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 we adjourned yesterday. And I want to lay out some of the reasons why I believe this is the right thing to do. There are some who say that we should not have a tax policy that would allow us to add to the deficit. I think that is a fallacy. If we do not have spending that we can control and we do not have spending that we can control, then we are going to be in a position where we have to either increase the deficit or reduce our revenues. And I do not think that is the right policy for America.

I want to make it clear that the tax package that we are extending for the first time a clear change in tax policy. We are extending 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 score 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 nothing 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 file your taxes, you have to list your estate 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, finds themselves at a rate 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 landlord 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 real estate, it is a good deal, and it should be permanent.

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 not be 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 score 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.

With those remarks, I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until the hour of 2:15 p.m. Thereupon, the Senate, at 12:14 p.m., resumed 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 for their friendship. And when people ask me about leaving the Senate, what is it that 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, 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, immeasurable campaigns 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 electoral process in this Nation—there has been hard work and a solid force in our family. She has raised three extraordinary children, Molly, Sarah and Joshua, who have been exceptional in
there is some way to the left or to the right, but 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 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 us 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 off the comment. Bismarck was, 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. And 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 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 against the challenge 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 at even the same level of fighting 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 personal sense 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 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, and 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. At least 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 3 million to 70 million. At the end, we are 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—when there is 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 concern 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, they do not have a base, 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, where our government is making our structure of government unaffordable in many ways?

America’s greatness and our ability to address the issues such as this one comes 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 tradition to honor to have Webster 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 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 Franklin, 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 so 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 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 and 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 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 extraordinary 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 and express so articulately. 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 New Hampshire. JUDD returned to Nashua 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 votes that go to them. 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 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.

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, 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 else, 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. Senator 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; most of us have an issue of 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 from New Hampshire 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 said:

I don't think of 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 accom-

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 all knew everybody knew who was not a Democrat. And so I came to JUDD to test the negoti-

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 New Hampshire. JUDD returned to Nashua 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 votes that go to them. 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 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.

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, 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 else, 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. Senator 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; most of us have an issue of 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 from New Hampshire 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 said:

I don't think of 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 accom-

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 all knew everybody knew who was not a Democrat. And so I came to JUDD to test the negoti-
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 bench in the Senate 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 the greatest distance between him 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 remember 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 to 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 to see the Senate floor in action and to watch the 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 great Senators in the history of the Senate.

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 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:

“For the entire year of 2005 the President and 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 done, 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. He is a good listener, and so 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 don’t think we have 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 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 that we have.

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 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 have 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 every time and any day. 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 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.

Throughout my own public life, I have always appreciated the civility and generosity Senator GREGG has shown me. 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 better understanding of what 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 his time in 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, 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 150,000 acres, it is 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.

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 call for fiscal sanity will continue to be heard and to be influential in the debates ahead of us.

Raised in a family devoted to public service, Senator GREGG, and now 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 to establish a bipartisan commission on financial 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 on Fiscal Responsibility and Reform 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 the 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 led 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 and the development and deployment 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 as our home state observed the 10th anniversary of the day 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 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, and earned, the respect of both parties and 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 me, and I think for many 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 his shoes are is Senator GREGG 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. He is. 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 today? I said, that story fell 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 to me. He said, “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, wise governance is 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 am sure. 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 a Senator from Tennessee. 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 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 missing. That’s why we pay to have that gallant 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 lose because they inspired. They do things that are rational. 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, you disappointed me more 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. But the more I learned about him, the more 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, I think, would say probably married over his head or, as one of my friends said, outpointed 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 American future 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 want 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, nearly one out of five American families 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 support. I don’t think 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 the board 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 businesses and small businesses are going to go 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 addressedor 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 farm and its form.

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 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 that 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, small 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 argue 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 out of five 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—you look at John F. Kennedy, at Ronald Reagan, at 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 let the economy grow by promoting and promoting efficiency, you automatically create 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 as a country.

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 20-percent range. Today, under 25 percent of 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 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. I think that 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 is a couple of things 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 this 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 experience. If we are going to tax 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 be, right—spending side of the 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 government out of the deficit issue that will plague us, unless we gain control of it.

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 billions of dollars 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 am working 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 complete 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 $56 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.

