakistan, Yemen, Somalia, and elsewhere.

In times of great uncertainty, we need to come together—Republicans, Democrats, and Independents—to build consensus, find solutions, and meaningfully improve the lives of the people we represent.

In that spirit, I look forward to working with our senior Senator, Senator DURBIN, to complete the O'Hare Modernization Project, ban sewage dumping in the Great Lakes, and expand high-speed rail across Illinois. From Rockford to Cairo, we will work to expand employment and opportunity wherever possible—always seeking practical, bipartisan solutions to the everyday challenges facing families across Illinois. I am confident we can build a bipartisan, pro-Illinois agenda that delivers for our State.

Ninian Edwards, James Shields, Stephen Douglas, David Davis, Everett Dirksen, Charles Percy, Alan Dixon, Paul Simon, Carol Moseley Braun, Peter Fitzgerald, Roland Burris, and Barack Obama—I enter this Chamber with all humility, and with the knowledge of those who came before us. They fought for a better future for the next generation, as we shall fight for those who follow.

I yield the floor.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. REID. Madam President, I am sorry to barge in here, but all day I have been trying to speak about one of our colleagues. So I appreciate everyone's attention. It is a short speech, but I have been trying to get over here all day.

TRIBUTES TO RETIRING SENATORS

EVAN BAYH

Madam President, I first met EVAN BAYH when UNLV played for the National Championship at Indianapolis. But one of the most remarkable speeches I have ever witnessed was in the Capitol Rotunda, when we were there meeting the new Senators. It was the first speech I know of that Senator EVAN BAYH gave in the Capitol complex. He spoke without a note. It was a speech laying out his philosophy of government, and it was truly spellbinding. I could not imagine the talent he had and I have witnessed since that time.

The State of Indiana is losing a superb Senator in EVAN BAYH. Senator BAYH announced his retirement earlier this year and is wrapping up his second term, where he has been a consistent fighter for the Hoosier State.

That fight, however, did not begin when he was first elected to the Senate. Not long after earning degrees from Indiana University and the University of Virginia, he was elected Indiana's secretary of state—the first of five statewide elections he would win.

He served the people of Indiana for 8 years as Governor and led the State to its largest budget surplus ever, while creating thousands and thousands of jobs. He also created the 21st Century Scholars Program that other States soon replicated, to ensure that all Hoosiers—rich, poor, Black, White—would receive a quality education.

He was later elected to the Senate, where he has admirably put partisan politics aside and fought for the best interests of Indianans. He has been a champion for education, for energy, and for fiscal responsibility. He has supported our troops fervently. Senator BAYH was not afraid to call out leaders when he felt an injustice was being done, and he spoke up often for our men and women overseas when necessary.

Of course, being a public servant was nothing new to him. His wonderful dad, Birch, held this very same Senate seat and set a fine example for his son.

Senator BAYH has achieved an incredible amount for the people of Indiana in his relatively short career, and he is not done yet. I know he will continue to work to improve the lives of the people of Indiana and all Americans.

Senator BAYH is relinquishing the title of Senator, but the role he cherishes more than anything is that of father. His twin teenage boys, Beau and Nick, are the joy of his life, and I am confident they are very proud of their father. I wish Susan, EVAN, and the boys the very best in all their endeavors.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. ENSIGN. Madam President, I rise to talk about the tax bill that is before us. I was one of just a few on our side who happened to vote against a procedural motion last night, and I wish to talk about why I will be opposing the final passage of this bill.

This threat that is facing our country today is greater than any external threat we have faced for some time. It is an internal threat that is stemming from our own government that threatens the very future of our country. In the words of ADM Michael Mullen, the Chairman of the Joint Chiefs of Staff—this is exactly what he said:

> The biggest threat we have to our national security is our debt. . . . It's not sustainable.

Our country is heading toward fiscal ruin. Nail after nail after nail is being put into our coffin of economic catastrophe. The Senate is now gearing up to put hundreds of billions of more debt onto our already debt-laden country. I fear our country's fate could be sealed. So what should we do? Is it too late for the United States to reverse its course? To best answer this question, I am reminded of a famous quote: ''Those who cannot remember the past are condemned to repeat it.''

In order to best determine the path our country will take in the future, we need to examine the road we have already gone down.

This chart I have in the Chamber is from the Great Recession of 1920 that most people in America have never heard about. It shows that in 1920 we had a fairly healthy economy, with a little over 5 percent unemployment. The next year it shot up, it over doubled, to almost 12 percent. Well, during that same period of time, the economy declined by nearly 7 percent. In other words, GDP went down by almost 7 percent. From May of 1920 to July of 1921, automobile production declined by 60 percent and industrial production in America dropped by almost a third. The stock market also fell dramatically. As a matter of fact, it lost half its value. So you can see the economic time of 1920 to 1921 was dire, maybe even more dire than what we face today.

Well, we had a Federal Government that decided to take a different course.

Instead of spending money, what they decided to do was to cut tax rates and cut spending at the same time. President Harding actually proposed—and it was enacted by the House and the Senate—a dramatic cut in Federal spending by one-third. To cut the Federal budget by one-third—can you imagine that today, cutting the Federal budget by one-third? Tax rates across the board, marginal tax rates across the board were slashed. The top rate at that time was 75 percent. They cut it to 25 percent. So they did not just cut taxes and raise spending so you balloon the deficit, they cut taxes and cut spending at the same time.

What were the results? Well, what do we know about the 1920s? What is the common term we hear about the 1920s? It is called the Roaring Twenties. It is because the economy boomed during the 1920s. This unemployment rate that was 11.7 percent—within a year and a half, that fell to a little over 1 percent. OK. So it went from 5.2 percent to 11 percent. They cut taxes and Federal spending and, boom, the unemployment rate plummeted—people had jobs.

Guess what happened to the national debt—not the deficit—the national debt. The national debt was cut by one-third during this time.

So if you cut taxes, you cut spending, you incentivize the private sector to create jobs. Guess what happened. When more people make more money and more people are employed, more money comes into the Federal Government to actually not only reduce the deficit but, in this case, actually pay down some of the national debt.

Well, let's move forward just a little bit.

The Great Depression. Many people have said we need to spend money to get us out of an economic downturn. During the Great Depression, we had a President, a Republican President, who started this. He was very much an interventionist President. During the Great Depression, he came in, had trade protectionist policies, raised taxes, and increased Federal spending with all kinds of different government projects on infrastructure.

We always hear about how infrastructure is going to help take the economy out of the recession if we spend more and more money. Well, I will have another point about spending on infrastructure and government spending in another country in just a minute. But we have to remember—and I ask this simple question to audiences back in Nevada whom I talk to: If government spending was going to take us out of that Great Depression, why did the Great Depression last as long as it did?

I actually posed that question to the new OMB Director. The new OMB Director said he has actually studied the Great Depression at length. So I asked him the question: Why didn't government spending take us out of the Great Depression? His answer was this: He said we did not spend enough money. I was flabbergasted by that statement. But that was his belief, that we did not spend enough money.

Many people believe the stimulus bill we had here almost 2 years ago was not large enough and that is why we have not had an economic recovery. Well, the reason we came out of the Great Depression was not because of government spending. It was because we kind of forgot about the Great Depression because of World War II, and our country completely focused on World War II. The stock market did not recover to 1929 levels for 25 years. FDR was a great wartime President, but his economic policies were not good for this country.

Well, where else can we look in history to find whether government spending actually works to take you out of an economic downturn?

In Japan, during the 1990s—this chart actually shows 1988 to 1998—they had government spending as a percentage of GDP go up. Yet in Japan—this is the red line. The blue line is spending; the red line is unemployment—it kept going up. Japan tried six different stimulus bills—a total of $6 trillion on infrastructure on all kinds of road projects, bridge projects, everything you hear about that is supposed to be good to take you out of an economic downturn.

Well, the 1990s in Japan is called the lost decade. They had basically zero growth during the 1990s. Actually, they have had another decade of lost economic output. So Japan certainly is not a good example of a place you can point to where government spending actually takes you out of an economic downturn.

As a matter of fact, if you think about the $6 trillion Japan spent—which is much larger than any economic stimulus we have tried, much larger as a percentage of an economy than what we tried during the Great Depression—so if it was going to work, why didn't it work in Japan? Why didn't it work during the Great Depression? Why didn't it work for the stimulus bill we tried? By the way, President Obama tried a stimulus bill close to $800 billion. President Bush 2 years before that tried an economic stimulus bill of $150 billion, basically sending checks to people hoping to get them to spend it. We need good economic policy to get us out of an economic downturn, and these temporary little spending bills are not the way to go.

So to continue on with this, let me explain a little bit about what else happened in Japan. First of all, Japan's public debt in 1997 grew to over 100 percent of GDP. By 2009, it is now almost 200 percent of GDP. So this spending not only didn't take them out of an economic downturn, it added to their future problems, and that is, unfortunately, what we are threatening to continue to do today.

Let me talk about the tax extensions before us today. Let me clearly state: I believe it would be a huge mistake for us to raise taxes on anybody during an economic downturn. I am for extending the current tax rates and making sure those tax increases don't go into effect. It has been argued by the other side that especially the top rates were the reason we ran up the debt and the deficits during the Bush years. Well, if my colleagues remember when President Bush came into office, similar to what happened when President Obama came into office, he inherited a recession. Then we had 9/11 happen, and it sent us into an even worse recession. In 2001, to stimulate the economy, we did cut taxes. The mistake we did make is we didn't cut spending at the same time, but at least we cut taxes. The blue line are revenues. So when the recession hit, we cut taxes and it takes a little while to recover, but after that, revenues—and these are the 2001 tax cuts and these are the 2003 tax cuts—actually went up.

The reason for our deficit was not that we didn't have enough money coming in to the Federal Government. The reason for our deficit is we spent too much money. Republicans were thrown out of office because we spent too much money. But the deficit was not caused by the tax cuts of 2001 and 2003. So it would be a mistake to raise taxes during this economic downturn.

However, I believe we need to cut spending, based on the economic models I have already talked about during the 1920s and how they actually worked. When you cut taxes and cut spending at the same time, it can actually pull your country out of an economic downturn.

There are businesses across my State—I spent a lot of the last couple of months touring around my State talking to businesses. There is one small business owned by two women in Nevada called ''Nothing Bundt Cakes.'' They make little bundt cakes. Unfortunately, they are really good, because I like to eat them and it is not good for my waistline, but they have a great product. I was talking to them and they would love to expand their business right now. Do you know what they said to me? They said, We can't. Two reasons: One is we think our taxes are going to be going up so we can't plan for it; and No. 2 was the effects of the health care bill. We don't know how much that is going to cost us. So it is the uncertainty out there of why they would not expand their business, and they probably could have created another 20, 30, 40 jobs. Those jobs didn't get created because of the uncertainty of what is going on.

So extending the tax cuts, I believe—extending the current tax rates is a better way to say it—is very important to give businesses some certainty. It is not the only thing we need to do to give them certainty, but it is certainly one of the things that is important.

In this bill—which I agree with; I think it is good we are not going to let the death tax go back up to 55 percent. There are a lot of small businesses out there—try to imagine trying to plan estate planning and things such as that, especially in a small business where you want to see it continue. All of a sudden, maybe it is going to go down. Well, now we are going to do a 2-year extension. It is very difficult to plan for those things for the future. We need to give more certainty. Two years in this bill is better than nothing, but we still need to make that longer term so you can do estate planning and business continuation planning. Because think about this: If a small business is owned by a family versus a business that is owned by a corporation, if somebody dies in the corporation, the business continues. If somebody dies in a small business where the principal owns the business, they may have to sell the business to pay the taxes. That business actually may end up getting closed down and those jobs are lost.

So it is important to give some certainty when it comes to death tax planning, estate tax, whatever term you want to use with it; that is important, especially for small businesses, ranches, and farms across America.

The top rate we keep hearing criticized as far as extending that, they say it is only 1, 2, 3 percent of the people, whatever number I have heard tossed out from the other side. What people fail to realize, though, is that is 25 to 35 million people who are employed by those very small businesses that make the top rate. So if you raise taxes on those people, they have less money to spend to buy that next piece of equipment. Somebody had to make that—if it is in America, that created jobs in America—or they can't hire that next employee. So we don't get the job creation we want. Raising taxes on small businesses would be a mistake. Raising taxes on the middle class would be a mistake. Especially if they can plan long term, if the rates they know are going to be there for the long term, they can put that in part of their budget. If it is just a one-time check, they can't plan for the future. I actually disagree with the payroll tax that is in here, at least the way it is structured, the same way that in President Bush's stimulus package a couple of years ago where we sent $600 back to individuals. This isn't the long term solution that we need.

Think about the mentality of families. If there is a difficult time that families are going through, if they get a check in the mail, and they know they may be losing a job or they are barely getting by as it is, if they get a little money in the bank, are they going to spend that? Or are they maybe going to pay down debt or save it because of the uncertain economic future? A lot of families are making the decision to save it or pay down debt. So it is not stimulating the economy as people think it will. The other problem also with the payroll tax and some of the other taxes in this bill that are extended is adding to our national debt.

The Bush economic growth package, his stimulus bill he put together, we have heard about this being a bipartisan agreement. The bill was passed 81–16. Every single Democrat actually voted for that bill. Sixteen Republicans voted against it, but it was a bipartisan bill. People grabbed hands and added more money to our debt.

People talk about this bill being a compromise. Democrats wanted certain things; Republicans wanted certain things. Here is what a compromise is around this body. A compromise is: You want certain things; I want certain things. We will get what we want and we will pass that debt on to our children and our grandchildren. That is how this body is operating right now. We are being fiscally irresponsible with the bill before us today. Yes, we need to extend the tax rates. But we should have at least sent a message to the rest of the world that said we are going to do something about the debt.

Let's put up the chart. We just had the debt commission a few weeks ago come out with their report—the President's debt commission. This is one of the quotes from it: "America cannot be great if we go broke." That is exactly what we are doing: We are going broke.

Harken back to the first chart, Admiral Mullen. Remember what the Chairman of the Joint Chiefs of Staff said. I want to repeat this. This is so important: "The biggest threat to our national security is our debt." He said, "It's not sustainable."

This debt is real. It is a very huge threat to the future prosperity of America.

This bill before us is sending a message to the markets. It is saying, even though the debt commission came out and said we need to trim this by at least $4 trillion, this spending and this deficit we have going, you know what, we are just going to add hundreds of billions more to that problem. So I believe what we have before us is even going to get worse. Before this bill we will vote on today, these are the President's projections: The red bars are interest we pay on the national debt, such as interest on your credit card. A family pays interest on a credit card and doesn't get anything for it. It is because of their overspending habits. Well, this is the result of Congress's overspending habits.

Next year, in 2011, it is going to be close to $250 billion. We get nothing for that. We get no roads, no schools, no veterans benefits, no anything. That is just money we are paying to the Saudis, the Chinese, and other foreign governments who have bought our debt. In 2012 it goes up further and further. In 2020, it is over $900 billion a year in interest on the national debt. That is more than we pay for Social Security, Medicare, Medicaid, or national defense, and we get nothing for that. This path we are on is unsustainable.

We saw what happened to Greece earlier this year. Within 48 hours, there was an economic implosion, and if they hadn't had the European Union to bail them out, their country literally would have gone bankrupt. Not too long ago in Ireland, within about 7 days, the same thing happened. Once again, they had the European Union to bail them out. What happens if the same thing happens in America?

Just this morning, this is what Moody's, one of the rating agencies, said:

> Unless there are offsetting measures—

That means spending cuts—

> the package—

The package is the bill we have before us today—

> will be credit negative for the U.S. and increase the likelihood of a negative outlook on the U.S. Government's AAA rating during the next 2 years.

In common language, what does this say? This says we are becoming a bigger risk and it is threatening our AAA rating which means if this AAA rating goes down, we pay higher interest rates. Just like an individual, you are more of a risk. When you borrow money, you pay a higher interest rate. This number here is based on a AAA rating. These numbers all get much worse if we lose our AAA rating.

The bill we have before us—we should have sent a message while we were continuing the current tax rate, if we wanted to do the unemployment benefits, which I believe we should have extended. We should have done that with spending cuts in other places.

Senator COBURN has a package to vote on that has real spending cuts. I have offered amendment after amendment after amendment on this floor on spending cuts. We always hear during campaigns: I am for fiscal responsibility. I am for this, I am for that. When it comes time for voting, we never seem to get the votes. When are we going to actually show some fiscal responsibility around this place?

