The PRESIDING OFFICER. The Senator from Iowa.

JOBS IN AMERICA

Mr. HARKIN. Mr. President, rarely has Washington been so completely out of touch with the priorities and anxieties of ordinary working Americans. Here on Capitol Hill, policymakers are obsessed—obsessed—with the budget deficit. But the rest of America is most concerned with a far more urgent deficit—the jobs deficit.

Our Nation remains deeply mired in the most protracted period of joblessness since the Great Depression. Officially, some 14 million Americans are out of work. But real unemployment—the real unemployment, including those who are working part time but want to be working full time; those who are marginally attached; those who have never worked in the first place because they never got a job—if we add that all up, we have closer to 25 million Americans unemployed, and millions of Americans who are employed are increasingly anxious about holding on to their jobs or, at their present income, making ends meet.

But many of our political leaders in Washington are treating the jobs crisis as yesterday's news. They are putting this deficit reduction above all else. They are demanding extraordinary funding cuts—trillions of dollars in cuts, and the sooner the better, with little concern as to its adverse impact on jobs. But this is exactly the wrong approach. It is the economic equivalent of applying leaches and draining blood from a sick patient, which we used to do, by the way. That is what they did to George Washington as he lay dying. They applied leaches to him. What does that do? It just makes us weaker, and in the case of President Washington proved fatal.

In the same way, trillions in budget cuts would massively drain demand from a still weak economy. It could destroy millions of jobs. This is not just the wrong medicine for our economy; it will slow or stop economic growth, and it will make deficits worse in the future.

As Federal Reserve Chairman Bernanke warned last week:

> A sharp fiscal consolidation focused on the very near term could be self-defeating if it were to undercut the still fragile economy.

I strongly disagree with the slash-and-burn approach to deficit reduction favored by some of our colleagues. We need to recognize one of the very big reasons for the budget deficit is the jobs deficit. The best way to bring the budget under control is to help these 25 million Americans who are unemployed get good-paying middle-class jobs. It is hard-working Americans who would be delighted to be taxpayers once again.

Now, obviously, we are counting on the private sector to help drive job creation and make the economic recovery self-sustaining. It should be the case if we put more money into infrastructure. If we were to do our job in rebuilding our roads and our bridges, our highways, our sewer and water systems, our rail systems—the government doesn't do that; it goes to private contractors, private companies. Some of this is already happening but certainly not at the pace we need.

Since March of 2010, the private sector has created about 2 million jobs. However, businesses remain reluctant to invest and hire for the simple reason there is not sufficient demand for their goods and services. All of those people who are unemployed and underemployed are spending the bare minimum just trying to get from week to week. Meanwhile, the middle class is tapped out with stagnant incomes—stagnant incomes. For over 30 years, the middle class has had stagnant real incomes. They have insecure jobs, high levels of mortgage, insufficient pension funds, and other consumer debt.

That is why the Federal Government has had to play an aggressive role in helping us to recover from this great recession. Over the last 2 years, we have repeatedly cut taxes. We have extended financial aid to the States. That helped prevent massive layoffs of teachers and first responders and other essential employees.

We have made major investments in research, education, and infrastructure. All of these have either preserved jobs or created new jobs. Listen to this. We have gone from when President Obama took office—we were losing 700,000 jobs a month—700,000 jobs a month. That is just a couple of years ago. Now we are adding new jobs for the first time—and we have had 16 new consecutive months of adding jobs. Not enough. Not enough. But we are at least moving in the right direction.

The Economic Policy Institute estimates that as of the fourth quarter of 2010, the Recovery Act had created or saved up to 4 million jobs and as many as 5 million full-time equivalent jobs. The nonpartisan Congressional Budget Office estimates that through the end of 2010, the Recovery Act had raised the real inflation-adjusted gross domestic product by as much as 3.5 percent.

So to those who said the Recovery Act did not do anything, that is nonsense. That is absolute nonsense. It did a lot. But here is the problem: The shot in the arm provided by the Recovery Act is now winding down. In the absence of further Federal assistance, many States are making deep budget cuts and layoffs of public employees.

Listen to this. In Texas, Governor Perry has proposed to cut education funding by a staggering $10 billion. New York City Mayor Bloomberg has proposed laying off 6,000 teachers. Total State and local government layoffs since August of 2008 have been nearly 500,000. If the Federal Government follows suit with massive short-term spending cuts, the prospect of a double-dip recession will be all too real.

Last week the Federal Reserve Bank of New York published an article about what it called the ''Mistake of 1937,'' referring to premature fiscal and monetary pullbacks that cut short the fragile recovery and ended up prolonging the Great Depression.