Working with my colleagues on this, 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 our American families, threatened 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 told 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 ends. 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. There are two hearings this week. I think it is important 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 is 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 government 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 we have expanded absolutely 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 that are providing high-quality education for most of their students, those numbers would be a cause for celebration. Instead, they are a cause 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 we look at the problems we have been facing in the past 20 years, many of the problems that exist today are the result of those reforms that have been made.

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 congressman from Georgia said, when for-profit schools 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 publically 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 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 dramatically 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. 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 pressures often lead to increasing the number of unqualified 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.

For-profit colleges are equity owned, and the growth 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 increasing their profit, but they also have an 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 are behind 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 10 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 for 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 a school such as 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 nonprofits, it is really a misnomer since they are largely federally funded through student loans, grants, and military benefits. As a group, this fee that we looked at, while 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 revenues 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 Council of Accreditation 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 student loans. Ninety percent is not enough. They have clearly done a good job since at least six of the companies—Kaplan, EPCD, 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 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 well-funded. For example, 30 of the for-profit colleges 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 20 percent. If we looked 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 Education 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 dumped 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 can to help every student who came in and 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, America is 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 student 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 and 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 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 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 be 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
that? Just think, 86 percent of that $4.12 billion they spent on marketing.

In fiscal year 2009, 30 companies from which I requested GAO tapes for themselves. In fact, the committee Web site, and listen to those decisions 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 findings stand; 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 total cost just in 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.”

The HELP Committee held its third annual enrollment count 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 had dropped out in the second 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 the Pell grant dollars that students from Bridgepoint who signed up using the Pell grant withdrew 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 84 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 given within 1 year, many of whom never even register in the Department of Education’s annual enrollment count, so when 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, 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 getting 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. The students are learning and succeeding not getting the support they need. It is a major investment that students are learning and succeeding.

The online withdrawal rate is 69.5 percent. The University of Phoenix—another one of these for-profit schools—has a withdrawal rate of 44 percent on their campus-based programs. These large online programs seem to have a large online program and a large campus-based program.

College and law school; the Senator and myself have been dutifully and loyally serving our constituents. I don’t know his story. My concern. I know the Senator from Iowa and those who went through other traditional schools, public schools, and universities.

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 from Federal taxpayers? Actually, the University of Phoenix got more than 90 percent of their money from the Federal Government. But here is the kicker. If you are a GI and you recruit you and you are giving them your GI bill benefits and other educational benefits you get from Federal taxpayers?

Mr. HARKIN. I am glad the Senator asked that question. We 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. The University of Phoenix got more than 90 percent of their money from the Federal Government.

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, an increase of 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 and ended up with 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 recruiting machine signed up 77,000 additional 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.

This 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 own, and their executives, 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. Well, 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 they would get 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 and I think some of the people in this chamber have thought, goodness’ sake, if that is how I reached this point in my life, other people deserve the same chance. I have
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 the GI bill? We are asking 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 number of years, and for the attention he's bringing to this important area. 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 straightforward problems; one was 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. So, 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 how we can make sure 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. Secretary of Education Arne Duncan is looking into this.

Mr. HARKIN. Yes.

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

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

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, does anyone 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 things we need to look at, that we need 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 $13,000 in 2004, while tuition at a community college 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 school over the previous 2 years, 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 GI's 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 non-profit 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 accrediting agencies, which have a say in whether a school can offer a degree, and there are regional accrediting agencies, 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 that the open secret is that university presidents have no qualms about banning schools that have regional accreditation and, until recently, was known as the go-to accreditor for for-profit schools.

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 non-compliance." 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 into education dominated by education companies owned by investors and shareholders seeking to maximize short-term profit. Their mission is to grow and get profits at the expense of positive student outcomes. There are 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 companies are doing their 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 said it was a little bit too much 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 400 Americans. They 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 tax breaks for 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 we will have to extend it a lot longer. 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 a year. Without 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 livings off of their investments will continue to pay substantially lower tax rates 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 wealthy. The people I'm talking about are 1 percent of the entire 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 $88 billion. And while this extension is for 2 years, there is little doubt 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. Yet, 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 will cost the American people 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 significantly reduce 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. This payroll tax holiday going 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, I think 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—under economic reality at the end 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 for bridges, roads, 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 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 colleagues and 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 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 out there 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 this 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.