This bill should have at least $100 billion, $200 billion in offsets. The Congressional Budget Office and the Joint Committee on Taxation said this bill is going to add $900 billion to the debt—$900 billion. Shouldn't we at least have offset some of that to show the world that we are actually serious about fiscal responsibility? That is all I am saying we should have done and why I am voting against this bill, because I don't think we can continue to add more and more and more debt. The debt commission had it right: America cannot be great if America is broke.

Let me conclude. The 1920s showed you can have economic recovery without adding to the debt actually because the economy grows and you have held the line on spending, and you can actually pay down the debt. That is what we did in the late 1990s. We didn't actually cut spending then, but we at least slowed the rate of growth of spending, with the Republicans in Congress and a Democratic President, and we had economic growth, which got us to not only a balanced budget, but it got us to where we were paying down some of the debt. That is what we need to do now—start going back to 2008 spending levels. Spending has increased well over double digits over the past couple of years around this place, and we were spending plenty of money in 2008.

So let's go back to 2008 levels—that will save us a couple billion dollars—and then let's work on eliminating some of what Senator COBURN has identified as a lot of wasteful spending programs in this country, which is at least another $150 billion in wasteful programs he has discovered. If this country is actually serious about debt, then we will continue to be the leader of the world, our economy can continue to grow, and America's best days really can be ahead of us. But if we choose to continue to be fiscally irresponsible, then I am afraid we could be headed down a path that we cannot reverse. If what happened to Greece and what happened to Ireland happens to the United States, there is no one to bail us out.

So we need to start acting in a fiscally responsible way, not as Republicans, not as Democrats, but as Americans, and say to these young people, like we have sitting before us here today, we care about you, we care about your future, and we want America to be as great for you as it has been for us. The only way to do that is to make sure we get our fiscal house in order and quit passing so much debt on to future generations.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. UDALL of Colorado). The assistant majority leader is recognized.

Mr. DURBIN. Mr. President, I ask unanimous consent that after I have completed my remarks, the Senator from Rhode Island, Mr. JACK REED, be recognized.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. DURBIN. Mr. President, I have listened carefully to the remarks of the Senator from Nevada, and I respect him, although I must disagree with him on several particulars.

When I look back at history, I see it differently. What I see is a Great Depression facing America that led to record unemployment, business failures, farm failures—one of the worst economic conditions faced by America in modern times.

The election of Franklin Delano Roosevelt in 1932 and his ascension to office in 1933 ushered in a new approach, an approach that was called the New Deal. That basically said: We are going to take control of the situation. We are going to stand behind your deposits in the bank to make sure you don't lose them. If the bank fails, you won't be broke—the Federal Deposit Insurance Corporation. We are going to put the watchdogs on Wall Street to make sure people don't do things there that are basically, if not illegal, unwise, and so we are going to make certain we have good business practices there. We are going to stand behind the farmers. Before we let them lose their farms, we are going to try to get them through a difficult year so they can be there to fight again. We are actually going to create jobs across America. First, for those who are working, we are going to create the minimum wage so that people know they can get a basic salary to live on. And for those who couldn't find work in the private sector, Franklin Roosevelt said: We will create WPA jobs and other jobs across America building things that will serve us for generations to come.

The New Deal was launched, and not long after it was launched, voices similar to ones we have heard this evening came forward and said: Wait a minute, we are spending money we don't have. We are going into debt as a nation.

Those voices started to prevail. So Franklin Roosevelt and the New Deal started to back off. They backed off the stimulus to the American economy, and the unemployment rate, which had gone down from over 20 percent to 13 or 14 percent, went back up again to 19 percent and languished because, with the lack of stimulus into the economy, America was not getting well and strong.

Then something came along which the Senator from Nevada failed to mention. He spoke about how government spending really doesn't invigorate an economy. I would suggest to him that he left out one phrase in a speech I would like him to look up—World War II. When we went into that great war to stop Hitler, to stop the forces of nazism and fascism across America, we mobilized this country and put it to work building the war machine. Great sacrifices for families across America—Rosie the Riveter. Mom went to work because Dad was off fighting the war. Everybody pitched in. We went in debt as a nation, but we won that war and came out of it with a strong, thriving economy, one of the strongest in the world. So to argue that government spending—which there was a lot of during World War II—didn't have anything to do with economic stimulus is to ignore the obvious. It did.

Let's fast-forward to where we are today and where we are tonight.

I see my colleague, the Senator from Rhode Island, is here. He has been chairman of the Joint Economic Committee, and he understands the economic conditions better than most of us who serve in the Senate. But I got a little insight into our economy by serving on the President's deficit commission for the last 10 months. We met week after week, month after month, and we talked about the state of the American economy and the debt of our Nation.

I came to the conclusion—which 11 out of the 18 members of the deficit commission agreed with—that the current situation is unsustainable. We are, in fact, borrowing 40 cents out of every dollar we spend. Whether that dollar is spent for a new missile system for the Pentagon or whether it is spent for food stamps for the poorest of the poor in America, we borrow 40 cents out of every dollar spent, and we borrow it from countries that are becoming our creditors, our mortgagors, countries such as China, the OPEC nations, Korea, Japan, and Saudi Arabia. They are the ones loaning us the money. Of course, it calls into question whether they think we are creditworthy. That is why we need to do something about our debt as we get more deeply into debt.

The Senator from Nevada talked about the state of the economy and the debt we are facing, but he failed to tell the whole story. I always say the story should begin with what the state of the economy was the day President William Jefferson Clinton left office. At that moment in time, the accumulated debt of America, from George Washington through President Clinton's 8 years, was $5 trillion. At that time, we were in surplus on our annual budgets, and President Clinton turned to incoming President George W. Bush and said: Next year, we project a $120 billion surplus for your budget, so we are leaving you in good shape, not with red ink but with black ink—a $5 trillion debt, $120 billion surplus in the coming year.

Eight years later, at the end of George W. Bush's administration, the national debt had grown from $5 trillion to $12 trillion—more than doubled in 8 years—and President George W. Bush said to incoming President Obama: I am not leaving you a surplus; I am leaving you a $1.2 trillion debt for the next year.

George W. Bush inherited a $120 billion surplus when he came to office, but he left behind a $1.2 trillion debt. How did we reach such a sorry state in a mere 8 years? President Bush was the first President in history to cut taxes in the midst of a war. It is counterintuitive, and he did it. He believed the economy would grow, and it didn't work. As a result, we got more deeply into debt. He gave tax cuts to the wealthiest in America, and they are the least likely, from an economic point of view, to invigorate our economy. And then he turned around and had several programs he signed into law that were totally unpaid for, just adding to our debt.

That is where we find ourselves today. That is where the deficit commission finds itself. So just a few weeks ago, we reported—11 out of 18 members voting—in favor of the deficit commission. Two weeks later, here I stand on the floor of the Senate, and we are considering a bill which will add $858 billion to the national debt. That isn't something we anticipated when the deficit commission labored for 10 months trying to figure out ways to cut $4 trillion out of the debt over 10 years. Here we are, 2 weeks later, adding this money to our debt.

I will tell you that I vote for it, and I do with a specific reason in mind. I believe that unless we do something definitive and decisive, we are not going to come out of this recession as quickly as we should, more people will lose their jobs, and our debt will get worse. We need to stimulate and invigorate this economy.

I think President Obama was right 2 years ago when he had a stimulus package. I might remind my friends on the other side of the aisle that a third of it was tax cuts—which is their mantra in good times and bad—a third of it was tax cuts, a third was a safety net, and a third was basically designed to build the infrastructure of this country. I thought it was a good stimulus package, and I do believe it created millions of jobs or at least saved millions of jobs that would have been lost. The same holds true today. We need to invigorate this economy and move it forward. That is why I support this package.

Let me tell you something else. There are things in this tax package which will be voted on tonight or early tomorrow morning which I find awful and indefensible—two in particular. First, that we would extend tax cuts to the wealthiest people in America at this moment in our history I think is indefensible. Second, that we would segregate a small group of the wealthiest people in America and say we are going to give them blessed treatment when it comes to the estate tax they pay I think is mindless. It is not going to invigorate the economy. In the name of justice and fairness, these people, who have done well, should pay back some of it to the country that has allowed them their prosperity. Instead, the Republicans have insisted that the wealthiest of the wealthy in America should receive more.

This chart really tells you what is happening in this country, and it is a scary story—not just sad but scary. The accumulation of wealth for the richest 1 percent of the population in America—in 1976, the richest 1 percent of Americans had 8.9 percent of the wealth in America. In 1976, the top 1 percent had 8.9 percent. Now go to 2007. The top 1 percent population in America has 23½ percent of the wealth.

I don't begrudge anyone prosperity, wealth, and comfort, but they are getting wealthy at the expense of a society which is not providing for those in lower income categories. The people in lower and middle-income categories are falling further and further behind. That is why we cannot allow this tax cut that otherwise would have been reimposed as a tax increase on January 1 on them to occur. That is why I have swallowed hard and said I will vote for this package even though I think the breaks for the wealthy really can't be justified from an economic or justice viewpoint. I just don't think they can. But that is the reality we face.

I do want to say one thing before I yield to my friend from Rhode Island. Mark my words, write them down, put them away in a desk drawer, and pull them out April 1, and they are these: When the Obama administration comes to Congress and says, now that you have voted for additional tax cuts and spending, Members of Congress, you must now increase the debt ceiling of America because we need to borrow the money to cover what you voted for, including the vote that took place this December, which creates $858 billion more in debt, you will hear the other side of the aisle screaming, wailing, whining, and crying that there is no way they can vote to increase the debt ceiling of America. The same people who will have voted for this tax package increasing the debt of America by $858 billion will refuse to pay the check when it comes to the table after the dinner. They had the big banquet, they announced the tax cuts for the wealthy, but when the check comes to the table that says, incidentally, now we have to borrow that money, they are going to say: No way. We are fiscally conservative. We don't borrow money. No, but you spent it. And they have spent it either directly on spending or indirectly on tax cuts. That will come between April 1 and July 1.

I am sorry that as part of this tax package we do not have an increase in the debt ceiling. Those who are going to want to wave the banner of tax cuts and claim all the credit for tax cuts should also stand up and take their medicine because we are going to have to borrow the money to pay for it, and we will need their votes when it comes time to address the debt ceiling.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. REED. Mr. President, I understand there is unanimous consent that I be recognized and then Senator MCCAIN; is that correct?

The PRESIDING OFFICER. The agreement was simply to recognize the Senator from Rhode Island.

Mr. REED. Mr. President, I ask unanimous consent that Senator MCCAIN be recognized as soon as I make my remarks and then Senator BINGAMAN at the conclusion of Senator MCCAIN and then Senator CARDIN, and that if there is a Republican seeking recognition between Senator BINGAMAN and Senator CARDIN, that Senator be recognized at that time.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. REED. Mr. President, I rise to discuss the tax proposal before us. We are in a critical moment. Our economy is slowly climbing from the depths of a deep recession but without additional support it could easily backslide. We cannot afford to let that happen.

There are still too many Americans—15 million—who desperately want the opportunity to work but cannot find a job in this difficult environment. My top priority is creating jobs and sustaining demand to continue job growth in this country.

I have serious concerns about several of the provisions of this bill that will not help us accomplish that goal of creating and sustaining jobs, but I will support this package because right now, back in my home State of Rhode Island, there are approximately 65,000 men and women from all walks of life who are unemployed and need this bill. Many of them are individuals in the middle of their careers who have worked since they were 18 or 21 continuously, productively, and now they find themselves for the first time in their lives without any job. If we do not act, they will be without the means to support their families and provide for their children.

This bill preserves emergency unemployment insurance to help these individuals make ends meet and help them to hold their families together. It will help ensure they can buy the groceries, pay the utility bills, and literally keep a roof over their heads in many cases. Their situation is one of my primary concerns in these difficult times.

Moreover, these unemployment benefits don't just help the jobless, they boost the entire economy as the unemployed spend their benefits at local businesses. Americans want us to focus on creating jobs and generating economic growth. Indeed, for much of the past 2 years, Democrats proposed many things that would help middle-class families and small businesses only to be thwarted or slowed by procedural roadblocks and sometimes disingenuous claims.

Just two Saturdays ago we could not break filibusters of two bills that would have passed the middle-class tax cut and also renewed unemployment benefits without un-needed additions. On several occasions over the past few months we have had legislative initiatives for tax extenders that would have included key elements such as a national housing trust fund and key infrastructure incentives. Again, those two were thwarted by procedural roadblocks.

But now we are faced with the specter of a tax increase on the middle class during this dispiriting economic time if we do not act. Perhaps we could have avoided this situation. The Bush tax cuts, which I opposed, had an artificial termination point in order to fix them into budget projections. But, again, we are here today at the last minute, and it appears the only path our Republican colleagues will accept is the one before us. Indeed, Republicans will not let this train leave the station unless the very wealthiest hitch a ride too.

The challenge we face is the need to sustain and accelerate growth so employment increases while also recognizing the need to reduce the deficit once the economy is stable again. That is no small challenge. As a number of budget deficit commissions have suggested in recent weeks, we may have to consider reforms to Medicare, Social Security, defense funding, tax expenditures, and investment in domestic programs—all of them to stabilize the deficit in the long term. I do not relish those tasks, and I do not imagine America's families relish it either. However, this is a reality we must confront as our economy improves. It is a reality that will be difficult. It is a reality that will be a great challenge, but it is one we must face.

This bill includes many provisions that will provide economic growth. As I have mentioned before, the effect of an unemployment insurance extension is not just on the individual recipients, it is estimated by nonpartisan experts that nearly $2 of economic activity is generated for each $1 in benefits. That is a very effective stimulus for the economy.

The bill also includes a 2-percent cut in the payroll taxes paid by workers, and after local or State sales taxes, reductions in the payroll tax have the biggest impact on families living on the average wage. Again, this provision is estimated to create more economic activity than it costs, and it will, in essence, be the first raise many workers have seen in several years.

In addition, the proposal contains a host of other benefits for working- and middle-class families—by extending the child tax credit for 10.5 million families as well as an extension of a partially refundable tax credit of up to $2,500 for the cost of college tuition. All of this economic activity means jobs and more money in the pockets of hard-working Americans.

These are targeted, well-designed provisions worthy of support. Indeed, private sector forecasters as well as economists such as Mark Zandi suggest this bill will help maintain the fragile recovery and could lead to a 1-point drop in the unemployment rate and perhaps as much as a 1 percentage increase in GDP in 2011 as compared to previous baselines that took into account only the extension of the middle-class tax cut and expiring provisions such as the AMT.

There is, from experts, considered opinion that this legislation will help grow the economy, reduce the unemployment rate, and put people back to work. The bill also recognizes the need to build on the small business lending and tax credit bills we enacted this summer and fall. Indeed, the provisions to allow businesses to expense 100 percent of all their investments in 2011 is expected to generate more than $50 billion in additional business investment next year. That is private companies investing in private enterprises to put people to work on a private payroll.

The bill also encourages businesses to invest in future products by extending the research and development tax credit to keep us competitive in a very competitive world.

The bill also recognizes the need for clean, domestic energy by continuing the renewable energy production grants for wind, solar, geothermal, and a host of other technologies.

This legislation responsibly ensures that the tax rates in place for lower income and middle-income families stay as they are today. It maintains the middle-class tax cut. Indeed, the great bulk of the benefits of this bill will be directed at stimulating the economy and assisting the average American family.

But in the face of this deficit, it is very difficult to justify the provisions of the bill for the wealthiest Americans because they provide negligible economic growth while adding to the deficit. In fact, these provisions work against the two great issues we must grapple with, stimulating growth and beginning to control the deficit. According to the nonpartisan Congressional Budget Office and other experts, the decision to provide millionaires and billionaires with tax breaks will not generate many jobs because they are more apt to save these benefits than circulate them in the local economies throughout the United States.

In particular, the decision to insist on such an aggressive estate tax proposal is very difficult to justify. Instead of adopting a commonsense proposal that would have exempted well over 95 percent of all estates, our colleagues on the other side of the aisle demanded that the bill contain a tax break worth more than $25 billion over the next 2 years for the top one-quarter of 1 percent. Let me repeat that, a $25 billion provision that benefits one-quarter of 1 percent of all estates.

It is a slight comfort that these provisions are not permanent. While I would gladly support an effort to remove or modify these provisions immediately, at the very least they have to be the first on the list of those tough decisions we have to face in order to reduce the deficit in the future. We do have to address the deficit and part of that effort must clearly be through tax reform and eliminating tax expenditures.