Princeton economist Paul Krugman says that in important ways, we have already repeated the mistake of 1937. We have taken our eyes off what should be our No. 1 priority, creating jobs. We have pivoted since 6 months ago, since the last election, to an obsession with deep short-term budget cuts, which by their very nature will destroy jobs and weaken the economy.

Everyone agrees we must take aggressive action to reduce the deficit. But we have to do it right. We need to reduce long-term deficits but in a way that absolutely minimizes immediate job losses. We need to reduce the deficit in a balanced way.

Unfortunately, the extreme budget offered by Congressman PAUL RYAN, supported by almost every Republican in the House, and I would say also in the Senate, would make our fiscal and jobs problems far worse. That Republican budget lavishes yet more tax cuts on corporations and the wealthy, as it slashes investments that undergird the middle class in this country, everything from education funding to Medicare and Medicaid.

Let me state what I think is obvious. If working people and the middle class are going to take a hit in tough times, it should not be to pay for tax breaks for the wealthy. If the middle class is going to take a hit, let's use those taxes to put money into rebuilding the infrastructure of this country, put it into better education, better schools, better teachers.

I have often said the key to renewing America and restoring our economy is to revitalize the middle class. That means investing in education, innovation, infrastructure, boosting American competitiveness in a highly competitive global marketplace. It means restoring a level playing field with fair taxation—fair taxation.

It also means an empowered workforce, a strong ladder of opportunity to give every American access to the middle class. I believe that corporations and the wealthy can return to the levels of taxation they had in the 1990s when the economy boomed and incomes also skyrocketed.

It is absurd to take the position that any dollar in tax increases that results from having the wealthy pay their fair share or ending tax loopholes is bad and unacceptable. I think it is absurd to take that position, while at the same time you take the position that it is okay to slash funding for education, for infrastructure, for research.

In both the 1980s, under Ronald Reagan, and in the 1990s under Clinton,

we achieved a sensible balance of revenue increases plus domestic and Pentagon spending cuts in order to dramatically reduce deficits while we protected the middle class and we maintained safety net programs.

I agree with the economists who believe that given the fragile economic recovery, we should not reduce fiscal support for job creation at this time. Deficit reduction efforts can start, but we should sequence the lion's share of spending cuts so that they take place in the midterm and the long term when the economy is recovered. But now we have to keep our priorities straight.

Deficit reduction, yes, is important, but it is not our most important economic challenge right now. Our most urgent economic challenge is the fragile economy and the jobs crisis and the fact that the middle class in America is under siege. The middle class, in fact, is being dismantled as fast as big corporations can ship our manufacturing jobs overseas. People are losing their savings, their health care, their pensions, in many cases even their homes.

With good reason, people feel that they are losing the American dream for themselves and their kids. That is why we cannot look at the deficit reduction challenge in isolation. We cannot just take a Draconian slash-and-burn approach to the budget. Smart countries in tough economic times do not turn a chainsaw on themselves.

The extreme Republican budget is far more focused on shrinking the size and role of government than it is on cutting the deficit. Instead of that budget, the Republican budget, which is being sold through fear and fatalism, we need a budget that reflects the hopes and the aspirations of the American people. We need a budget that allows us to continue investments, that boosts competitiveness, creates jobs, and strengthens the middle class. There can be no real economic recovery, there can be no return to fiscal balance, without the recovery of the middle class in America. That is why our immediate No. 1 priority must be helping to create jobs, putting people back to work. That is how we will start to restore more demand for goods and services, the key to healthy economic growth. Economic growth, in turn, will help generate the revenues that will help bring deficits back into balance, into rough balance. So this is our most important job in front of us.

Yet all we hear is the constant drumbeat: Cut the size of government; cut spending; slash and burn and cut everything that supports the middle class in America; ship our jobs overseas; more tax breaks for the wealthy and big corporations.

We need to be focused on rebuilding the infrastructure of America, because that is most necessary now. That is one of the fastest ways we can put people back to work and start stimulating the economy. We need to put more money into education: rebuilding our schools across America, hiring better teachers. We need a longer school day, and we need a longer school year. I know some of the young people probably do not want to hear that.

Most young people in Europe, Asia, Japan, do not go to school 9 months out of the year, they go to school 11 months out of the year. They do not go to school for 5½ or 6 hours a day, they go for 8 hours a day. We wonder why they are getting ahead of us. But that costs money. If you are going to have a longer school year, that costs money. If you are going to have longer schooldays, if you are going to have better technology in our schools, schools that have the latest in technology so our young people can learn on the latest innovations, so they can be competitive in that global marketplace, that does cost money.