Mr. Chambliss. Mr. President, I rise today to speak on a matter with my colleague Senator Warner. I understand 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 Harris 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 import to both our state and this country.

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 to bring bipartisan thinkers together 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 their preamble. They make it clear 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 that is sustainable, we need to decide 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 PRESIDENT. 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 need 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 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.

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, and beyond the political rhetoric 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 TOX Culkin.

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 reached 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.

Mr. TESTER. I thank Senator WICKER for his remarks, and I rise to share a few words about the debt and about the compromise that is being voted on tonight. I think Americans will vote on this evening. Before I get into these remarks, I wish to thank Senators WARNER and CHAMILISS 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 it is 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 outside another example of working together. Over the past few days, a number of my colleagues—Democrats, Republicans, and Independents, 22 in all—stepped up to put forth
December 14, 2010

CONGRESSIONAL RECORD — SENATE

S8995

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 this problem. 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 tough decisions and not just pay lip-service 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 a plan 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 lip-service; it is a plan to move forward together.

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

The PRESIDING OFFICER. The Senator is recognized.

Mr. JOHANNES. Mr. President, this is a rather remarkable moment. On one hand, 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 quote a statistic 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 nipp and a little tuck and a tweak here and a tweak there is going to fix this problem, it is fundamentally wrong. 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 discuss this issue. As a former Governor of Nebraska, I used to tell my cabinet when we were struggling through budget issues 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 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-disrupting, job-killing Tax Code—last overhaul 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 put 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 tax 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 is as important a plan for our Nation as the President’s plan 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 bipartisan Tax Reform Act of 1986—twice the national debt 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 would prevent 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 growth created between 2001 and 2008 when tax policy was purely partisan.

There are provisions in this measure tonight that I support very strongly—unemployment insurance, help for the middle class and small businesses. I was willing to extend the whole Bush-era program for a year if it were done in a package. 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 am honored and appreciative of the opportunity to join with my bipartisan group speaking to the Nation tonight about the fact that we cannot afford any longer delay dealing with the most significant threat our Nation faces—our debt and our fiscal difficulties.

You will be remembering 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 economics of the world, studied the details of what was happening in the American economy, and came up 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 it failed. 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 super-majority 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 the 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 was 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 pace. The Commission decided otherwise. The reality is that the problem in Congress is they spend too much, and it did so in a way focused on the right elements. What were those elements? Spending and tax reform.

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? We have argued for years that reducing the national debt is important to our economic recovery and to the long-term health of our country. Conversely, a broke country is a people.

A strong country—I heard Senator from Nebraska when he said 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 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. 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 history, 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 today: 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 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 Udall 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 for us to work on it. There is a way for us to move forward. It is a way 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 $800 billion to our debt problem. 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 consensus, and then 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 leadership 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 Senate in 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 Florida.

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 after 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. 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 wrote: 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 a 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 take are going to take some time. 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 taxes would 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 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, that we are actually going to consider, as I do, 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 act.

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 will that I know I am 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 is in the 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 I 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. The 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.

Mr. NELSON of Florida. Madam President, I yield 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 did not have the brave few in this country that could stand up and say this is a problem.

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.

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 tax, I did not like the healthy 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 some kinds 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, etcetera; and that we needed to do this.

But then the flip side. And the flip side, 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. Everyone is going 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 of almost trillion dollars on deficit on debt, 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 deficit. I am especially 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 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 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 thank all of the Senators 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 will find 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 they understood 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 situation. Senator and Chairwoman of the Senate, 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, but we also have to move toward tax reform. It is imperative that we have a tax reform that can bring down or tax reform that can remain in our 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 Senator when Illinois was on 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 the State of Illinois. He saw the serv- ant 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.

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, 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 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 current Members of the Senate that their best days in public life may still be ahead.
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.

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 leukemia 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 homeownership and reformed civil service laws, and he was a strong advocate for the poor and underrepresented groups.

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 that all Illinoisans go through a rigorous advisory process.

Alan Dixon served Illinois in the Senate from 1961 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 1965-1997 as a staunch fiscal "pay-as-you-go" Democrat. He 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 Bipartisanship with Senator Fitzgerald 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 Durbin 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, who 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 election to the U.S. Senate.