I think there is too often a perception that tax cuts are free. As my colleague from Illinois suggested, failing to link the debt ceiling with this particular legislation could give the impression that we can cut taxes with no effect on the deficit. These tax cuts do add to the deficit. We have to recognize that. When we come back to face the difficult issues as we did in the 1990s—I supported President Clinton's efforts which led to a balanced budget, which led to a surplus, which led to employment gains—those decisions involved revenue, cutting entitlements, cutting defense spending, and making a lot of difficult choices. We will have to face those choices again.

We are at a point where the benefits of this bill are necessary to accelerate economic growth and to help the unemployed and struggling middle class families. That is why I will support this bill.

Thank you, Mr. President.

I yield the floor.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

OMNIBUS APPROPRIATIONS

Mr. McCAIN. Mr. President, according to my calculations, it has been 42 days since the people of this great Nation of ours spoke, and they spoke in a very strong fashion. It was described by the President of the United States as a ''shellacking.'' It was described by others as a tsunami.

The House of Representatives, as we know, passed to Republican hands. In this body there were six additional Members from my side. I thought the message was pretty clear—that the American people said: Enough with the spending. Enough with the porkbarrel earmark spending. Enough of mortgaging our children and our grandchildren's futures.

I do not know of a single pundit or observer of the chattering class who did not say the message was clear from the American people. The phenomena of the tea party was ''taxed enough already,'' but they were against the spending, the earmarking. The approval rating of Congress is somewhere at, depending on which poll you look at, 10, 12, 14, 16 percent—overwhelming disapproval of the way we do business.

At 12:15 today my office received this appropriations bill, 1,924 pages long, and containing funding for all 12 of the annual appropriations bills, for a grand total of $1.1 trillion. It is important to note of this 1,924 pages is only the legislative language and does not include the thousands of pages of report language which contains the details of the billions of dollars in earmarks, and I am sure major policy changes written without a hearing, written without scrutiny, written without the input of the majority of the Members of this body, written by a handful of Senators who happen to be members of the Appropriations Committee.

The American people said just 42 days ago: Enough. Are we tone-deaf? Are we stricken with amnesia? What is going on? We have just begun to look at this monstrosity, and we are beginning to uncover which earmarks the appropriators decided to fund.

Thanks to a new online data base, we at least know what earmarks were requested by Members and how much those projects would cost the American people if they were all funded. Organizations such as Taxpayers Against Earmarks, Washington Watch.Com, and Taxpayers for Common Sense joined forces to create a database. According to the data they compiled for fiscal year 2011, Members requested over 39,000 earmarks totaling over $130 billion—those were requested.

I encourage every American to go to the Web site, endingspending.com, study it, and make yourselves aware of how your elected officials seek to spend your money.

In the short time I have had to review this massive piece of legislation, we have already identified approximately 6,488 earmarks totaling nearly $8.3 billion when we are running record deficits. When there is a $40,000 debt for every man, woman, and child in America, we are going to have 6,488 earmarks totaling nearly $8.3 billion. Here is a small sample: $277,000 for potato pest management in Wisconsin—you will notice there is a location for every one of these earmarks—$246,000 for bovine tuberculosis in Michigan and Minnesota; $522,000 for cranberry and blueberry disease and breeding in New Jersey; $500,000 for oyster safety in Florida.

One of my favorites that pops up all the time is $349,000 for swine waste management in North Carolina. Another one of my all-time favorites that is always in there, $413,000 for peanut research in Alabama; $247,000 for virus-free wine grapes in Washington; $208,000 for beaver management in North Carolina; $94,000 for blackbird management in Louisiana; $165,000 for maple syrup research in Vermont; $235,000 for noxious weed management in Nevada. That is another one that, when you total it up over the years, comes into millions.

One hundred thousand dollars for the Edgar Allen Poe Cottage Visitor's Center in New York. Another of my all-time favorites that is always on here every year, $300,000 for the Polynesian Voyaging Society in Hawaii. If some people are watching, you are thinking I am making this up. I am not making it up. Three hundred thousand dollars for the Polynesian Voyaging Society in Hawaii; $400,000 for solar parking canopies and plug-in electric stations in Kansas.

Additionally, the bill earmarks $720,000 to compensate ranchers in Wisconsin, Minnesota, and Michigan whenever endangered wolves eat their cattle. As my colleagues know, the U.S. Fish and Wildlife Grey Wolf Program is under intense scrutiny for wasting millions of taxpayers' dollars every year to ''recover'' endangered wolves that are now overpopulating the West and Midwest. My State of Arizona has a similar wolf program. But ranchers in my State are not getting $727,000 in this bill.

I will have a lot more to say about this bill this week. I assure my colleagues, we will spend a lot of time talking about this bill and the outrageous number of earmarks it contains. But let me say this: It is December 14, 22 days away from the beginning of a new Congress, and nearly 3 full months into fiscal year 2011. And yet we have not debated a single spending bill or considered any amendments to cut costs or to get our debt under control.

Furthermore, the majority decided that they did not feel like doing a budget this year. How is that responsible leadership? This is the ninth omnibus appropriations bill we have considered in this body since the year 2000. That is shameful. We should be embarrassed by the fact that we care so little about doing the people's business that we continuously put off fulfilling our constitutional responsibilities until literally the last minute.

One thing is abundantly clear. The majority has not learned the lessons of last month's election. The American people could not have been more clear. They are tired of the wasteful spending. They are tired of big government. They are tired of sweetheart deals for special interests. They are tired of business as usual in Washington. And they are certainly are tired of massive bills, like this one, put together behind closed doors, and rammed through the Congress at the last minute, so that no one has the opportunity to read them and no one knows what kind of waste that is in them.

Let me be clear about one thing: If the majority leader insists on proceeding to this monstrosity, the American people will know what is in it. I will be joined by many of my colleagues on this side of the aisle to ensure that every single word of this bill is read aloud here on the Senate floor.

I encourage my friends on the other side of the aisle to rethink their strategy. Let's move forward with a clean, continuing resolution, keep the government in operation for 45 days, let the new Congress, that reflects the will of the American people, address these issues in the long term. Let's not go out the door of this Congress with a whole bunch, 6,800-some earmark projects that the rest of us have not read. I encourage my friends on the other side of the aisle to rethink their strategy. Let's move forward with a short-term continuing resolution, 45 days. Senator GREGG has an amendment pending to do that.

The majority may be able to strong-arm enough Members into voting for this omnibus, but they will not win in the end. The American people will remember, and I predict we will see a repeat of last November 2 in the very near future.

Here we are on December 14, after last year being in session on Christmas Eve. Apparently we may be in session again on Christmas Eve. If I might point out, having not been in session a single Friday the entire year—not being in session a single Friday the entire year—yet this afternoon the majority leader said, well, we can be here on Christmas and New Year's and that we could be in session until January 4, before the new Congress is sworn in.

Obviously the majority leader and the majority can do that. But I do not think the American people think very much of what we are doing here. In fact, I think they are going to be deeply disappointed and greatly angered because we have, with the consideration of this bill, repudiated all they thought they were standing for and voting for: an end to this kind of behavior, an end to the earmarking and porkbarrel spending, an end to the mortgaging of our children and our grandchildren's future.

So it is with great regret that I again have to come to the floor, as I have for many years, and be critical of my colleagues who are good and honorable and decent Americans. But this process, this process of earmarking, which this is an example of, is not honorable behavior.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, I want to speak for a few minutes on the tax package that is before the Senate and that we will be voting on tomorrow.

Yesterday, the Senate voted to proceed to this $857 or $858 billion package that would have the effect of extending all personal income tax rates for 2 years, substantially reducing the estate tax, establishing or extending a host of tax incentives for American families and businesses.

I think the way to evaluate this package is on two basic grounds. First of all, how does it help us deal with the very substantial economic problem we face with trying to strengthen the recovery from this deep economic downturn that we have experienced and, second, how is it helping us to set a long-term course to achieve fiscal stability.

On the first issue, the economic recovery, there is much in the package that I would strongly support and that I do strongly support. We should protect 98 percent of American households from any tax increase. We should extend benefits to our fellow Americans who are unable to find jobs in this period of very high unemployment. We should continue key business incentives such as the section 103 program, which has provided a critical lifeline to the renewable energy industry.

If the only economic imperative that we faced was how to strengthen this recovery from the downturn, I would be voting for the package. But as I said at the outset, that is not our only economic imperative. Our dire fiscal condition requires us also to adopt a strategy that will dramatically reduce deficits in the coming years. Frankly, I am disappointed by the plan's shortsightedness on that issue and, therefore, I did oppose the cloture motion yesterday, and I plan to vote against the package tomorrow when the vote is called.

If we are serious about addressing the deficit, we need to admit that we cannot afford all of this package. In 2001, I came to the floor to explain my opposition to enacting the so-called Bush tax cuts. At that time the Congressional Budget Office was actually projecting budget surpluses. But as I explained then, I viewed the 2001 tax cuts as carrying a higher pricetag than we as a nation could afford. The 2001 cuts, which were accelerated in 2003, reduced the stream of revenue to the Federal Government by an amount that virtually guaranteed the elimination of our anticipated budget surplus, and instead insured that substantial deficits would once again become the norm in our Federal budget.

The result, which is a Federal debt that today nears $14 trillion, could have been avoided under the Bush tax structure only if there had been major cuts in spending at the same time. As we all know, no such cuts in spending were ever proposed by the President, and no such cuts in spending were ever adopted by the Congress. In fact, in the years following the Bush tax cuts, spending increased very substantially. The Bush tax cuts were larger than we could afford when they were adopted.

Including interest costs, those tax cuts account for nearly 55 percent of the deficit that is projected to the end of the next decade. Once again, in my view, we cannot afford to extend those tax cuts in their entirety today. The Nation's debt now stands at 62 percent of gross domestic product.

The Congressional Budget Office says if we continue on our present course, that debt will reach 90 percent of gross domestic product by 2020 and 185 percent of gross domestic product by 2035. This concern is not merely academic. Our growing deficit has stark consequences for our government's ability to meet essential priorities.

At current levels, government revenue in 2025 will be enough only to cover interest on the debt, Medicare, Medicaid, and Social Security. The threat to American prosperity is severe. By 2035, rising debt could reduce per capita gross domestic product by as much as 15 percent.

In recent weeks, we have had several expert commissions tell us that we need to get the debt under control. They have offered thoughtful, practical proposals to do that. This National Commission on Fiscal Responsibility and Reform released a six-part plan that would achieve nearly $4 trillion in deficit reduction through 2020.

Five of the six senators who served on the commission supported the plan. Two weeks earlier, a bipartisan commission, headed by former Congressional Budget Office Director Alice Rivlin, and my former colleague Pete Domenici, issued their own report. Both bipartisan groups concluded that to be credible any deficit reduction plan must impose limits on spending and must increase revenue.

For much of this Congress, the excuse for deferring serious action on deficits and debt has been that we should wait and see what these commissions decide. Well, now that these commissions have finished their work, this bill is our first chance to begin considering their recommendations. I see no evidence that we are doing so in this legislation.

I understand we cannot tackle both tasks simultaneously, that is, stimulating the economy and reducing the deficit. We cannot attack both of those tasks with equal force at the same time.

A decision, which I have supported, has been to focus first on stimulating the economy. But that focus does not excuse us from also taking the relatively easy steps that are available to reduce future deficits. I agree with the Commission for a Responsible Federal Budget, whose leaders argue that, ''The critical objective is to pair any stimulus for the short term with a credible plan to reduce the debt in the medium and long term.''

We should be talking about what triggers to attach, how to pay for the new package over the decade, what spending cuts and tax reforms to make. It is unfortunate that that conversation has not taken place.

Because the cost of the package is not offset, it has been, unfortunately, larded up with very wasteful provisions that do little to stimulate the economy. The most problematic is the one many colleagues have commented on, that is, the $129 billion to extend tax cuts that benefit only the very high-income American households and reduce the estate tax below 2009 rates.

Proponents of the bill say that because the economy is weak, now is not the time to allow the tax cuts for the wealthiest households to expire. But a Congressional Budget Office report issued earlier this year tears down this argument. They examined 11 options to stimulate growth and job creation and concluded that extension of the 2001 and 2003 tax cuts was dead last in that list of 11. They further found that extending the tax cuts for high-income households, in particular, would rate lower in effectiveness than extending all the tax cuts because: ''Higher-income households . . . would probably save a large fraction of their increase in after-tax income.''

There is one comparison that puts this sharply into perspective, at least to my view. Last month, the President announced that because of concerns about the deficit, he was proposing to freeze all civilian Federal salaries at a savings of about $2.5 billion a year. I stated at the time that I supported his decision. But in this package we will erase those savings nearly three times over merely with the reduction of the estate tax from the 2009 levels. Is it not enough to reinstate the 2009 estate tax provisions which exempt $7 million in assets per couple and tax amounts above that 45 percent? Under this package, the exemption is dialed up to $10 million per couple, and the rate is reduced to 35 percent. So instead of reaching only 1 out of 400 American estates, this plan would subject 1 out of 1,000 estates to any tax whatsoever. So while a GS3 clerk at the Department of Agriculture office in Albuquerque will have her salary frozen in the name of fiscal responsibility, the heirs of a $50 million estate will save $5.35 million. This unwarranted generosity will cost our Treasury an added $7 billion a year. Americans are right to question how we can be serious about reducing the deficit when we are ready to give wealthy heirs a windfall with no benefit whatsoever to the economic recovery.

I also am troubled that the package makes the Tax Code permanently temporary and falsely assumes we will be able to achieve a different outcome when we debate this issue 2 years from now. Today's Wall Street Journal points this out in a story entitled ''Temporary Tax Code Puts Nation in a Lasting Bind.'' The piece opens with this sentence: ''Welcome to the world of the temporary tax code.''

I ask unanimous consent that the text of that article be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. BINGAMAN. The main argument being used in support of the extension is that this is the only proposal we can get our Republican colleagues to agree to. In my view, that is an uncharitable view of our Republican colleagues. I think they would embrace a more responsible proposal if they felt they were required to do so.

The fact that not a single Republican supported either the proposal Senator BAUCUS brought to the floor or the proposal Senator SCHUMER brought to the floor last week, in my view, results from their expectation, which was apparently accurate, that if they remained intransigent, Democrats would give in to their demands to extend all the tax cuts. Those demands reflected in the bill now before us do not acknowledge the serious problem we face with our deficits. I have explained why.

There are also some important provisions that were included in the Recovery Act which, unfortunately, have been left out of this tax package. I am informed they have been left out because Republican leaders have insisted Recovery Act provisions not be extended. There are some of the provisions in the Recovery Act that had been extremely beneficial to economic activity in my State. The Build American Bonds program, for example. It is very unfortunate that program is not being continued as part of this package. The package also ends a provision Senators CRAPO and GRASSLEY and I fought to include in the Recovery Act, which raises the bank-qualified limit, which was last adjusted in 1986, for small municipalities that sell debt to community banks. This has significantly reduced rural governments' borrowing costs and created jobs and needed infrastructure improvements in thousands of communities. I am disappointed that has not been continued.

The reflexive anti-Recovery Act position Republican leaders have taken is reflected as well in the provisions dealing with energy. In spite of the positive provisions in this legislation to strengthen the economic recovery—and there are some which I strongly support—the bill moves us in the wrong direction with regard to our other major problem, which is deficit reduction. On that issue, it will start the 112th Congress off on the wrong track. For that reason, I will oppose the legislation tomorrow when the vote is called.

Mr. President, yesterday the Senate voted on proceeding to the most significant revenue bill of the 111th Congress. As I explained when I came to the floor earlier today, this bill contains important provisions that will stimulate the economy. I strongly support extending tax cuts to the overwhelming majority of American families. But this bill goes further than that. It extends tax cuts to the very highest earners and adds a substantial estate tax cut. And it does so without any offsets or any plan to address the deficit. The inclusion of those provisions will make it difficult for the next Congress to act in a responsible way to address our serious deficit situation. For those reasons, I voted against proceeding to the bill.

While my ''no'' vote was driven primarily by the bill's fiscal recklessness, I am also disappointed by the inadequacy of its energy tax provisions. Aside from a 1-year extension of the section 1603 grant in lieu of credit program, which will offer some support to our renewable advanced energy industries, every meaningful advanced energy incentive that was included in the package Senator BAUCUS offered has been stripped from today's bill, or reduced to the point of near-ineffectiveness. These include key provisions to promote energy efficiency, clean technology manufacturing, energy independence, and pollution reduction.