Yet to hear it around here, we cannot do anything. No, of course, now there is one place we can spend money. We can continue our operations in Iraq for God knows how many more centuries. We have already spent over $1 trillion in Iraq. We have already spent close to $100 billion in Afghanistan. But we can continue to do that with no end in sight. We can continue to buy more weapons that do not do anything to protect us in the new global fight against terrorism. They might have been good back in the Vietnam war, maybe in the Cold War. But that is over with. But, no, we have got to keep pouring money into weapons systems that do nothing to protect the country.

Two decades ago, President Clinton's team defined our Nation's central challenge with a slogan—I remember it well—they said: ''It's the economy, stupid.''

Well, today America's central challenge can be defined with more precision. ''It's the middle class, stupid.'' It is what we do to encourage, promote, protect, invigorate the middle class in America, to make sure the middle class has good jobs, good pensions, good health care systems, the ability to make sure their kids are well educated, and that they do not go to college and get out with a mountain of debt on their heads so that they too can have a good start in life. This is all part of the middle-class structure of America, as to what made America the greatest country in the history of the world.

I will close. It seems that the Republican budget they have proffered, and so much that I hear of those who keep saying, we have got to cut, cut, cut, we have got to cut spending, we have got to cut education, we have got to cut infrastructure, we have got to cut all of that stuff, it almost seems as though it is premised on the belief that we are poor—our country is poor and our country is broke and we cannot afford to do all of those things. That is really what it is. They say we are broke. We cannot afford to do all of that stuff, so we have got to cut our spending. Yet we are the richest Nation in the history of mankind. We are the richest country in the world. We have the highest per capita income of any major country. I guess you have to ask the question: If we are so rich, why are we so broke? If we are the richest country in the history of the world—we are the richest country in the world today, we have the highest per capita income of any major economy—why are we so broke?

Well, my response is, we are not broke and we are not poor. We are wealthy beyond all imagination as a nation. We are not broke. But the system is broken. That is what is broken. The system is broken, the system of who we tax and how we tax, how we raise revenues, the system of allowing corporations to tax benefits and ship jobs overseas, the system that allows companies to almost willy-nilly break up what has been one of the strengths of the middle class, that is, our labor unions. They are breaking up labor unions because they know the middle class working together in organized labor has been able to bargain more effectively for better jobs and better wages, better conditions of employment. You break them up and you can reduce their incomes, and more of it can go to profits and to higher CEO salaries. That is the system that is broken.

You can cut all the spending you want. You can cut the Federal Government to the bare bones. It will lead to another great recession, maybe even a depression. If you want to do that, that is a dead-end road.

We need more stimulus now. Does that mean we have to borrow more money and go further into debt? Not necessarily. Why don't we fix this unfair tax system we have and generate more revenues to come into the Federal Government? Why don't we say to those who made so much money in the last decade or so, maybe you ought to pay a little bit more, and for big corporations, pay a little bit more, and for the Federal Government to put that money to use rebuilding the infrastructure and educating our youth and having a health care system that is affordable and comprehensive. That is what we ought to be doing. That will support the middle class. In supporting the middle class, you will then support economic recovery.

I will close. There will be no economic recovery in America of any substance or lasting any length of time without a recovery of the middle class, which is the backbone of our country. It is time our political leaders showed some backbone in supporting the middle class.

With that, 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. BROWN of Ohio. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BENNET). Without objection, it is so ordered.

EDA FUNDING

Mr. BROWN of Ohio. Mr. President, for over a week the Senate has been debating the Economic Development and Revitalization Act of 2011, which would reauthorize funding for existing programs of the Commerce Department's U.S. Economic Development Administration through 2015. EDA has traditionally been noncontroversial, traditionally been a bipartisan job-creation bill supported by Presidents of both parties, often supported in this body without dissent. It helps broker deals between the public and private sectors, which is critical to our economic recovery and growth. It is particularly important to economically distressed communities, particularly in tough economic times.

Every $1 in EDA grant funding leverages nearly $7 worth of private investment. Every $10,000 in EDA investment in business incubators—or accelerators, as some call them—helps entrepreneurs start up companies in which nearly 70 jobs are created.

In Ohio—and I don't think it is much different in the Presiding Officer's State of Colorado—we have seen since 2006 that some 40 EDA grants worth $36 million have leveraged a total of more than $87 million since private resources were matched. Colleges and universities, from Bowling Green in northwest Ohio, to Ohio University in southeast Ohio, to Miami University in southwest Ohio, have received EDA funds. So, too, have port authorities in Toledo in the west and Ashtabula in the far northeast and entrepreneurs in Cleveland and Appalachia.

If we are to strengthen our competitiveness, we will need to equip businesses with the tools they need to thrive. That is what EDA is designed to do. It is the front door for communities facing sudden and severe economic distress. When economic disaster hits, communities turn to the government, and it is EDA that does the job at low cost, leveraging all kinds of private dollars.