We 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 right. I am honored to call Senator DICK DURBIN my colleague, and while we differ profoundly in 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.

Senator Durbin has worked closely on issues that affect our State requirements for crime fighters to our State. Senator Fitzgerald and Senator DURBIN at my side, recognizing that leadership for our State requires a firm commitment to bipartisanship. Senator Fitzgerald and Senator DURBIN at my side, recognizing that leadership for our State requires a firm commitment to bipartisanship. Senator Fitzgerald and Senator DURBIN at my side, recognizing that leadership for our State requires a firm commitment to bipartisanship. Senator Fitzgerald and Senator DURBIN at my side, recognizing that leadership for our State requires a firm commitment to bipartisanship.
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 day. Senator Obama lost his, but 12 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 his 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 strongest 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 terroristic 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 weapons, as terrorists in Gaza and Lebanon threaten the security of our allies.

Pakistan, Yemen, Somalia, and elsewhere.

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.

Our State’s success has been built on the shoulders 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 today, 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 at the Capitol complex. He spoke without a note. It was a speech laying out his philosophy of government, and it was truly spell-binding. 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 Hoosiers.

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 Indiansans. 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 in both parties—rich, poor, Black, White—when he believed they were not living up to the standards of our nation.

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 accomplished 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 I cherish 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 think it is one of just a few people 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. We are putting the country into our own debt. The time of 1920 to 1921 was dire, maybe more dire than what we face today of 1920. The economy went down by almost 10 percent in 1921. That’s what the economy did when we had a large economic depression. Just a few years later the economy collapsed.

We have an internal threat that is facing this country. We have an internal threat that is facing our country that is greater than any external threat we face. We must determine the best path the 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 Depression 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. Not until almost 15 years later was the economy back to where it was before that time 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 unemployment 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 means 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. We went from 5.2 percent unemployment to 0.2 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. Actually, during this 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 the government 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 just cut 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 it 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. This government got the country out of World War II 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, which was very high, a little over 10 percent. 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 economic growth; actually, they 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 this 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 with.

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 deficit. This is not true. 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 economic recession. US 6.01, 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 created by the Bush tax cuts and 2001, 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 this recession—that 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. Unfortu-

There are a lot of small businesses out there that we would love to expand their business and create some certainty. One is what 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 love to expand their business and get 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 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 we need 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, much 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. I need to make that point 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, 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 in economic downturn? 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, what can 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—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, said that 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 that we are balancing on 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 worse and if you vote on 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 $350 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 that happen in 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.

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 here?

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 debt and more debt, we need 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 get us down to $9 trillion, 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, uncovered. 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.

The United States, there is no one to bail us out. If what happened to Ireland happens to the United States, 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, to 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?

With no 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 stand behind the farmers. Before we let them lose their farms, we are going 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 programs 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 schools and buildings 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 forth 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. As a result, we got 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 doesn’t invigorate the economy. I would suggest to him that the $22 trillion that has been added to our national debt is why we have these voices. 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 a war, we won a world war with a strong, thriving economy, one of the strongest in the world. So to argue that government spending—which there was a lot 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 a past member of the Deficit Commission. He has been a past member of the Budget Committee. He has been a past member of the Appropriations 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 weekly. We worked 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 mortgagees, countries such as China, India, 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 the 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 pretty 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. It had 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 and at the same time, increase the national debt. He had a $1.3 trillion surplus when he came to office, but he left behind a $1.2 trillion debt. 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.

What is significant is 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 reconsidering 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. It is not there. 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 almost 10 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. 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 proportion 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 22.2 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 and middle-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 imposed as a tax increase on January 1 on them to occur. That is why I have said I will vote against this 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 not think 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, you will have the money to cover the check what you voted for, including the vote that took place this December, which creates $358 billion more in debt, you will hear the other side of the aisle screaming, wailing, 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 $358 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 not going to. 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 and 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 this 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 they 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 those 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. Included key elements such as a national housing trust fund and key infrastructure incentives. Again, those two were thwarted 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 infrastructure incentives. Americans want us to focus on creating jobs and generating economic growth. Indeed, for most 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.