Among its disappointing provisions, this bill chooses to extend the volumetric ethanol excise tax credit, or VEETC, for an additional year at its current rate of 45 cents per gallon. When we include the associated income tax deductions, this extension will cost American taxpayers about $6 billion. But the VEETC subsidizes production of a fuel whose consumption is already mandated by our renewable fuel standard. The House was poised to drop the credit down to 36 cents, a level that I would support. But today's so-called compromise package extends the credit at 45 cents a gallon, which will cost an additional $1 billion. That $1 billion would be better spent funding other clean energy technologies which do not enjoy the market protection of the renewable fuel standard. For instance, we could much better use the $1 billion for the advanced energy project credit, or section 48C, which enables companies to establish, reequip, and expand factories in the U.S. to manufacture advanced energy technologies.

Failing to change this bill's energy provisions will ensure that the 111th Congress will be recorded as one that failed to maximize its potential in using the Tax Code to promote advanced energy priorities. To be sure, the American Recovery and Reinvestment Act included many significant tax innovations that promote clean renewable energy and energy efficiency. But since ARRA's enactment at the very beginning of this Congress, the Senate has failed to consider any legislation that would build off those innovations. Time and again, energy tax legislation was pushed back, delayed, and obstructed. Particularly galling is that this obstruction occurred in a year that saw the worst environmental disaster in the history of this Nation, one that resulted from our overdependence on fossil fuels.

But we still have an opportunity to turn things around before the Congress adjourns. And so I urge the Senate to consider the comprehensive commonsense provisions that Senator SNOWE and I have offered as an amendment.

Our amendment, No. 4783, is modeled on a standalone bill, the Advanced Energy Tax Incentives Act of 2010, S. 3935, which Senator SNOWE and I introduced in September. This is a bipartisan, comprehensive package of incentives focused on enhancing energy efficiency, deploying renewable energy, and rebuilding our domestic manufacturing base. These commonsense incentives will make our businesses more dynamic and competitive, our homes more efficient, our economy more secure, and our skies and waters cleaner.

Among other highlights, our amendment would enable home and business owners to defray upfront costs of investing in energy-saving technologies, including the introduction of performance-based tax credits for whole home retrofits. It would make $2.5 billion in tax credits available to attract manufacturers of technologies that harness clean renewable energy or enhance energy efficiency and establish a $1 billion tax credit program to enable American manufacturers to undertake energy-saving measures that advance their competitiveness. Our amendment would facilitate the growth of renewable electricity by creating a tax incentive for energy storage systems, which will enable utilities to deploy intermittent energy sources like wind and solar power while reducing energy demands during peak hours and contributing to an overall more reliable smart grid. And the amendment would retool the tax credit for carbon capture and storage, CCS, to give CCS projects greater certainty.

Mr. President, we must continue to ensure that the Tax Code contains well-designed incentives that will help us transition to an energy efficient economy. The most significant revenue bill of the 112th Congress should include robust provisions that expand domestic clean energy manufacturing; help American businesses and families reduce their energy use and dependence on fossil fuels; and create thousands of jobs. I deeply regret that in considering the bill before us, the Senate will not give priority consideration to our amendment.

I yield the floor.

EXHIBIT 1

[From the Wall Street Journal, December 14, 2010]

'TEMPORARY' TAX CODE PUTS NATION IN A LASTING BIND

(By John D. McKinnon, Gary Fields and Laura Saunders)

WASHINGTON.—Welcome to the world of the temporary tax code.

In the late 1990s, there were typically fewer than a dozen tax provisions that had just a limited lease on life and needed to be renewed every year or so.

Today there are 141.

Now Congress, taking up a deal worked out between the Obama administration and Republican leaders, is poised to turn the whole personal income-tax system into something of a temporary structure. The plan embraces a broad range of provisions—an extension of Bush-era rates, a new estate-tax formula—but for only two years. A payroll-tax cut in the bill is for a single year.

This means that if the compromise passes largely intact, the U.S. will have no permanent regime governing levies on salaries, capital gains and dividends, the Social Security tax, as well as a slew of targeted breaks for families, students and other groups. This on top of dozens of corporate-tax provisions that already were subject to annual renewal.

The level of uncertainty, unusual for developed nations, complicates planning and discourages hiring and investment, many economists and corporate executives say.

''I haven't seen anything like it, and it's hard historically to find anything like'' the current and pending negotiations, says Mortimer Caplin, an Internal Revenue Service commissioner in the Kennedy administration who at 94 is just three years younger than the income tax itself. ''This Congress has left an awful lot up in the air.''

A vote to pass the tax deal in the Senate is expected on Tuesday or Wednesday; prospects for swift approval in the House remained cloudy but party leaders seem increasingly resigned to the measure clearing Congress intact.

The two-year expiration of the bill's main provisions on individual rates would occur just after the next presidential election, and few in Washington envision a long-term solution being crafted at such a charged time.

At the same time, the possibility of a sweeping tax-system revamp can itself add to the uncertainty, what with politicans increasingly ready to talk about this. President Barack Obama has lately, as has the deficit-reduction panel he appointed, including Republican members such as Rep. DAVE CAMP, future chairman of the House Ways and Means Committee. The possibility of an overhaul that would put on the table long-established credits and deductions could further uproot predictability.

This year has been something of a test case for tax uncertainty, with concern about what would happen when provisions adopted in 2001 and 2003 expired at year-end.

Sales of certain kinds of life insurance rose as families wrestled with the possibility that estate taxes would jump in 2011. With no assurance the 15% rate on dividend income would last past 2010, Kraft Foods Inc., Exelon Corp. and Altria Group Inc. asked their shareholders to contact Congress in opposition to an increase. Stocks of utilities, which traditionally pay high dividends, appeared to factor in the possibility of a rise in the dividend tax rate in 2011, analysts said.

At Incobrasa Industries Ltd., a producer of biodiesel in Gilman, Ill., sales manager Douglas Santos has been waiting to see what happens to an expired tax subsidy for his industry. He is running at 25% capacity, vs. 100% in 2008. Mr. Santos wants Congress to make up its mind one way or the other. ''Just do something,'' he says. The bill before Congress would restore the subsidy.

Economic research has shown businesses tend to be more reluctant to invest when they perceive high levels of uncertainty about various things, including over taxes. The pressure on policy makers to narrow the budget deficit, not merely simplify the tax system, further muddies the waters now, says Massachusetts Institute of Technology tax economist James Poterba, who finds ''the crystal ball . . . particularly unclear at the moment.''

Some call the worries exaggerated. ''I truly do believe the concerns expressed over tax uncertainty are truly overblown,'' says Martin Sullivan, an economist with Tax Analysts, a nonprofit tax publisher, who sees today's situation as quite manageable compared with the profound business uncertainty companies faced during the financial crisis.

''We're used to [uncertainty] in the tax world,'' he says. ''What's changed in the last few years is the size of the temporary extensions.''

Obama administration officials note that the tax code has been through gyrations before, for example in the 1980s, when Congress adopted accelerated depreciation in 1981, only to repeal it five years later. That threw real-estate markets into an uproar and added to problems that contributed to the savings-and-loan collapse.

The White House says the current confusion points to the need for a system that is more stable and simpler. ''We've got to have a larger debate about . . . how is this country going to win the economic competition of the 21st century,'' President Obama said last week. ''That's going to mean looking at the tax code and saying, what's fair, what's efficient? And I don't think anybody thinks the tax code right now is fair or efficient''

Small business is often looked to as a source of job growth. But the latest monthly survey by the National Federation of Independent Business, a small-business advocacy group, found that 75% of owners felt it wasn't a good time to expand, and one in five said the main reason was doubt about policy environment, including taxes.

For smaller companies, tax uncertainty could be an incentive to expand overseas rather than in the U.S., according to Tom Duesterberg, president of the Manufacturers Alliance, a group representing medium-size firms. Companies ''can't wait until all these [tax] questions are resolved,'' he says. ''They are not going to wait until all that definitively happens. They have to deploy cash, please their shareholders and expand and grow.''

Billy Hoffpauir, a developer in Lafayette, La., says he has been trying to sell some real estate because ''with the current uncertainty, I am unable to quantify the risk to make long-term investment decisions.'' If he finds buyers, he says, he would be likely to plow the cash into ''other interests, probably overseas,'' because some foreign countries have more favorable taxes and regulations. The tax situation is the overwhelming driver in his business decisions, Mr. Hoffpauir says.

Lea Bailes, president of Guier Fence in Blue Springs, Mo., says his plans for next year depend on how the tax debate turns out: ''We're looking at acquiring a couple of smaller fence companies. The number we acquire, honestly, will depend on what we have to pay in tax.''

The company, which employs about 70, would try to hire two to three new workers for each acquisition, possibly 10 in all. ''If everybody our size can add 10 employees, we'd be a lot farther down the road in dealing with the unemployment,'' Mr. Bailes says.

Guier is in the process of acquiring another firm now, and while Mr. Bailes likes to take time to make such decisions, he worries that concern over a possible rise in capital-gains rates might make the seller push to complete the sale this year. The bill in Congress would keep the current 15% top rate for two years.

One reason unsettled rules on individual income taxes affect planning at small businesses is that many don't pay corporate tax, but pass business income through to the owners for taxation on their personal returns.

Bill Wiygul, whose family owns four auto-repair businesses in northern Virginia, estimates he and his wife would pay at least $20,000 more in various taxes in 2011 if Congress doesn't address parts of the code, including the Alternative Minimum Tax. The AMT snags a growing number of filers each year, and while Congress regularly limits the number affected—and likely will do so again this week or next—this has so far been an AMT ''patch,'' never a permanent fix.

Mr. Wiygul says he would trade an increase in tax rates for greater certainty if the pain was shared by all. ''We are petrified,'' he says. ''We would be more actively pursuing expansion opportunities if we felt like the climate was more certain.''

Large multinationals are only marginally affected directly by income-tax provisions on the table this year. Yet the stakes might be high for these companies. Executives worry about becoming a target for lawmakers seeking revenue to narrow deficits.

If a broad revision ''is a true 'step back, let's take a fresh look,' we would not be frightened by that,'' says Ken Cohen, a vice president at Exxon Mobil Corp. But if it pits industry versus industry or becomes a hunt for revenue, ''that's the process we would have much more apprehension about.''

The reasons the tax code has acquired an increasingly temporary cast have to do with deficits, a divided Congress and even the constitutional system.

Political division contributes because of the daunting task of mustering a filibuster-proof 60 votes in the Senate. Legislative shepherds of the Bush cuts resorted to passage under what is called ''budget reconciliation,'' requiring only a majority vote. But a measure passed this way can't be for longer than the budget that authorizes it, in this case 10 years. Hence the provisions expire in 2010.

Such an outcome is less likely in countries with parliamentary systems because these leave the government less subject to having its will thwarted by a large minority. ''Very few countries have tax provisions that expire unless legislative action is taken,'' says Jeffrey Owens, head of tax at the Organization for Economic Cooperation and Development in Paris. ''Also, in most OECD countries, it's the government that initiates new legislation, and once proposed the legislation generally passes.''

Deficits tempt legislators to give tax provisions a temporary term to disguise their cost. For proponents of a new tax provision, the strategy is to get a foot in the door by passing it for a year or two, at a seemingly affordable cost, intending to renew it regularly.

That is how the number of provisions up for yearly extension has ballooned. Though the provisions are often extended in a bundle, a given provision's inclusion in the bundle is never certain.

Perhaps nowhere has tax uncertainty been felt more intensely this year than in the estate tax, always a controversial matter.

A 2001 law lowered its rate and increased the exemption in steps, with the tax lapsing in 2010 and then, unless Congress acts, returning in 2011 at a 55% top rate on estates of $1 million or more. The unusual hiatus coupled with a far more costly tax as soon as 2010 ended gave ''just an unbelievable Alice-in-Wonderland aspect'' to planning for certain well-to-do families, says Bruce Stone, a Miami-area estate lawyer.

Sales of a life-insurance policy commonly used for estate planning rose 22% in the first nine months from a year earlier, and their death-benefit coverage was up 30%. Though the policies can also be used for other purposes, part of the jump seemed clearly to be for hedging against the possible estate-tax jump in 2011.

In a few cases, the uncertainty drove people to ponder extreme measures to avoid a tax hit for heirs.

David Drouhard, a Washington-state farmer who is 56, received a diagnosis of advanced kidney cancer 14 months ago and faced a grim set of treatment choices. Most offered little chance of extending his life more than 18 months, although an immunity-boosting drug held out some hope. Mr. Drouhard says he worried that inaction on the estate tax would force his family to sell his wheat and alfalfa farm, now worth about $3 million, to pay taxes if he died in 2011.

After much deliberation, Mr. Drouhard decided to take the immunity-boosting drug, but with a caveat: ''I said, 'If we don't see results from the first series [of treatments], I'm going to stop,'' he says. ''I try to take care of my family, so why not go ahead and die instead of living another six months.'' He has responded well to the treatment, but adds: ''I think it's wrong that you have to make that kind of decision.''

The compromise Congress is weighing this week would set a top estate-tax rate at 35% and the exemption at $5 million.

But this would be for just two years. Just as this year, a failure by Congress to act then would cause the tax to then revert to a top 55% rate and $1 million exemption, in this case in 2013.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

Mr. CARDIN. Mr. President, I take this time to talk about the Tax Relief Unemployment Insurance Reauthorization and Job Creation Act, the tax package, the Senate amendment No. 4753. This is the tax bill we have been talking about for the last several weeks. The first thing I wish to point out is that this bill is the result of a compromise. Similar to any compromise, there are some provisions I strongly support, and there are provisions I would have preferred not to see in this legislation. We have to evaluate the positive aspects as well as those provisions that I would prefer not to be included. There are some very important provisions included in this legislation that I fought long and hard to make sure we accomplished before Congress adjourns this year.

First and foremost is a provision that would extend the current tax rates for middle-income families. If we don't do that by December 31, those tax rates will go up, and the withholding schedules would be changed.

The bill also extends unemployment insurance, a matter I have voted for and I have spoken on the floor about, the fairness and the importance to our economy of extending unemployment compensation benefits for those who are unemployed, giving the more recent unemployed the same benefits we gave the earlier unemployed during this downturn in the economy. Those benefits would be available through 2011. That is an extremely important provision, not just for the individual who depends upon it in order to pay the mortgage or to pay the bills, it is important because it speaks to the fairness of our society during a recession. This is an insurance program. It is meant to provide benefits to those who have been in the workforce and have lost their jobs. It is very important for our economy, as far as our recovery is concerned.

The legislation also extends the refundable child tax credit. This is important to middle-income families in our communities. This is a provision that helps lower wage families in particular. It extends the American opportunity tax credit, to help middle-income families to afford college education for their children, up to $2,500 a year. That can make the difference between a person being able to go to a college or not or go to the school they want to go to, which is not only important for that family, it is also important for the country. Investing in education is our best investment in order for America to be competitive internationally.

The legislation also extends certain green energy tax credits. That means jobs. Investing in green energy will help the economy create and keep jobs in America. It will help us on an energy policy that will not only be friendly toward the environment but help us in regards to national security so we don't have to import oil from countries that disagree with our way of life.

The legislation also provides important tools for business to invest in job growth by allowing expensing. A company that makes an investment in order to create more jobs will be able to write off that investment during 2011 rather than having to wait and amortize it over a longer period. It is a major incentive to get businesses more actively involved in making the investments we need to create jobs. It is particularly important for small companies. I hear frequently from small businesses in my State of Maryland that tell me how difficult it is for that business owner to make the type of investments necessary to take advantage of job growth. Expensing helps them make that decision now, giving confidence to our economy, which is something we desperately need.

These provisions and others will help our economy. I need not remind my colleagues that we have a 9.8-percent unemployment rate. That is not acceptable to any one of us. It is the wrong time to allow tax rates to go up for middle-income families when we have that type of unemployment. The provisions I outlined will help job growth. Economists are in agreement. The passage of these provisions will save and create millions of jobs in America. That is what we need to do. We need to get our people to work. Then we can deal with the other tough issues, including deficit reduction and getting the budget in balance. It is difficult to do that until we get the economy back on track.

The first priority is to get Americans back to work. The provisions I outlined will help in that regard. It is clear to me from my constituents in Maryland that during these tough economic times, it is the wrong time to increase rates for middle-income families. I made it clear that I would do everything I could to make sure that wouldn't happen. The largest amount of the $858 billion this package provides in tax relief, the overwhelming amount will go to benefit middle-income families and create jobs. But there are other provisions that were included in this package that I don't believe are helpful for job growth. I don't believe they are worth the cost for the jobs they may create. I refer to two provisions I strongly object to and would have preferred not being in this package.