EDA has helped redevelop the former GM plant in Moraine, OH, near Dayton, and the DHL plant in Wilmington. Ashtabula's Plant C received EDA investments to make vital repairs.

The bill the Senate is considering would strengthen a proven job-creating program. It would reduce regulatory burdens to increase flexibility for grantees. It would encourage public-private partnerships that we have already seen make a difference in my State. And the bill would better streamline EDA cooperation with other Federal, State, and local agencies to better assist communities with local economic development.

I plan to offer two amendments to further strengthen EDA. One would assist communities when a plant closure or downsizing causes economic distress, such as Wilmington or Moraine. The amendment gives special preference to auto communities. The other amendment would make more Ohio communities eligible to receive funds for business incubators. Ohio is home to the National Business Incubator Association in Athens, OH, and several model business incubators, from Toledo, to Shaker Heights, to Youngstown. This amendment would allow more companies in Ohio and more communities in Ohio to support homegrown entrepreneurship.

Two weeks ago, I visited—as I have in several places around the State—an incubator in Shaker Heights called the Launch House. It was an old car dealership that had been closed down several years ago. It was renovated with relatively little money. It is now home to about 40 entrepreneurs, one- and two-person startup operations, with the average age of these young entrepreneurs being under 30. The great majority of these 35 or 40 entrepreneurs are themselves under 30. Some of these startups won't exist in 2 years. Some will have grown in 2 years. Many will be hiring lots of people in the years ahead. Some will fail, some will succeed.

As I pointed out earlier, only $10,000 of EDA investment in a business incubator, on average, creates somewhere in the vicinity of 50, 60, or 70 jobs. If we want to promote an economy fueled by innovation, we must better equip our entrepreneurs with the resources they need to turn an idea in the lab to a product in the market.

Earlier this year, I held an innovation roundtable at Battelle with leading Ohio entrepreneurs and business leaders where we discussed the need to strengthen workforce development, promote business entrepreneurship, and support city planning. EDA assistance, they told me—as do other business leaders around the State and as entrepreneurs do tell—is critical to these goals.

This is legislation on which we should move forward. I am sorry my friends on the other side of the aisle who have been so supportive of EDA in the past—as it has always been bipartisan—seem to be standing in the way of this. It is important to move forward, so I ask for the Senate's support.

JOB CREATION

Ms. COLLINS. Mr. President, I rise today to discuss an amendment to the Economic Development Revitalization Act of 2011. In February of this year I introduced a 7-Point Jobs Plan aimed at creating jobs, investing in education and training, assisting small businesses, reinvigorating American manufacturing, and eliminating bureaucratic redtape. Among other things, my bill aims to provide EDA assistance for areas hit hard by job losses, and specifically those communities harmed as a direct consequence of the Base Realignment and Closure, or BRAC, process. The amendment that I am offering today would build on this plan by making it easier for communities affected by the BRAC process to access Federal funding to further their economic development goals and to recover from the loss of jobs.

Currently, most Economic Development Administration, EDA, projects are subject to a 50-percent match; however, the EDA is allowed to increase the Federal share—up to 80 percent—based on the relative need of the area in which the project will be located. The bill being debated would expand the list of circumstances under which the Federal share may be increased. My amendment would simply clarify that communities affected by ''military base closures, realignments, or mission growth'' are among those eligible for a reduced local cost share.

Maine has lost more than 5,000 military and civilian jobs as a result of the unfortunate decision to close Brunswick Naval Air Station. Several other States face similar or even greater losses. The BRAC recommendations, released by the Pentagon in May of 2005, caused Maine and many other States to face a daunting task. All of us across the State and region—political leaders, business leaders, and individual citizens from cities and small towns—worked together to build strong arguments for our bases. While we did have some great success, Maine has suffered a terrible blow with the closing of the Brunswick Naval Air Station. Nevertheless, the State and region's leaders have worked together to ensure that the closure of Brunswick Naval Air Station was accompanied by a commitment to the economic redevelopment of the base in order to lessen the impact of its closure on the entire midcoast region.

The large numbers of workers in Maine, and around the Nation, who have been or will be displaced as a result of a base closure deserve to have access to necessary resources, including job training and job placement services. The EDA, with its mission to promote economic development and stability, should be leveraging taxpayer dollars to assist these struggling communities as we work to lead America to a recovery from the worst economic recession since the Great Depression.

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

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

EXTENSION OF MORNING BUSINESS

Mr. REID. Mr. President, I ask unanimous consent that we be in a period of morning business, with Senators allowed to speak for up to 10 minutes each, for debate only, until 7:30 today.

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