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 they very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, very, ve
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 not the challenge we 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 every dollar 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, among many workers have been 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 and allowing taxpayers to claim 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 a 2 percent increase in GDP. These tax cuts will provide a boost to the private sector and will lift 13 million people out of poverty.

I think there is too often a perception tax cuts are free. However, private companies are beginning to face the difficult decisions we have to make 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.

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 targeted and transitioning into 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-class 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 simple truths 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 Senate Finance Committee 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 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 of those tough decisions we have to face in order to reduce the deficit in the future. We do not have to address the deficit and part of that effort must clearly be through tax reform and eliminating tax expenditures.

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 some of the 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 3,900 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 $12 trillion debt for every man, woman, and child in America, we are going to have 6,488 earmarks totaling nearly $8.3 billion. Here
One hundred thousand dollars for the Edgar Allan 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 this 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 when ever 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’ve 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 that bill.

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, short-term continuing resolution, for 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 the entire year. 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 highly of that. 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 wish 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, first, 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 strongly support, but it protects 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 199 deduction, 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 short-sightedness 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 price tag 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 nearly $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, there is no way to extend these 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.

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, offered their own proposals. 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 reason, 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 deficit, what 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 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 tax cuts for high-income households, in particular, would raise 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. While it is 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 will have her salary frozen in the name of fiscal responsibility, the heirs of a $50 million estate will save $3.35 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 unfaithful 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 appropriately accurate, that 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 taken is the only proposal we can get our Republican colleagues to agree to.

There are also some important provisions that were included in the Recovery Act which, unfortunately, have not been 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.

There is also a provision that was included in the Recovery Act which, unfortunately, have not been extended. It is unfortunate that that conversation 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 these 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 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 another traditional 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 $6 billion. That $6 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 means that the 112th Congress will be recorded as one that failed to maximize its potential in using the Tax Code to promote advanced energy technologies. 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 on those innovations. I’m told 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 common-sense 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 states and localities to achieve near-zero emissions through the introduction of performance-based tax credits for clean energy technologies such as energy storage systems, 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 our 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.
Mr. CARDIN. Mr. President, I take this time to talk about the Tax Relief Unemployment Insurance Reauthorization and Job Creation Act, the tax bill that the Congress is weighing this week, 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 we 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 rent, but for the economy. It is important because it speaks to the fairness of our society during a recession. This is an insurance program. It is poses, 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 consider extreme measures to avoid a tax hit for heirs.

David Drouhard, a Washington-state farmer, says he was diagnosed with 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 a new, promising drug held out some hope. Mr. Drouhard says he decided that inaction on the estate tax would force his family to sell his wheat and alfalfa fields, 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 promise, there are some very important 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 we 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 rent, but for the economy. 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 afford college 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 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. 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 are not importing 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 can invest in 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 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 who 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 goes into tax relief. All of our families 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 help college students 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 go out and spend that money right back into the economy and will help create jobs. For people who are well off, millionaires, the economic benefit of extending their 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 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 for the 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. But, if we start dealing with the deficit, the time is right. It 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.

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. In fact, in the years following the Bush tax cuts, 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 extend 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, extended revenue, I would say, 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 of this package, this package going 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 future 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. MENZEL. 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 need 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 worker. 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 debt. It is indebtedness 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 tax money go? 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 they do not get 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.

I am concerned that to give tax breaks for the wealthy and also: let them eat cake, let those people who do not have any income, let them—let us give them some unemployment insurance as a life 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 middle-class families.

So why does this bill dedicate so much of its cost to helping those who know 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 more energetically than anything 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 30 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 $30,000, the guy at the top got $12 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
unemployment insurance will have to pay for everybody’s grandchildren and for this great Nation of ours.

I yield 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 has been great discussion about 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.

I am very concerned about 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 green 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 boom 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 America. That is how we truly grow our economy, not just creating new options on energy but building the technology that’s doing it. 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, all 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 investing 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 $226 million every single day. By comparison, extended 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, especially in 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 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 Friedrichshafen received $22 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 credit.

So in addition to developing the renewable energy area of 1605, 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 the 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 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 try to fix it now, I try to fix it now, I try to fix it now, I try to fix it now.