The extension of tax breaks for higher income wage earners will do very little to spur additional economic growth. Let me give an example. If you are making $1 million a year and get thousands of dollars of tax relief provided under this legislation, the odds that you will spend more and help stimulate the economy are very remote. It is another thing if you are unemployed and you get an unemployment check. That money will go right back into the economy and will help create jobs. For people who are well off, millionaires, the economic benefit of extending these tax rates is very marginal, minimal compared to the cost of extending the tax breaks for the wealthiest.

It is consistent with how I voted last Saturday. Last Saturday, I voted to extend the tax rates for those under $1 million. I thought that was the right way, a good compromise. Unfortunately, the bill we have before us extends the tax rates for all taxpayers.

The second provision I strongly object to being in this package is the estate tax relief. The estate tax relief would provide, for the next 2 years, families with $10 million of an estate or lower to be totally exempt from the Federal estate tax and would reduce the rate to 35 percent.

Those who benefit from that are the upper one-quarter of 1 percent of the families in this Nation. Quite frankly, I do not think, in these tough economic times, that is going to have much stimulative effect on job growth in America, and the revenues we lose could have been used in a better way, I believe, for deficit reduction, which would have been a stronger positive effect on our economy.

I thought we had a reasonable compromise on this issue. I thought we had a reasonable compromise to go back to the 2009 rates. In 2009, as you remember, we had gotten up to $3.5 million per person and $7 million per family and a 45-percent tax rate. I thought that was a good compromise, and I am disappointed we did not come back to that compromise. I think if we had done that, there would have been much stronger consensus not only in this body but in the House for this package.

So there is a good part of this package which I support. There is one other good provision in there I wish to point out in regard to the two last provisions and others I spelled out. It provides relief only for the next 2 years. In other words, it is temporary relief. It will expire in 2012. I think that is a good provision because that means we are going to need to deal with the budget deficit. As I said earlier, once our economy starts getting back on track, once we get the unemployment rate down to a reasonable level, then we have a much better chance of dealing with the budget deficit.

We have to start dealing with the budget deficit this year. I acknowledge that. But our real effort is going to be, when we have a growing economy, what will help us get our budget back into balance.

Let me remind my colleagues, just 11 years ago, the Congressional Budget Office projected surpluses that could have retired our Nation's marketable debt between 2007 and 2009. In other words, if we would have used that surplus wisely, we would not be looking at a $14 trillion national debt. But, instead, the Congress passed the so-called Bush tax cuts of 2001 and 2003. I voted against those tax cuts. I did not believe we could afford that type of revenue loss and, in fact, that has been the largest contributing factor to the deficit we have today: the tax cuts of 2001 and 2003.

Remember, in those days, we had a growing economy. So there was no need to stimulate the economy. Today, we are in a different position. Allowing increased rates for middle-income families in these economic times would be the wrong thing to do. But I do think we have to get back to dealing with the deficit. We need to have a credible plan, a credible strategy, and that strategy should include shared sacrifices. We need to deal with spending. We have to get not only domestic but military spending under control and, yes, we need revenues. I would hope we would start with allowing the termination of the extension of the higher income tax brackets for the millionaires as we start to take a look at ways we can balance the budget as we move toward the next 3 or 4 or 5 years. When we get our 5-year budget, the first thing we should do is make it clear we are not going to extend the higher income tax rates.

There is one more very positive aspect to this package I wish to bring up. This is a major bill dealing with a serious problem in our Nation, and we have Democrats and Republicans working together. I can tell you that when I talk to my constituents in Maryland, they tell me this institution is too partisan. They like a lot of the things we have done, but they do not like the fact that we cannot get Democrats and Republicans to allow the system to work, with the give and take that should take place in this most deliberative body.

Well, we have done it on this issue. We may not like everything that is in it because when you do compromises, there are going to be things in it you do not always agree with. But the system has worked. It includes a lot of what I like, a lot of what my Republican colleagues like, and together we have produced a bill that is going to help our economy.

I hope this will be a model of what is to come. I hope it is an indication that we will be able to work together across party lines to deal with the major challenges of our Nation. We need to put our national business first over partisan agenda.

So, on balance, I am going to support this package. I am going to support this package because I think it is critically necessary for our economy. I think it provides the type of help for middle-income families they need today. I think it represents the way our political system should operate, with the type of compromises that allow us to get to a conclusion dealing with major issues in our country.

With that, I yield the floor.

The PRESIDING OFFICER. The Senator from New Jersey is recognized.

Mr. LAUTENBERG. Mr. President, we are, obviously, struggling to find something that puts us in balance, a balance that will create more jobs, more opportunity, expand family incomes for middle-class people, and we do not seem to be getting there. We are engaged in the wrong kind of a dialog, in my judgment.

Yesterday, I voted to oppose the tax cut extenders bill that came along after long and hard thought about the consequences of my decision.

For me, voting decisions cannot be made without reflecting on my life's experiences to guide me, things that I saw as a child of a poverty-stricken family, not because my father was not willing to work, but at times during those years work was just unavailable, and it was hard going for a lot of years.

What I remember is how hard my parents struggled to try and do what could be done for my sister and myself. That was our entire family.

My father worked in mills that were common in the city of Paterson, NJ—textile mills—and there was something in the environment there that was very harmful. My father was 43 when he died. My mother was a 37-year-old widow, and I had already joined the Army. I had enlisted in the Army.

I saw what happened. My father was sick for 13 months from cancer. By the way, his brother who worked in the mills died from cancer. Their father worked in the factory, and he died at age 56 from cancer.

When my father died, 13 months after being stricken with colon cancer, what he left, besides grief, unfortunately—my mother being the sole income earner for the family, owing money for doctors, hospitals, pharmacies, you name it—overwhelmed by debt, it was necessary to go bankrupt. It is a painful experience. It is an influence, it is a memory that is very hard to deal with because it creates an atmosphere of failure.

But life turned around for me, and I am one of the most fortunate people on Earth. My wife and I have 13 grandchildren, the oldest of whom is 17, and the youngest was born 2 weeks ago. Our hopes are totally enveloped by what kind of a country our grandchildren are going to live in. Will it continue to be a free democratic society, where people still believe their children can get a job, get a good education, have a family, maintain a home, and have health care as required? Will they have the kinds of opportunities that further lead to admiration of this country and a declaration of fealty to this great Nation of ours?

I was able, after service in World War II, with the GI bill, to go and graduate from Columbia University. I then joined two friends in a startup company called ADP that now employs over 40,000 people in 23 countries. It is still headquartered in New Jersey, where we began, bringing an opportunity for companies that needed computer services to obtain it from us. We were pioneers in the field. I was a CEO and chairman of this great company. The salary for a job such as that, as you can imagine, was at a very high level.

It is with this life experience that I view my current tax obligations—or let me call them contributions to country because that is what they are—weighing them against the value of a strong nation that is able to supply employment for all able and willing to work.

I remind myself that we are in a wartime economy. I do not want to go back to ancient history, but during World War II, there was a tax required that was called the excess profits tax. It was there to help the country manage its finances because of the additional costs of war.

Now we are in a wartime economy. Every day our people face harm and, perhaps, death serving in Afghanistan and Iraq. Just a couple days ago, six people were killed. The death toll goes on. The injuries go on. Over 5,000 people killed in the two wars and in excess of 30,000 wounded.

So we need to have the energy pumped into our country that gives us the ability to be able to take care of the war obligation and the general functioning of our economy.

I look at the value of a country that is able to function without the kind of indebtedness that is consuming America, with other countries that are buying our bonds and financial instruments and questioning our Nation's ability to redeem our obligations. Where does all that take us?

We have to invest to grow our economy and create jobs, putting people back to work and laying a foundation for a new era of prosperity for everybody. Windfalls for the wealthiest of us do not benefit our economy or create jobs and are what got us into this fiscal mess to begin with.

That is why I oppose this bill. Yes, there are some things in the bill that are attractive. But when I think of a headline I saw in the Wall Street Journal a week ago Monday—yesterday—it said: Tax breaks for the wealthy go on, and—in not this precise language—the byline, the heading said: And unemployment benefits will continue.

Imagine that contrast: Tax breaks for the wealthy and also: Let them eat cake, let those people who do not have any income, let them—we will give them some unemployment insurance as a little bit of an incentive to make sure we get the votes to take care of the wealthiest and most fortunate in terms of assets in our society.

This bill wastes money on tax breaks for those not needing them, giving the average millionaire a tax cut of more than $100,000 per year. Contrast that with a per-family income across the country in the neighborhood of $50,000, and here an individual gets a $100,000 tax reduction, tax break. This was money that could be used to pay down the deficit, create more jobs for middle-class families. So why does this bill dedicate so much of its cost to helping those who known economists agree will not use that money to boost the economy?

President Obama gave us the answer this week. He said that for Republicans, including deep tax cuts for the most fortunate is their holy grail. That is what President Obama said. That is what the Republicans are looking for most energetically: deep tax cuts for their holy grail—the wealthiest. On the other side of the aisle, it is not working families with whom they are concerned. It is not the unemployed. It is not the struggling small business. On the other side of the aisle, primarily they are concerned with only one economic constituency: the top 1 percent of our wage earners.

When President Bush cut taxes on those with the highest incomes, did the benefits trickle down as the Republicans promised? No. What resulted was a gigantic increase in our debt, well over $2 trillion in 8 years. I was the ranking member on the Budget Committee in those years. When we looked at tax cuts, we were told it would not interfere with our needs; rather, it was a way to get money to trickle down to the more modest income earners. Salaries rose as high as 400 times—that was the ratio between the top person in the company and the bottom person in the company. Years ago, it ran about 40 times at its largest, but in recent years, it ran as high as 400 times larger for the CEO's pay than the average worker was paid. So 400 times—if the bottom wage earner was $40,000, the guy at the top got $16 million. So the disparity is something we have to look at.

People need to be able to afford the things that sustain life, and here we are looking at people earning over $1 million a year. We saw recently in the New York Times an article that showed eight wage earners who earned over $1 billion in a single year. One of them earned $3.5 billion. We saw in the paper over the last couple of days that the family who holds the primary stock ownership in Walmart has a net worth of about $83 billion, and they, too, would get a tax break. Is that necessary? At the same time, middle-class families face surging gas prices, skyrocketing health care costs, and soaring college tuition. Now we are being asked to continue on the path that put us in the hole we are presently in.

As I look at where we are in this country and as I review my responsibilities to those in New Jersey whom I represent and what I want for those who will follow on, for my grandchildren, whom I love more deeply than anything else in life, I ask, What can I do that will improve their lives when I am no longer here? I conclude that a stronger democratic America will be the most valuable asset to leave behind—more valuable than more money, than more possessions, or any of those things—a stronger country, knowing they are getting their share of opportunity in this country of greatness, of wealth, underneath all of our problems. What I want to say to my grandchildren—the oldest is Alexander, and the youngest carries the name of Hudson. What do I want for them? I want them to be able to be safe, to be able to have health care when needed. I want them to be able to get an education. I want them to know their country appreciates what they do.

You can't build a building from the chimney on down, and you can't build a society from the wealthiest on down. If you don't have a good foundation, it all crumbles in front of you.

We are seeing worrisome signs about where America is going with some 15 million people unemployed at this time. What kind of a picture is that for people? And those who can't afford the necessities of life and who want unemployment insurance have to be in line to get some help. Yet we give the wealthiest more tax breaks. That is not the kind of society America really wants. We are giving to the wealthiest and forgetting the neediest.

So I wish to say that the vote for me was not easy, that there were some attractive parts in it, but the attractive parts were in there to try to get the bailout going, to try to get the tax breaks larger, to make sure they took care of their friends who are there with the money whenever called upon. It is a bad idea. That is not a democratic society.

So I am going to vote the same way tomorrow as I did yesterday; that is, against this bill. This is a bill that, in my view, will not make America stronger. Despite the fact that there is an economist or two proffering some optimistic assertions about where we will be, I don't believe it. I believe the people who say that the wealthiest will not spend the money to encourage the economy's growth, that those who get unemployment insurance will have to spend it and those who get more modest tax breaks will spend it to get the things they need for their families.

So I am going to try to make the reality for our country as good as it can be for everybody's grandchildren and for this great Nation of ours.

I yield the floor.

The PRESIDING OFFICER. The Senator from Michigan.

Ms. STABENOW. Mr. President, I rise today to talk about the bill in front of us and particularly a provision I would like very much to see in this legislation. When we have a Republican colleague on the floor either tonight or tomorrow, I intend to ask unanimous consent to add it to the bill.

I will say that the underlying bill has been a real dilemma for many of us—certainly the vast majority of us on our side of the aisle—given where we are on deficits and given the concern about strategy on the top-end tax cuts that have not created jobs over time. There is deep concern about that. I also know that people in my State are desperately hurting, and the unemployment benefit extension is absolutely critical for families who are faced with decisions about whether they will even be able to have a Christmas, whether they even have a house, will they be living in their car, will they be able to put food on the table, let alone get gifts for their children. These are very serious issues for families in Michigan. There are very important tax cuts for middle-class families, for small businesses, and strategic investments in jobs in this legislation in terms of tax provisions that create jobs.

The bill before us includes an important financing mechanism called the Treasury grant program, or we have dubbed it 1603—financing for renewable energy. This is one provision that is very important that is in the bill. It is incredibly important, if we are going to expand our economy, that we focus on the growing clean energy economy, the clean energy industry. That is a place where I believe we have the opportunity to create middle-class jobs, to create new opportunities and really create a boon in our economy. When developers want to build wind farms or solar, they can get financing through this program. Financing is hard to get when you are doing something on the front end—commercializing the first technology or doing something that is new. It is hard to get financing. This is very important, and I am a strong supporter of it.

But when we build the wind farms in America, when we build the solar units, I want to make sure that they are using wind turbines—that they are using all the parts, the 8,000 parts that are in one of those big wind turbines—I want to make sure those are made in America. That is how we truly grow our economy, not just creating new options on energy but building the technologies here, doing the R&D, doing the innovation. It is absolutely critical. We are the best. We are the best ones at innovation, but we also are the best at making things, and we need to be making them here.

I have to say I am very proud to represent a State—the great State of Michigan—where we know how to build things. We have great engineers. We have the best skilled workers in the world. We know how to make things. We are beginning now to move more into clean energy technology, certainly electric vehicles, hybrid, and also wind, solar, geothermal, and other areas that involve manufacturing, and we are very proud of that. When we build the wind and solar provisions, the cutting-edge solar cells, we need to make sure they are made in America, and we are doing that right now in Michigan.

My concern is that this bill does not extend the manufacturing tax credit that is absolutely critical to keeping those jobs here at home in America. The advanced energy manufacturing tax credit, which we have dubbed 48C, is helping to create at least 17,000 jobs at 183 manufacturing facilities all across the country in 43 different States right now. It has been a huge success, and I wish to thank Senator BINGAMAN. I was proud to join with him on the Finance Committee in being able to offer that provision that was in the Recovery Act. I wish to thank Senator SHERROD BROWN of Ohio for his efforts and leadership and passion on this issue as well, for the investment of the $2.3 billion we put into the Recovery Act.

The 48C manufacturing tax credit has leveraged $7.7 billion in private investment and clean energy manufacturing in America. That provision should be in this bill. We have strong bipartisan support and have had it since it was first instituted. That provision should be in this bill.

Last year, the Chinese invested $35 billion in clean energy technology. They are expected to ramp that up to $90 billion a year going forward. That is $246 million every single day. By comparison, extending the 48C manufacturing tax credits is a small sum but will leverage private sector investment and more than pay for itself and create jobs, making that new clean energy, those products, that manufacturing here in America.

In my home State of Michigan, we have 12 companies that have taken advantage of this manufacturing incentive building wind turbines, solar cells, advanced batteries for electric vehicles—jobs in Michigan. Wacker Polysilicon in Charleston, TN, is using its $128 million tax credit to produce silicon that is used in solar panels. Texas Instruments in Richardson, TX, is using its $51 million advanced manufacturing tax credit to reequip its facility and produce advanced power management semiconductors. Cree, Inc, of Durham, NC, received a $39 million tax credit for the production of LED light chips and fixtures, creating jobs. ZF Steering of Florence, KY, received $28 million in manufacturing tax credits for the production of wind turbine component parts. Frankly, the list goes on and on and on. Forty-three States—Republican, Democratic—have businesses today that are hiring people who are making things in their States, making things in America because of the partnership put in place with the advanced manufacturing tax credit.

So in addition to developing the renewable energy area of 1603, extending that so that we are helping to create investment in these new technologies, we also need to extend the manufacturing tax credit for companies that are making renewable energy technology here.

The whole point is to make them here—not to bring in the component parts from China or someplace else but to make them here. We can do that. We are already beginning to do that. We cannot trade our dependence on foreign oil for a dependence on foreign technology. In some areas, we are close to doing that.

