importantly, for his character and wisdom. On both sides of the aisle, his absence will be felt.

With typical humility, JEFF would be the first to say he has a great staff, and he does. When I first came to Congress, on the House side, JEFF and his staff reached out to me, and to my staff, always available to help, always ready to work together, to try and do what is best for our State and our Nation.

And, finally, I know JEFF would also say, he could not have accomplished so much without the support of his amazing wife Anne. They met at Stanford Law School, and have walked side by side, equal partners, ever since. Anne Bingaman is as remarkable as her husband, and he would very likely insist more so.

My dad once said that the measure of someone isn't about winning elections or awards or honors. It is what the people who know you best think about you. For those of us who know JEFF BINGAMAN, he is the real deal.

JEFF BINGAMAN has lived a life of service—substantial, enduring, noble service. I have no doubt that—though he is leaving the Senate—he will find other ways to serve, and New Mexico and our Nation will be the better for it.

JEFF, thank you. Thank you for your leadership, for your friendship, and for your always wise counsel. As you and Anne begin a new chapter in your lives, Jill and I wish you the very best.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, let me thank my colleague, Senator UDALL, for his overly generous comments and indicate that 30 or 40 years from now when he retires from the Senate, I will be glad to make similar comments about his service. I could make similar comments about his service already based on the time he has served our State as attorney general and in the Congress and now in the Senate, but he does a tremendous job for New Mexico and for the entire country here, and it is an honor for me to get to serve with him. This will be 4 years that we will have completed as the two Senators from New Mexico, and it has been a great pleasure for me to have a good friend and a very capable Senator to work with. So I again appreciate the overly generous comments.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. UDALL of New Mexico. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mrs. SHAHEEN). Without objection, it is so ordered.

Mr. UDALL of New Mexico. Madam President, I spoke about Senator BINGAMAN. I know the Presiding Officer is on his committee and she feels the same way about him and all the work he has done. It is going to be a sad day for all of us when he exits at the end of this year, but he is a pretty remarkable leader.

ORDER OF PROCEDURE—S. 3637

Mr. UDALL of New Mexico. Madam President, I ask unanimous consent that with respect to the vote on the motion to waive earlier today, the motion to reconsider be considered made and laid upon the table.

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

Mr. UDALL of New Mexico. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

CAPITAL GAINS TAXES

Mr. HATCH. Madam President, in less than 1 month, American taxpayers face the greatest tax increase in our Nation's history. It did not have to come to this.

The President claimed he wanted a balanced approach to deficit reduction. He told the American people throughout his campaign we needed to balance tax increases with spending cuts in order to tame our deficits, stop taking on water and, of course, reduce our debt.

Many Republicans objected to this approach on empirical grounds. There is no denying the principal source of our debt crisis is on the spending side. But elections have consequences and many Republicans have now stated a willingness to meet the President halfway. They are willing to concede some revenue increases in exchange for entitlement reforms—revenue increases, not rate increases.

But the President now says never mind all those campaign promises about a balanced approach. He has taken nearly all meaningful entitlement reforms, including many he previously endorsed, off the table. He has abandoned revenue increases and spending cuts for deficit reduction and replaced that balanced approach with a plan to raise taxes and increase spending.

This is not what he told the American people he stood for, but I would go so far as to say that if he did campaign on this, he would now be looking for new employment. This bait and switch is beyond cynical, particularly when he knows the Republicans have a strong and empirically grounded opposition to revenue increases.

So far, we have focused primarily on the economic impact of the increased marginal tax rates the President is demanding. But it would be wrong to discount the coming tax increase on individual capital gains, should we go over the cliff or if the President gets his way. The evidence seems clear. Any capital gains tax increase is counterproductive to real economic growth and job creation. Allowing these rates to go up puts ideology, partisanship, and class warfare ahead of sound economic and tax policy. For almost the entire history of our income tax system, we have had preferential tax treatment for capital gains.

From 1921 through 1987—and then again after 1990—long-term capital gains have been taxed at a lower rate than ordinary income. The short time, approximately 3 years, the preferential treatment for capital tax gains was not in effect was due to the Tax Reform Act of 1986. The 1986 act is considered by many to be the gold standard for tax reform, and elimination of the preferential tax treatment for capital gains is considered by many to be one of the major accomplishments of the 1986 act.

It is important to recall, however, that elimination of preferential tax treatment for capital gains in 1986 was coupled with a significant reduction in tax rates for individuals, and the lack of preferential treatment did not last long. Today, the top tax rate on capital gains is 15 percent. If Congress fails to act and we go over the fiscal cliff, the tax rate on capital gains will increase to 20 percent on January 1, 2013. In today's fragile economy, with unemployment still hovering around 8 percent, we should not be raising taxes on capital gains.

Two years ago, a study by the American Council for Capital Formation showed that increasing the capital gains tax would cause measurable damage to the economy. The study estimated that if the capital gains tax was increased to 20 percent from 15 percent, real economic growth would fall by 0.05 percentage points per year and jobs would decline by about 231,000 per year. If the rate is increased to 28 percent, real economic growth declines by 0.1 percentage points per year and 602,000 fewer jobs are created each year.

The fiscal cliff is only part of the story. In less than 1 month, a new 3.8-percent tax on net investment income of single taxpayers earning more than $200,000 and married couples earning more than $250,000 will go into effect as part of the so-called Affordable Care Act. As a result, the capital gains for upper income taxpayers is already scheduled to increase by almost 4 percent. We should not add another 5-percentage-point tax increase on top of that.

Upper income taxpayers will face a 23.8-percent tax on capital gains in 2013 if Congress fails to act to prevent a rise in the capital gains tax. Sometimes the magnitude of these numbers is lost on folks. They might think that is only a jump from 15 percent to about 24 percent, not that big a deal.