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 Michigan, the majority of jobs in Michigan and across the country are actually with small businesses. 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, obstructions 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, your commitment, the commitment of all of us here 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 anywhere where you are buying one, you would have to file a 1099 form. That is absurd. 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 in another city, you would have to file an 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, in fact, do a lot of business, and so many people who have gone through as much as a result of that. These provisions to take the paperwork off of small businesses, to invest in American-made products through manufactur- ing, 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, a very difficult decision, 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 lost in this bill that is very 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 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 want 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 the people 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 cuts in revenue, everyone 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 that they are 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, scholarships and 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, is predicting projected 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 assistant legislative clerk proposes 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 that the order for the quorum call be rescinded.

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 is, I ask the Senate to 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 the time provided for under this agreement, the Senate proceeds 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 proceeds 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, the Senate then proceeds 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. 4783; that upon disposition of the House message, the Senate then proceeds to the 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 Americans and working families 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 much more than the 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
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 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 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. Who 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. 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 some airplanes are 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.

So can we 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. That 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 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 will benefit workers 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, those 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. That is hardly surprising.

Most of the materials that go into a school—the bricks, the mortar, the reeds, the wallboard, the sheetrock, most of the
lighting, the conduits, the piping, switches, floor tiles, windows—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 choose 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. You go to your local 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 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 is the point 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 the most advanced technologies—search, 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 plants nationwide. 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 the 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 taking of tax money, that tax income, that tax money, that tax income, that tax money, that tax money that 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—which 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.

OK. 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.

Fifth, 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. Why? Because we have zero dollars. What could fix that? One very simple thing. It is called fairness. It is called justice.

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 $106,000 a year. That means if you make over $106,000 a year, 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 is making $40,000 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 6.2 percent on every dollar they pay? That is how we pay for Social Security. It fits—not zero but 75 percent. What fits—not zero but 75 percent? What fits? Social Security payments are capped at $106,000 a year. How do you explain it? How do we pay for Social Security so we do not have to take money from general revenues to put back into the Social Security trust fund.

Mark my words, it is coming. It is coming. The pressure is going to build on us 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 be 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 a working person who is making $106,000 a year. 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 bought a house. You go in there and you work hard and save our money, we could pay off 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 clothes to buy a very expensive car or buy nice clothes. No, we bought 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 big 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. And I 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 turmoil that has rolled the economy, the budget and the lives of ordinary American families since then.

If we are truly committed to helping our economy get off 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. Almost 2 out of 5 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 unsustainable policies, our national 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 and 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 Vermonters and others 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 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 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 losing their Social Security benefits through the end of 2011. It will help 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—action.

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 grow.

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 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 money 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 there is good reason to 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 deserves 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 lives.

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 98 percent of U.S. workers who are 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 go on strike if the Senate passed tax cuts 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 anything unless the 315,000 wealthiest 0.06 percent of 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 did only late last Wednesday—would effectively engage in a strike itself. This Republican work stoppage—since I guess Senators cannot actually go on strike—this Republican lican 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 get another 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 say, old Seniors and those millionaires—the Senate passed tax cuts for millions of dollars.

What is the political calculation. One of U.S. Senators 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 $9,000 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 they 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, coordinating director of 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 $50,000+ 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 solemnly 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 that the real cost for millionaires and billionaires 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 there are millionaires 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 President’s Office 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 Bush 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 outspoken about the economy 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—while created 21 million private sector jobs compared to private sector job loss during the Bush years.

Constitutional 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 between 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 masters stand in solidarity with their million-dollar 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.

It 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 resumption of the previous咏的 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.

ORDER OF PROCEDURE

Mr. BROWN of Ohio. Mr. President, I ask unanimous consent that Senator Voinovich’s senator for 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. 5891. 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 presented to the President of the United States the following enrolled bills:

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.

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.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LIBBERMAN, 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 5 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. 111–185).

By Mr. ROCKEFELLER, 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. 111–386).

S. 2906. An act to amend the Act of August 14, 1949, to authorize a single fishery cooperative for the Bering Sea Aleutian Islands longline catcher processor subsector, and for other purposes.

The following reports of committees were submitted:

By Mr. ROCKEFELLER, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute:

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:

H.R. 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.

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.

MEASURES REFERRED

The following bill was read the first and the second times by unanimous consent, and referred as indicated:

H.R. 6516. 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 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 and signed 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.