The Recovery Act was about changing that playing field. I thank President Obama and his administration for understanding about manufacturing, about making things in America, building things in America, and what we need to do to create good-paying middle-class jobs again in America.

This bill does part of that with the renewable energy grant in the financing. But it does not focus on where things are made, which is of great concern to me. So when I have the opportunity—I came to the floor fully intending to ask unanimous consent to proceed to my amendment, to be able to add this critical job-creating manufacturing credit that has bipartisan support and has had it since it was first initiated. But I don't see any Republican colleagues on the floor this evening. I understand, under legislative courtesy, I will not do that. I will proceed and offer that tomorrow.

There is another provision I want to also speak about, an amendment of mine to the bill that I will offer a unanimous consent on tomorrow that relates to small business. When we look at how we grow our economy, we need to make things—by the way, a lot of those manufacturers are small businesses. When we think about the automobile industry, which I am so proud of in what they are doing in coming back, the majority of jobs in Michigan and across the country are actually with small and medium-size suppliers. We know small businesses are absolutely critical to the growth of this country. We know that a lot of folks who have lost their jobs right now are turning to the possibility of starting their own business in the garage or the extra bedroom in the basement. They are taking a great idea and trying to put it to work.

Mr. President, we have worked very hard—and you have been a strong supporter in helping our small business owners—and we have focused on that in the last 2 years. We have passed, in fact, in the last 2 years 16 different tax cuts for small businesses to help them grow and create jobs—unfortunately, over constant filibusters on the other side, objections and filibusters, but we did pass them. We know that these companies are the backbone of our economy, and it is our commitment—my commitment—to keep fighting for them every single day, so that they can do well and hire people, and we can have more opportunity for people to work.

Unfortunately, there is a new reporting requirement from the IRS hanging over the heads of small business owners related to the filing of 1099 tax forms. It would require business owners to file paperwork with the IRS every time they purchase a product worth more than $600. In practice, that means business owners will be forced to file mounds of paperwork for even the most mundane purchase. For example, if you are a real estate agent and you go to Best Buy for a new laptop or anyplace where you are buying one, you would have to file a 1099 form to buy that. If you are a farmer and you buy $700 worth of seeds, there is a form to file with the IRS. If you are a photographer and you need to travel for a few days to cover an event, a few nights at a hotel could mean another IRS form to fill out when you get home.

So we understand. I want to fix that. The majority wants to address this for small business owners. It is critically important. Small businesses in Michigan want to be doing what it is that they do, not filling out extra forms. Realtors want to be showing houses, and farmers want to grow things, and photographers want to take pictures. They don't want to be filling out endless forms and paperwork for the IRS. We had a number of votes on this issue on the floor. They have always gotten overwhelming bipartisan majorities to fix this. Democrats and Republicans have both agreed that we can't force American small businesses to file reams of paperwork with the IRS. So I was very surprised when there have been objections to placing this as part of this bill. This tax bill in front of us is the perfect place to be able to address this issue once and for all.

I understand there were objections on the other side of the aisle to doing that, which I find surprising because we continue to see amendment after amendment to take out this provision, which I have supported. But when we try to fix it now, we are seeing objections.

I intend also tomorrow to offer an amendment that would eliminate this problem for small businesses once and for all. It is an amendment that I have filed to this bill. It is something that, based on overwhelming votes we have had, overwhelming bipartisan votes, we should be able to deal with very quickly. In fact, a simple unanimous consent ought to be able to do it. If there is no objection—and I don't think there is any objection on our side of the aisle. I am sorry if there is an objection on the Republican side of the aisle to addressing this. There should not be, because now is the time to do that. This bill is the right place to do it. We are coming to the end of the year. This provision is something that will be very onerous when it takes effect on small businesses. We need to fix it. We need to eliminate that provision.

When I have the opportunity, when we have Republican colleagues joining us on the floor tomorrow, I will, in fact, offer a motion to move to my amendment and to get rid of this 1099 provision once and for all.

In conclusion, for me, as you know, everything is about jobs. My great State has lost more jobs—our people have lost more jobs than any other State, over 800,000 in the last 10 years. Our people have been hit harder, longer, and deeper than anyplace else in the country. We work hard. We are a proud people. Our people want to work. They know how to work. They are doing everything possible to get back to work—start their own business or get back to work in some other fashion. I am proud of what we are seeing happen with the support of the President and this Congress and the ability for the auto industry in America to come back. All three of our American companies will have a profit this year. It is the first time, I believe, since 1999. They are hiring people back.

We will begin to see things turn around. We have a long way to go because of so many jobs that we have lost and so many people who have gone through so much as a result of that. These provisions to take the paperwork off of small businesses, to invest in American-made products through manufacturing, are two provisions that will help us create jobs in America. If that is not our No. 1 priority, it sure ought to be. That is something I am going to continue to push every day.

Mr. President, I yield the floor and 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. FRANKEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. FRANKEN. Mr. President, I rise today to speak about my decision, after a lot of serious contemplation, to support the legislation before us. I believe that Minnesotans deserve a better deal than this one. But unfortunately, this is the one we have. For Minnesota's middle class, there is a lot in this bill that will not only be helpful but is absolutely critical. It stops their taxes from going up on January 1. It provides a payroll tax holiday that gives families making $50,000 a year a $1,000 tax break.

For Minnesotans who are truly suffering right now—men, women, and children on the edge of economic disaster—it reinstates emergency Federal unemployment benefits that expired at the end of last month. Not restoring these benefits would be devastating to Minnesota families and to our economy, leading to a lot more pain for working families, a lot more homeless kids spending Christmas in a shelter or a car.

I came here to make people's lives better, and so I must vote to pass this legislation. But this was perhaps the hardest vote I have ever taken so far as a Senator. I wish to tell you why.

We have spent the better part of a year talking about the ballooning deficit. Republicans and Democrats agree—in every decision we make, every penny we spend, we need to keep in mind that it will be added to our national debt. At the same time, we need to be mindful of our fragile economic recovery. Are we spending it in the most efficient and responsible way possible—to get people back to work and get our economy back on track?

I was hoping to see a tax package that would reflect these priorities—mindful of the debt, helpful to our economic recovery, fair to the American people. But instead, this legislation spends billions of dollars on the wealthiest 2 percent of Americans. These are Americans who have prospered in recent years. According to the Economic Policy Institute, during the past 20 years, 56 percent of all income growth has gone to the top 1 percent of households.

Even more unbelievable, a third of all income growth went to just the top tenth of 1 percent. At the same time, middle-class families have done decidedly worse. When you adjust for inflation, the median household income declined over the last decade. During those years, while the rich were getting richer, the rest of working America was struggling to keep up. We have been growing apart in our Nation. We should be tackling this kind of inequality, not exacerbating it. And that is what I find so frustrating about this legislation. It keeps our country on the same path of widening inequality. We are securing tax cuts for millionaires and billionaires twice as long as we are maintaining Federal unemployment benefits.

This bill's estate tax provisions provide a windfall for the richest fraction of 1 percent of Americans. In these tough economic times and with these current deficits, we should be spending money only on those policies that will create the most jobs.

But, as I mentioned, despite the concerns I have about this bill, it undeniably provides essential help to Minnesota's families. This package reauthorizes emergency unemployment benefits through the end of next year. They are a vital lifeline for families in need and a vital lifeline for our economy. I meet people back in Minnesota who tell me they hate taking unemployment benefits but they would have lost their homes without them. Unemployment benefits yield $2 in demand for every dollar spent, according to a new report from the Department of Labor. This is a very effective way to stimulate our economy and create jobs. The same holds for the payroll tax holiday that is included in this package. It is going to put real dollars in the hands of millions of Americans—dollars they are going to spend.

I strongly support extending the expanded earned-income tax credit, which helps about 6.5 million working parents. I am glad this legislation includes the American opportunity tax credit, making college tuition more affordable for 8 million students. This bill also extends the renewable energy grant program, the R&D tax credit, and the ethanol and biodiesel tax credits—all provisions I strongly support. Voting no on this legislation would be voting no on all of these vital programs.

The economists are in general agreement that this legislation will help the economy. Mark Zandi, on whose economic analysis I have frequently relied in the past, has encouraging projections. He sees this package adding a full percentage point to economic growth next year. He is especially optimistic about the new business investment deduction's potential for spending. In fact, he predicts unemployment will reach below 9 percent by the end of next year and will close in on 7.5 percent by the end of 2012. These figures are all significantly better than what we would expect without this legislation.

This isn't the bill I would have wanted. If there were a better way, I would do it in a heartbeat. But today we are forced to decide between taking a stand against irresponsible tax cuts for millionaires versus helping struggling families. Given that choice, I simply can't turn my back on all Minnesotans who desperately need the help this bill will provide.

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

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

Mr. HARKIN. Mr. President, I ask unanimous consent to speak for up to 20 minutes.

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

Mr. REID. Will my friend yield for a unanimous consent request?

Mr. HARKIN. Absolutely, I will yield.

Mr. REID. Mr. President, I ask unanimous consent that all postcloture time be considered expired when the Senate resumes consideration of the House message with respect to H.R. 4853 on Wednesday, December 15, except for the time provided for under this agreement; that the Senate resume the House message at 11 a.m. Wednesday and there be 1 hour remaining for debate divided as follows: 10 minutes each under the control of the majority and Republican leaders or their designees, Senators DEMINT, COBURN, LANDRIEU, and SANDERS; that the following be the only motions to suspend the rules in order during the duration of this agreement: Coburn motion to suspend with respect to amendment No. 4765, DeMint motion to suspend with respect to amendment No. 4804, and Sanders motion to suspend with respect to amendment No. 4809; that upon the use or yielding back of all time, the Senate then proceed to vote on disposition of the motions in the order listed; that upon disposition of the listed motions, no further motion or amendments be in order; further, that if any motion is successful, then the second-degree amendment be withdrawn and the Senate proceed to vote immediately on the amendment covered under any successful motion; that if no motion is successful, the second-degree amendment be withdrawn and, without further intervening action or debate, the Senate then proceed to vote on the Reid motion to concur in the House amendment to the Senate amendment to H.R. 4853 with the Reid-McConnell amendment No. 4753; that upon disposition of the House message, the Senate then proceed to a period of morning business until 2:15 p.m., with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. HARKIN. Mr. President, 2 weeks ago all 42 Republican Senators signed a letter threatening to filibuster any extension of tax cuts for middle-class Americans or any continuation of unemployment benefits unless and until the Senate agreed to extend tax cuts for the wealthiest Americans. As many have pointed out correctly, Republicans have been holding middle-class tax cuts and benefits for the unemployed hostage to an extension of tax cuts for the very rich.

Well, it appears the hostage-taking incident is nearly over. The hostages—the unemployed—will be released. The ransom will be paid. Wealthy Americans who make $1 million or more a year will receive an average tax break of more than $100,000. Indeed, in the course of negotiations to rescue the hostages, Republicans demanded and got an even more royal ransom: they demanded and got a giveaway on estate taxes that will benefit only the wealthiest one-quarter of 1 percent of the U.S. population. The heirs of a single estate worth $1 billion would save $100 million thanks to the ransom demanded by the Republicans.

Mr. President, no question, champagne corks are popping on Wall Street, and at America's most exclusive country clubs and boardrooms, the superrich and their heirs, I am sure, are planning on throwing lavish Christmas and New Year's parties. Tiffany jewelers will no doubt be looking forward to selling a record number of

$29,800 watches. This is a picture of one. Giving those making over $1 million a year more than $100,000 in tax breaks—well, they can buy this wristwatch for $29,800 advertised in the New York Times. This is made in Switzerland. Now, maybe if it was made in America, you could say: At least it was made in America. But it is not made here. This is what the very rich spend their extra $100,000 on, things like this. It doesn't help our economy.

But what about the rest of America? What about those who don't shop at Tiffany's? Is this a good deal for the American people overall? Well, I have come to the conclusion that it is not. At a time when our annual deficit is close to $1 trillion, much of it borrowed from China, at a time when the wealthy are already enjoying a huge surge in income even as middle-class incomes are stagnant, it is simply obscene to give another lavish tax cut to the top 2 percent.

Let me say what should be painfully obvious about this new bonanza for the rich: They do not need it and we can't afford it. They do not need it and we can't afford it. And it will not help the economy. In fact, in the longer term, I believe it will hurt our economy. These new tax breaks for the rich are terrible public policy.

Let me briefly mention just four reasons these tax cuts are harmful.

First, these new tax breaks will make income inequality even worse. In recent years, in the grip of the great recession, many millions of ordinary working Americans have lost their jobs, their homes, and their savings, but the wealthy have made out very, very well. Today, income inequality—inequality—in America is at an alltime high. The top 1 percent controls more wealth than the bottom 90 percent. At the same time, the bottom 90 percent holds 73 percent of all personal debt in this country. Eighty percent of all additional income earned between 1980 to 2005 has gone to the top 1 percent. Let me repeat. Eighty percent of all additional income earned from 1980 to 2005 has gone to the top 1 percent.

The gap grows wider.

In 2009, in the wake of the taxpayer bailout of Wall Street, Goldman Sachs paid its employees an average of nearly $600,000 per person. Executives at Goldman Sachs received bonuses totaling $13 billion. So why in the world would this Congress vote to make this already extreme income inequality even worse? Why in the world would we vote to borrow tens of billions of dollars from China to make the rich even richer? This is foolish, and it is recklessly irresponsible.

The second reason why this is a bad agreement, again the distribution of these new tax cuts is radically skewed in favor of the wealthy. As I said earlier, those who earn $1 million and above would, on average, receive an annual tax break of $100,000. By contrast, an average American taxpayer earning $26,000 would receive a tax break of $670.

In 2007, the top 25 hedge fund managers in the United States took home an average income of $892 million. Yes, you heard that right. Their individual annual income averaged nearly nine-tenths of $1 billion per person. Under this agreement, each would get an income tax break worth perhaps as much as $50 million.

Reason No. 3 why this is a bad agreement: The nearly $900 billion in tax cuts in this agreement would crowd out necessary investments in priorities such as education, infrastructure, homeland security, health care, scientific research. In other words, we are eating our seed corn, borrowing money to pay for short-term tax cuts rather than for long-term investments that develop our human capital and our physical infrastructure for the future.

As a contrast, the United States right now invests about 2.4 percent of our GDP, our gross domestic product, in infrastructure. China invests almost four times our rate; 9 percent of their GDP annually goes to infrastructure. China invested $186 billion just in rail in the last 3 years. Within 2 years, they will open 42 new high-speed rail lines with trains reaching speeds of 200 miles an hour. By 2020, China plans to add 26,000 additional miles of tracks for freight and travel as well as 230,000 miles of new or improved roads and 97 new airports.

What do we have? We are borrowing money from China in order to pay for short-term exigencies at the same time China is using its wealth to invest in infrastructure so they will be more competitive in the world economy in the future. We are going to try—mark my words—we are going to be coming up with some bills to invest in highways, a new highway bill. We have a new highway bill to come up. We are going to try to invest in new highways and probably invest in other kinds of infrastructure projects. I am sure the Senator from Colorado knows how many sewer and water projects in Colorado are going underfunded right now that need to be done. I have the same in the State of Iowa.

We think about high-speed rail. I saw a recent figure that said 60 percent of all the flights that originate out of O'Hare, in Chicago, go 300 miles or less. It is overcrowded. One day of bad weather such as the other day and there are thousands of airplanes backed up all over the country. Three hundred miles? That could be high-speed rail. Right now, to go from Chicago to Detroit by rail takes you almost all day. By high-speed rail you could do it in a couple or 3 hours. Maybe you wouldn't want to take an airplane. We should have high-speed rail from Boston to Miami, from Seattle to San Diego and hubs in the Midwest from Chicago going out to Kansas City, St. Louis and Des Moines and Omaha, Minneapolis, Cleveland, Cincinnati. We are not doing it.

We are borrowing money from China to pay for present exigencies, we are going into debt, and then when our bills come up to try to fund programs to build infrastructure, our Republican friends will say we can't afford it. We do not have the money. So it will crowd it out.

Why? So we can give some of the richest in our country another $100,000? For people with $1 billion estates getting an extra $100 million so they can go out and buy those $29,000 wrist watches or $2,500 cashmere scarves or whatever it might be?

If our debt continues to grow at unsustainable rates, we are going to find ourselves, very soon, in the same position as Greece, Ireland, and Spain today. We will reach a tipping point, where international bond vigilantes place big bets against the United States, shorting our debt. This would radically drive up interest rates in the United States, forcing us to make even more draconian cuts in spending in everything from education to scientific research to health care.

This may suit the agenda of the rightwing, which would be delighted to see education programs and health care programs gutted, but it would be a disaster for ordinary working Americans and for our economy as a whole.

The fourth reason why this is a bad agreement: The nonpartisan Congressional Budget Office ranks tax cuts for the rich as dead last among the various options for boosting the economy and creating jobs. This is hardly surprising. As I said, the wealthy are the least likely to spend their new tax cuts. They can only buy so many $29,800 wrist watches.

By contrast, virtually every dime of emergency unemployment benefits is spent on necessities such as food, rent, and transportation. Middle and lower income taxpayers are likely to spend most, if not all, of their modest tax cuts. This stimulates the economy, creates jobs, and has a positive multiplier effect across the economy. It is a cruel irony that under this agreement, benefits for the unemployed are extended for 1 year while tax cuts for the rich are extended for 2 years and are now more likely to be extended far beyond that.

If we are going to borrow additional hundreds of billions of dollars from foreign creditors, mainly China, shouldn't we at least insist the money is spent in ways that benefit our economy in the long term? If we are going to borrow the money, let's build our infrastructure so our private sector 5 years, 10 years from now will be more efficient, will be able to compete more effectively in the world economy.

I might add, these infrastructure jobs put Americans to work. It is one of the best multiplier effects of our dollars. Why is that? Easy. When you build a new school, the work has to be done locally. You can't ship the work out to India. Think about it. Most of the materials that go into a school—the bricks, the mortar, the rerods, the wallboard, the sheetrock, most of the lighting, the conduits, the piping, switches, floor tiles, windows, doors—most of it is made in America. Most of that is made here. So when you spend $1 on something like that, the work is done locally, it helps the local economy, plus all the materials—not all but most of the materials you buy are made in America. That dollar spins around.

You give someone an extra $100,000 and they spend $29,800 on a watch. I don't think that benefits many Americans. Maybe the jewelry store, maybe Tiffany's where you buy it, they are making some. But most of that goes out of the country. If you give extra money to people to buy a new flat-screen TV—yes, there is some benefit here to the retailer that sells it, maybe the shipper that brought it in, but the majority of it goes overseas.

That is why I say, if we are going to borrow money, put it into infrastructure. It provides a lot of jobs and provides a great multiplier effect in our economy, and you get something at the end of it that is going to benefit our kids and our grandkids.

I repeat, with this agreement, we are eating our seed corn. Instead of borrowing to invest in the future, we are borrowing to pay for consumption today. Within the next 2 years, these hundreds of billions of borrowed dollars will just go poof. They will be gone with nothing to show for it—not one new highway, not one new bridge, not one new school. Our economic competitors are not making these kinds of foolish choices.

As Fareed Zakaria pointed out in his column in the Washington Post on Monday, China has doubled its investment in education, rocketing to the very top in the most recent international rankings of educational achievement. As I said, the Chinese are investing hundreds of billions of dollars to build the world's most advanced infrastructure.

According to Reuters, the Chinese Government is planning to spend 1.5 trillion over the next 5 years in seven targeted sectors—alternative energy, biotechnology, new generation information technology, high-end equipment manufacturing, advanced materials, alternative fuel cars, and energy-saving technologies. Do you know what this tax thing is going to cost us over the next 5 years? About $1 trillion. What are we going to have to show for it? Nothing.

Instead of borrowing these billions, we should use them to rebuild and modernize our crumbling infrastructure. We should use that money to invest in things such as biomedical research, renewable energy, technologies of the future, and education of our young people to perform the high-end jobs that those sectors will create. This would put millions of Americans back to work and would have huge payoffs for future generations.

The needs are enormous. A recent report determined that the current need, just for improved school infrastructure, is more than $250 billion nationwide.

EPA, the Environmental Protection Agency, estimates we need to invest more than $200 billion in wastewater treatment and, as we all know, our interstate highways and many thousands of bridges are desperately in need of repair or replacement. It is simply shameful to continue to neglect these basic infrastructure investments, even as we borrow hundreds of billions of dollars to pay for new tax cuts and consumption.

The last thing, my fifth reason for not supporting this tax package, is the 2-percent cut in Social Security taxes for 1 year—2 percent. We go from 6.2 percent down to 4.2 percent. That might sound like a good deal, put some more money in people's pockets. But why are we taking it out of the Social Security trust fund? Mark my words, a year from now—1 year from now, assuming this bill passes—and I guess they have the votes for it—1 year from now when we come back and we are going to want to get that back up to 6.2 percent, our Republican friends are going to say that is a tax increase, a tax increase on hard-working Americans. You are going to go from 4.2 percent to 6.2 percent? People will be afraid: Oh, no, we can't raise those taxes. Thus, we will set in motion with this tax package a pressure to begin the dismantling of the Social Security trust fund.

We have not done this before. We should not be doing it now. It will come in. It will be 4.2 percent. Next year it goes back to 6.2 percent. We will be accused of raising taxes on hard-working Americans. Therefore, we need to extend it. As we extend it, that means more money will come from general revenues—will have to come from general revenues to put into the Social Security trust fund.

OK. Let me repeat this. Right now every working American puts in 6.2 percent of their income into Social Security. That is a trust fund. Now they are going to take it from 6.2 percent down to 4.2 percent, and say: OK. You are going to keep in your pocket 2 percent for 1 year.

One year from now we come in: Oh, no, we can't go back to 6.2 percent. That is an increase in taxes on working Americans.

Okay. We will extend it. How are we going to make up for that 2-percent cut? We are supposed to make up for it with general revenues. How are we going to make it up with general revenues when we are going to be arguing that the debt is so high, the deficit is so big, we have got to cut spending? So we have got to cut spending, so therefore we cannot put the money from general revenues back into Social Security.

What is the answer? Raise the retirement age on Social Security. Cut back on the benefits on Social Security. Maybe cut down on disability benefits—all kinds of things to cut down on Social Security so we do not have to take money from general revenues to put back into the Social Security trust fund. Mark my word, it is coming. It is coming.

What is it no one is talking about? First of all, there is no deficit in the Social Security trust fund. The Social Security trust fund can continue to pay out 100 percent of benefits until about 2037—about 2037. Then it can only afford to pay 75 percent of benefits—not zero but 75 percent. What could fix that? One very simple thing. It is called equity. It is called fairness. It is called justice.

Right now, if you work and you make $40,000 a year, you pay on every dollar you make at 6.2 percent into Social Security. If you make $400,000 a year, you are only paying in 6.2 percent on 25 cents on the dollar. Why is that? Because Social Security payments are capped at $106,800 a year. That means you pay 6.2 percent up to $106,800. Over that you do not pay any more into Social Security. Think of how many people in this country make $4 million a year. They pay on $106,000, a fraction of what they make. It seems to me that fairness and equity would argue that if a working person who makes $20,000 or $40,000 or $50,000 or $60,000 or $70,000 a year has to pay on every dollar into Social Security, why should not someone who is making $400,000 or $800,000 or $1 million or $4 million? Why should they not pay in? Raise that cap so that everybody pays that 6.2 percent on every dollar they make. You know what. Social Security will have no problems for the next 100 years. Well, actually it is 75 years. For 75 years no problems. Why are we not talking about that? Why are we not talking? Why are we not debating and voting on whether we should raise the cap and then we will not have to take 2 percent out of the Social Security trust fund.

Mark my words, it is coming. It is coming. The pressure is going to be built to damage the Social Security benefits. It is going to start about a year from now. I cannot support the bill that is before us. It will exacerbate income inequality. It will give tax cuts we cannot afford and they do not need to the wealthiest people instead of investing that money in infrastructure in the future. It will begin a process of dismantling the Social Security trust fund. These are misplaced priorities, bad values. It is a misguided bill that will drive our Nation deeper into debt with too little to show for it in the long run. I might be for going into debt if you got something to show for it.

It is like when my wife and I got married and we bought a house. You go into debt. But I knew that if we worked hard and saved our money, we could pay off on that house and we would have something to show for it. We did not just borrow money so we could go to fancy restaurants and have nice meals or buy a very expensive car or buy nice clothes. No, put it in the house, because you know you are going to have something. The same way with infrastructure. At least if you are going to borrow money, have something to show for it in the end. So, again, it will drive us deeper into debt, too little to show for it in the long run. That is why I am going to have to vote against this package.

Mr. LEAHY. Mr. President, I strongly oppose the tax deal now before the Senate. While I support tax relief for working and middle-income Americans, I am not willing to add $858 billion to the national debt in order to give enormous tax breaks to multimillionaires. One of the biggest mistakes in the last administration was to wage two wars without paying for them while cutting taxes for the wealthiest. We should not repeat that mistake by rubberstamping this agreement between President Obama and congressional Republicans for a wholesale extension and expansion of the Bush-era tax cuts for 2 more years.

I voted against the Bush-era tax cuts that were tilted heavily toward the very wealthiest Americans. I also voted against going to war in Iraq. Those may not have been the most popular votes at the time, but the relative few in the Senate who cast them were voting for a path that would have averted much of the economic turmoil that has roiled the economy, the budget and the lives of ordinary American families since then.

If we are truly committed to helping our economy recover from the Great Recession and to putting our country back on the glide path to fiscal responsibility, then we should not extend all of the Bush-era tax cuts. These enormous tax cuts have led to record federal deficits, contributed to the government's current financial woes, and have not helped many Americans who face the greatest financial burdens. Assurances at the time to the contrary, the Bush tax cuts failed to ''trickle down'' to help those Americans most in need, while the wealthiest 2-percent of Americans benefited substantially.

As the Wall Street Journal reported on Friday, most of the wealthy beneficiaries of the Bush tax cuts have not plowed those dollars directly back into the economy to hire new workers or create new jobs. Rather than using their windfall to invest in our economy, corporations are building record cash reserves, and executive pay is through the roof once again. Why would anyone think that extending the tax cuts to the wealthiest will produce a different result now?

Sensible choices are necessary now to protect the public's interests and our national interests. Many of them will be far more difficult than this choice is. The responsible choice is to extend tax relief for the middle-income Americans who need it most, and not to renew tax cuts for the upper incomes of the wealthiest who have benefited the most for so long. If we maintain these unbalanced tax policies, our soaring federal debt will have devastating repercussions and shortchange many of the Nation's priorities.

I do think that Congress should provide directed tax relief that truly will help working families and that will improve our economy. For instance, I support extending such provisions in this package as the increase in the child tax credit, the elimination of the marriage penalty, and the 10-percent tax bracket. I also think we should retain many of the hiring incentives championed by President Obama that are providing needed assistance to Vermont small businesses looking to create job opportunities. These tax incentives have allowed Vermont companies to hire new workers and purchase new equipment for their business, thus creating demand for other new jobs to produce that equipment.

But now is not the time to extend tax breaks to the wealthiest Americans and to companies that are sending American jobs overseas. I am greatly concerned that if we maintain these policies, our soaring Federal debt will have devastating repercussions. We will become increasingly vulnerable to the foreign nationals who are collecting our debt. The ability to provide promised Social Security and Medicare benefits will be eroded. And our children and grandchildren will be left with an enormous debt that they cannot possibly afford.

I will support President Obama when he is right and oppose the President when he is wrong. I feel the President is wrong to make this deal. I am first and foremost a Vermonter, and the citizens of Vermont elected me to uphold my Vermont values. In this case, I believe the deal on tax cuts is wrong for most Vermonters and wrong for our country. That is why I am voting against this bill.

Ms. MIKULSKI. Mr. President, after careful deliberation, I have decided to support the bipartisan tax agreement.

If Congress does not pass this agreement, taxes will rise for all middle class families. Unemployment insurance will end for millions of Americans—including 75,000 Marylanders. And important tax breaks for low and middle income workers will expire.

This agreement is not perfect. Yet, if Congress does not extend unemployment insurance and tax breaks for the middle class, the economy could slip backwards.

This is the only realizable option we have right now to create jobs, stabilize our economy, and ensure that there is a safety net for people who have lost their jobs.

This package maintains tax cuts for the middle class so that working families do not see their taxes rise in a difficult economy.

It will help 100 million middle class families by preventing a tax increase of over $2,000 for the typical family from going into effect on January 1st.

It also prevents more than 21 million families from coming under the Alternative Minimum Tax.

This deal extends the Earned Income Tax Credit—providing $800 million in tax relief for Maryland families.

It also extends the tuition tax credit which has helped 170,000 students in Maryland.

This plan will extend unemployment benefits through the end of 2011. It will help over 75,000 families in Maryland who have lost their jobs. It will help them put food on the table, pay their rent, and pay their energy bills. It will prevent them from losing their homes.

This money goes straight back into our economy while putting more money in the pockets of millions of Americans who are facing the worst job market in a quarter century. It gives them the time they need to get back on their feet, while we get the economy back on track.

For the Americans who have been hit the hardest by the economic downturn, this is insurance that they paid into and benefits that they have earned through their work. This is about people who have lost their job, who are actively looking for a job, who need a safety net to bridge them over until they can get a paycheck again.

I am concerned about the long term solvency of Social Security and about the cut in the Social Security payroll tax. The authors of this deal say there will be no impact on solvency of Social Security, and that the Social Security trust fund will be reimbursed for the lost revenue from the payroll tax. Yet, this could have dangerous consequences on Social Security.

What if this cut in Social Security payroll taxes is extended beyond 2013? What if this is just the first step in the effort to cripple Social Security? What if this is just another step for those who want to cut Social Security, privatize Social Security, or use the Social Security trust fund to cut the deficit?

I fought against attempts to privatize Social Security under the Bush administration. I fought against fast-track proposals to cut Social Security under the guise of deficit reduction. And I will fight to make sure that temporary tax cuts are not turned into means to undermine Social Security funding.

This tax agreement takes risky steps that could threaten the long term solvency of Social Security. It also extends lavish tax breaks for those who need them least—the wealthiest 2 percent of Americans. It ignores the pay as you go rules that are essential to deficit reduction.

Yet, it helps the long term unemployed—who were facing losing everything they have during this holiday season—including hope. It also helps middle class workers, families sending their kids to college, and small businesses who create jobs.

So I will vote for this tax agreement. It is essential to helping families and our economy.

Mr. PRYOR. Mr. President, I rise to support the sense-of-the-Senate resolution offered by Senators MARK WARNER and SAXBY CHAMBLISS that our Nation's spending and debt levels are on an unsustainable course. In the short term, the economy needs the additional boost that this tax compromise will provide. In the long term, however, our nation must return to a sustainable fiscal path in order for our economy to work effectively.

The U.S. economy is still struggling to recover from the worst economic depression in eighty years. Unemployment remains stubbornly high at 9.8 percent, private sector job growth is anemic, and GDP growth is weak. The Federal budget deficit is projected to exceed $1 trillion for the third year in a row, our national debt is $13.8 trillion and rising, and our debt held by foreign countries already exceeds $4 trillion.

The National Commission on Fiscal Responsibility and Reform has reported a credible proposal to significantly reduce the growth of the national debt and restore long-term fiscal responsibility. The commission's proposal received a favorable vote from 11 of the 18 commissioners.

I believe that a comprehensive plan to reduce the debt over the long term and restore fiscal responsibility must be developed next year. It is in our national interest to stabilize the public debt at less than 60 percent of GDP. Furthermore, comprehensive tax reform is necessary to make the tax code fairer, eliminate special interest tax breaks, and incentivize reinvestment in America. I will continue to work with my Senate colleagues to strengthen our economy and get us back on the path towards a balanced budget.

I yield the floor and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. BROWN of Ohio. Mr. President, over the last few weeks, I have met and talked with many people across Ohio about our Nation's economic future—family and friends, constituents who are struggling to get by, and ministers and pastors who counsel them.

I have read letters and e-mails from Ohioans who need unemployment insurance to find a new job and to provide for their families. I have heard from concerned citizens who are willing to sacrifice for them. Ericka from Cleveland wrote me:

I make enough money to get by. I was ready for my taxes to go back up and I could have figured out a way to deal with it.

But I am terrified for folks losing their jobs or getting by on low to moderate incomes. I worry that if they lose their unemployment benefits or refundable tax credits that the stress will be too much for too many.

I am sickened at the idea of giving such incredibly wealthy people a tax break—I worry about the folks on the other end.

The debate of whether to extend Bush tax cuts has been revealing—about our policies and about the needs of people worried about putting food on the table.

My top priority is to ensure that middle-class households get tax relief, and that unemployed Ohioans can continue to pay their bills and provide for their families while they look for work. And it is my priority to ensure that people's lives are not used in a cynical, political calculation.

A lot of people are angry about this bill, and they should be. That is why I have filed amendments aimed at easing the financial burden on middle-class households, on small businesses, on seniors, and on American manufacturers. These are issues that deserve real debate, and America's middle class deserves real tax relief.

I am angry that Republican Senators insist on awarding bonus handouts to billionaires and millionaires. But I would be more angry if we let them continue to play games with people's livelihoods.

That is why it is with great reluctance that—even though I opposed the cloture vote yesterday because I still hoped, maybe beyond hope, we could come to a real agreement that would work for the middle class, work for the unemployed, and work for our budget deficit; we clearly could not—it is with great reluctance that I vote in favor of this bill.

Too many working families—men, women, and children—are already suffering too much pain and anxiety. They need help now. But let's not forget how something happened this month in the U.S. Senate that we have never seen before, perhaps never in our Nation's history.

A political party, the minority party—all 42 of them, all 42 of the Senators in the minority party—threatened for all intents and purposes to stop working, unless the majority party agreed to cut taxes for America's wealthiest 315,000 people—315,000 out of 165 million taxpayers. That is less than one-fifth of 1 percent of all Federal taxpayers.

The minority party, the 42 minority party members—U.S. Senators—were saying: We will do nothing until you take care of the 315,000 out of 165 million, until you take care of the 315,000 wealthiest taxpayers in this Nation. Because nothing much happens anymore in the U.S. Senate without a supermajority of 60 votes, the minority party knew its threats to stop everything just might work.

Two weeks ago, all 42 Senate Republicans signed a letter to Majority Leader REID telling him they would block everything until the Senate passed tax cuts for millionaires, for deca-millionaires, and for billionaires.

It is ironic that a party that generally opposes a public employee's right to strike—as it did only last Wednesday—would effectively engage in a strike itself. This Republican work stoppage—since I guess Senators cannot actually go on strike—this Republican work stoppage means no tax cuts for the middle class unless millionaires get a larger tax cut.

It means leaving middle-class families and unemployed workers in the crosshairs unless deca-millionaires got a huge tax cut.

Their threat means that unemployment benefits for workers would end unless billionaire CEOs got their estate tax reduced.

It means we cannot provide the childcare or the earned-income tax credits for low-income working families who have earned this vital assistance.

It means blocking a cost-of-living increase for seniors on Social Security to help buy medicines, food, and shelter.

It means we cannot address national security concerns such as the New START treaty—something that national security experts and every living Secretary of State from both parties support.

It means we cannot do any of these things—provide for our Nation's health, economic health, and national security until we take care of the millionaires and billionaires first.

Tax cuts for the wealthiest 2 percent of our country—including, I should add, lots of U.S. Senators—come first, we are told. But what about the 86,000 Ohioan workers who saw their unemployment benefits run out 2 weeks ago? Or the 108,000 Ohioans expected to lose benefits at the end of this month?

Sorry. Get in line behind the millionaires who get $90,000 in tax cuts.

How about the insurance agent in Zanesville, OH, who makes $50,000 a year and is hoping for a tax cut of $800 for a small downpayment to help a daughter at the community college of Zane State?

Too bad. Not until a deca-millionaire receives his tax cut of $400,000.

What about a single mother with two children earning $30,000 a year and hoping for an expanded childcare and earned-income tax credit?

Tough luck. Wait in line for the billionaire to get his tax cut of tens of millions of dollars.

What do they think this country is all about? That we cannot help people who have lost their jobs who are desperately looking for work? That we cannot extend a tax break to a sales clerk making $27,000 a year who is raising two children until the millionaire gets his cash? That we cannot cut taxes for the broad middle class until the richest 1 percent of our country gets tens of thousands of dollars of tax cuts?

To hold middle-class Americans hostage—as all 42 Republican Senators have done—may be the most cynical political act I have ever seen.

In a recent Cleveland Plain Dealer article, Susan Harrell, a laid off bookkeeper, who does not like how tax cuts for the wealthy is a condition for maintaining unemployment benefits, said of the deal:

It's like extortion. Either you do what we say, or several million Americans will be living on the street.

Think about that. This is an unemployed, laid off bookkeeper. Like many people who write me—many of these people have worked all their lives—20, 30, 40 years. They are laid off. Susan writes: ''It's like extortion. Either you do what we say''—give us our tax cuts for millionaires—''or several million Americans will be living on the street.'' What kind of country is this that such a cynical, cynical, cynical exercise would happen?

In the same article, Debbie Kline, coordinator of Cleveland Jobs for Justice, compares the choice as ''weighing tax cuts [for the rich] and people not eating, living, and surviving.''

Some say the Republicans are merely obstructing or gaming the Senate rules. But I am with Susan—legislative extortion may be a more accurate description. Unfortunately, we may have to pay the ransom.

That means tax cuts for millionaires and billionaires in exchange for unemployment insurance and middle-class tax relief.

Let me tell you about some people who are caught in the middle.

Michael from Shelby County, in western Ohio, writes me:

> I am an unemployed father of four and one of the tens of thousands of faceless Ohioans about to be cut off from unemployment insurance benefits.
>
> It is obscene to think that a tax giveaway for the wealthy is gaining more traction politically than helping working class people survive.
>
> As an unemployed worker I have no lobby or trade association backing. Instead, I have to worry about losing my house, my credit rating and any sense of being a beneficiary of the ''American Dream''.
>
> What am I supposed to do?

Forty-two Republicans say: Sorry. Get in line. Wait until we give the tax cuts for the rich.

Stacie from Meigs County, down on the Ohio River:

> I am a mother of three school-aged, honor students, one with moderate Cerebral Palsy. I have a Masters Degree in Education and teach in the public school system in the State of Ohio.
>
> My husband has been unemployed for 18 months. During this time he has worked part-time and attended school full-time maintaining an excellent grade point average.
>
> As a family we have worked very hard to adjust to our change in circumstance like many other Americans. However with the loss of $60,000+ in income we had to file Chapter 13.
>
> Now we are faced with not having any unemployment benefits. This will be a loss of another $450 per week. We need to feed our family.
>
> Please vote to extend the unemployment insurance for all unemployed workers who are trying to better themselves during this economic crisis.

What about the budget deficit which concerns all of us? Two weeks ago, when the deficit commission released its report, Members of both parties somberly explained that nothing mattered as much as the increasing debt that will burden our children and grandchildren.

A year from now, when Republicans will likely block extension of unemployment, we will remind them how their own $128 billion for tax cuts for millionaires and billionaires over the next 3 years alone has already blown a hole in the budget. We will remind them what their tax cuts for millionaires and billionaires cost when they argue vociferously for cuts to education, for the privatization of Medicare and Social Security, and for scaling back health care. Let's not forget that congressional Republicans who were outspoken about the debt are the people most responsible for it.

Congressional Republicans have said that cutting taxes on the highest earners would pay for itself. It hasn't. The Presiding Officer sat in the House of Representatives in those days when the huge Bush tax cuts for the wealthy in 2001 and 2003 passed. They always said they would pay for themselves. Not even close. We went from a surplus when President Clinton left office, the largest surplus in U.S. history, to massive deficits when President Bush left office, the largest deficits up to that point in American history.

Congressional Republicans, who were the most responsible for this economic situation, along with President Bush, said that the tax cuts for the wealthiest would grow the economy and create jobs. They haven't. Under President Bush, for 8 years, we lost 673,000 private sector jobs. We actually declined in the number of Americans working in the private sector during those 8 years. From 2001 to 2007, we had below average economic growth.

Republicans say that if millionaires have to pay the same tax they did before the Bush tax cuts; that is, during the Clinton years, then job creation will suffer. But it is a fact that during the Clinton years we created 22 million jobs in those 8 years—again, 21 million private sector jobs and 22 million overall. We created 21 million private sector jobs compared to private sector job loss during the Bush years.

Congressional Republicans voted for the Iraq war but have ignored its costs, charging it to our children and grandchildren. In 2003, Republicans voted to bail out the drug and insurance companies in the name of Medicare privatization and charged it to our children and grandchildren.

If the last decade is any indication, it is that trickle-down economics simply doesn't work. The last decade has shown it has failed history as an experiment.

Meanwhile, during the last 2 years alone, Democrats—usually without Republican support—have already passed $500 billion in tax cuts through the ARRA, through the Small Business Act, through the HIRE Act. Our economic policies that are focused on the middle class are helping to create jobs and turn around our economy.

For the past 50 years, Republicans and Democrats alike have always acted to provide extended unemployment during tough economic times. That is because it is not only a moral obligation, but it is also an economic stimulus for our economy. The same goes for the childcare and the earned-income tax credits. They strengthen the middle class. They give people opportunity to join the middle class. They help the economy by injecting money into the economy.

So this debate really comes down to whose side are you on and whom are you fighting for. It is a choice between paying an extortionist's ransom—we are not going to do anything; we are going to do a work stoppage unless we do tax cuts for the rich—it is a choice between paying an extortionist's ransom or letting the middle class continue to struggle. It is a choice forced upon us during a time when we simply can't afford to play politics with people's livelihoods.

I can't look an unemployed worker in the eye and tell him that our political principles stand in the way of their earned benefits. As much as I dislike what they did and how they did it, as much as I dislike these tax cuts that go overwhelmingly to the richest people, the estate tax cuts, the huge hole they are driving in the deficit, as much as I dislike that—and they are my principles I stand on—I just can't imagine saying to an unemployed worker: Sorry, as much as I want to help you, I just don't believe this is fair that we should do this. I can't look at a single mother making $27,000 a year and say: The earned-income tax credit is not important, even though it is for you, and turn my back on them. The unemployed worker, the single parent making $28,000 a year working two jobs should not have to end the holiday season and enter the new year worried because of politics and about how the arcane Senate procedure stood in the way.

I may not like the choice, but I have to stand with the Ohioans who may have to wait until midnight when their unemployment benefits are activated to buy necessities such as milk and bread. We have to stand with the mother and the father and the teacher and the nurse and the farmer who need middle-class tax relief to care for a child, afford a college education, or to build a small business.

It is with that in mind that I vote in favor of this bill—people such as Ericka and Susan and Debbie and Michael and Stacy who say: Enough is enough. Please help me. Because of them, I will continue to fight on their behalf.

I hope my Republican colleagues learn something from this. Legislative threats of a work stoppage and legislative blackmail may have helped their rich friends and may continue today, but in the end, it is bad for our economy, it is bad for the Senate, it is terrible for our country, and it is terrible for our future.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

The PRESIDING OFFICER. Without objection, it is so ordered

ORDER OF PROCEDURE

Mr. BROWN of Ohio. Mr. President, I ask unanimous consent that Senator VOINOVICH, my State's senior Senator, be recognized at 10:30 a.m. Wednesday, December 15, to bid farewell to the Senate for up to 20 minutes; further, that at 2:15 p.m. on Tuesday, December 21, Senator SPECTER be recognized to deliver his farewell to the Senate; provided further that on Wednesday, December 15, upon conclusion of the vote on proceeding to executive session, the Senate return to legislative session in order for Senator LINCOLN to say farewell to the Senate; that at the conclusion of her remarks and any of her colleagues, the Senate then resume executive session at the same status prior to Senator LINCOLN's recognition in legislative session.

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

MORNING BUSINESS

Mr. BROWN of Ohio. Mr. President, I ask unanimous consent that the Senate proceed to a period of morning business, with Senators permitted to speak therein for up to 10 minutes each.

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

MESSAGES FROM THE HOUSE

ENROLLED BILLS SIGNED

At 2:14 p.m., a message from the House of Representatives, delivered by Mr. Novotny, announced that the Speaker has signed the following enrolled bills:

S. 3817. An act to amend the Child Abuse Prevention and Treatment Act, the Family Violence Prevention and Services Act, the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978, and the Abandoned Infants Assistance Act of 1988 to reauthorize the Acts, and for other purposes.

H.R. 5591. An act to designate the airport traffic control tower located at Spokane International Airport in Spokane, Washington, as the ''Ray Daves Airport Traffic Control Tower''.

The enrolled bills were subsequently signed by the President pro tempore (Mr. INOUYE).

At 5:01 p.m., a message from the House of Representatives, delivered by Mrs. Cole, one of its reading clerks, announced that the House has passed the following bills, without amendment:

S. 1275. An act to establish a National Foundation on Physical Fitness and Sports to carry out activities to support and supplement the mission of the President's Council on Physical Fitness and Sports.

S. 1448. An act to amend the Act of August 9, 1955, to authorize the Coquille Indian Tribe, the Confederated Tribes of Siletz Indians, the Confederated Tribes of the coos, Lower Umpqua, and Siuslaw, the Klamath Tribes, and the Burns Paiute Tribe to obtain 99-year lease authority for trust land.

S. 1609. An act to authorize a single fisheries cooperative for the Bering Sea Aleutian Islands longline catcher processor subsector, and for other purposes.

S. 2906. An act to amend the Act of August 9, 1955, to modify a provision relating to leases involving certain Indian tribes.

S. 3794. An act to amend chapter 5 of title 40, United States Code, to include organizations whose membership comprises substantially veterans as recipient organizations for the donation of Federal surplus personal property through State agencies.

S. 3984. An act to amend and extend the Museum and Library Services Act, and for other purposes.

The message also announced that the House agrees to the amendments of the Senate to the bill (H.R. 1061) to transfer certain land to the United States to be held in trust for the Hoh Indian Tribe, to place land into trust for the Hoh Indian Tribe, and for other purposes.

At 5:59 p.m., a message from the House of Representatives, delivered by Mrs. Cole, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 6516. An act to make technical corrections to provisions of law enacted by the Coast Guard Authorization Act of 2010.

At 7:02 p.m., a message from the House of Representatives, delivered by Mrs. Cole, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 6510. An act to direct the Administrator of General Services to convey a parcel of real property in Houston, Texas, to the Military Museum of Texas, and for other purposes.

MEASURES REFERRED

The following bill was read the first and the second times by unanimous consent, and referred as indicated:

H.R. 6510. An act to direct the Administrator of General Services to convey a parcel of real property in Houston, Texas, to the Military Museum of Texas, and for other purposes; to the Committee on Environment and Public Works.

MEASURES DISCHARGED

The following joint resolution was discharged pursuant to 42 U.S.C. 2159, and placed on the calendar:

S.J. Res. 34. Joint resolution relating to the approval of the proposed agreement for nuclear cooperation between the United States and the Russian Federation.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, December 14, 2010, she had presented to the President of the United States the following enrolled bill:

S. 3817. An act to amend the Child Abuse Prevention and Treatment Act, the Family Violence Prevention and Services Act, the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978, and the Abandoned Infants Assistance Act of 1988 to reauthorize the Acts, and for other purposes.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LIEBERMAN, from the Committee on Homeland Security and Governmental Affairs, with an amendment in the nature of a substitute:

S. 674. A bill to amend chapter 41 of title 5, United States Code, to provide for the establishment and authorization of funding for certain training programs for supervisors of Federal employees (Rept. No. 111—364).

S. 3335. A bill to require Congress to establish a unified and searchable database on a public website for congressional earmarks as called for by the President in his 2010 State of the Union Address to Congress (Rept. No. 111—365).

By Mrs. BOXER, from the Committee on Environment and Public Works, without amendment:

H.R. 4973. A bill to amend the Fish and Wildlife Act of 1956 to reauthorize volunteer programs and community partnerships for national wildlife refuges, and for other purposes (Rept. No. 111—366).

H.R. 5282. A bill to provide funds to the Army Corps of Engineers to hire veterans and members of the Armed Forces to assist the Corps with curation and historic preservation activities, and for other purposes (Rept. No. 111—367).

By Mr. ROCKEFELLER, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute:

S. 1078. A bill to authorize a comprehensive national cooperative geospatial imagery mapping program through the United States Geological Survey, to promote use of the program for education, workforce training and development, and applied research, and to support Federal, State, tribal, and local government programs.

By Mr. DODD, from the Committee on Banking, Housing, and Urban Affairs, with amendments:

S. 1481. A bill to amend section 811 of the Cranston-Gonzalez National Affordable Housing Act to improve the program under such section for supportive housing for persons with disabilities.

By Mr. ROCKEFELLER, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute:

S. 3490. A bill to clarify the rights and responsibilities of Federal entities in the spectrum relocation process, and for other purposes.

S. 3614. A bill to authorize the establishment of a Maritime Center of Expertise for Maritime Oil Spill and Hazardous Substance Release Response, and for other purposes.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of nominations were submitted:

By Mr. DODD for the Committee on Banking, Housing, and Urban Affairs.

*Joseph A. Smith, Jr., of North Carolina, to be Director of the Federal Housing Finance Agency for a term of five years.