other country benefitting and our becoming even more dependent on foreign sources of energy.

So, Madam President, again, I don't know what to say. This is a no-brainer, and so I hope the Senate will find its way before we adjourn for the Christmas holiday to enact this legislation that has been put forward that would enable this project to be decided. It doesn't prescribe one way or the other what the President does; it just says the President either has to approve it or give a reason why it is not in the national interest.

I see the other Senator from North Dakota, Mr. HOEVEN, is here as well. He has been a leader and involved in getting this legislation introduced. I thank both my colleagues for recognizing its importance, and I hope we can move legislation that will get this project decided one way or the other. In my view, an affirmative decision would be preferable and would allow us to move forward.

Madam President, with that, I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

ECONOMIC POLICY

Mr. CONRAD. Madam President, I wanted to come to the floor to discuss the question of extending the payroll tax cut, dealing with unemployment insurance, dealing with compensation for doctors who treat Medicare patients, and also addressing the question of the alternative minimum tax and, of course, the other tax extenders as well.

This is a key moment for the country. As I expressed earlier—as Senator THUNE was addressing the body—I personally do not believe the Keystone Pipeline should hold us back. This is something upon which I think we could get broad agreement, especially if the language is as the Senator has represented and as Senator HOEVEN has assured me—that it permits the State of Nebraska to reroute that line so that the Ogallala aquifer is not in danger. In my judgment, it is entirely in the national interest to get the Keystone Pipeline advanced. So that should not be the issue that hangs us up.

As we look at things that are holding back the economy, unemployment remains far too high, the housing crisis continues, and we have weak consumer confidence and demand. That really is at the heart of our ongoing economic weakness. Personal debt is still near record levels. We have tightened borrowing standards for businesses and consumers. I hear very often that even good businesses with good track records at paying back loans can't secure the credit they need to expand. And we have State and local budget cutbacks that are continuing.

As we look at the private sector jobs picture, there is some good news because we have now had many months of expansion of private sector payrolls. In fact, if we go back to 2010, in March of the year, ever since then we have seen private sector payrolls increasing to the tune of millions of jobs. So there is progress being made.

When we look at the reason there has been progress, I believe two of the most distinguished economists in the country gave us a background to understand why we are seeing this progress after one of the greatest financial debacles in our country's history. Alan Blinder, the former Deputy Chairman of the Federal Reserve, and Mark Zandi, who was an economic adviser to the McCain campaign, did an analysis of the Federal Government's response to the financial crisis and the recession. Here is what they found, and they are speaking of TARP and the stimulus:

> We find that its effects on real GDP, jobs, and inflation are huge, and probably averted what could have been called Great Depression 2.0. When all is said and done, the financial and fiscal policies will have cost taxpayers a substantial sum, but not nearly as much as most had feared, and not nearly as much as if policymakers had not acted at all. If the comprehensive policy responses saved the economy from another depression, as we estimate, they were well worth their cost.

Madam President, we have a debate going on in this country about economic policy, and our friends on the other side believe that they have the answer, that they have the prescription. I would just remind those who might be listening that it was their policy and their prescription that led this country to the brink of economic collapse. They controlled the economic policy of this country for 8 years, and they put in place a series of policies that they said would dramatically expand job opportunities in this country and strengthen the economy. But we know what happened.

At the end of 2008, I was in the meeting here in the Capitol with the Bush administration's Secretary of the Treasury and Chairman of the Federal Reserve. They told us they were taking over AIG, the big insurance company, the next morning, and they told us that if they did not, they believed there would be a financial collapse within days. Going back to the same tired, failed economic policies that put us in that position is a mistake—a profound mistake. Hopefully we would learn from history.

I believe what is needed now is for America to take steps to strengthen the economy in the short term but to combine that with fiscal discipline over the mid and longer term so that we can get back on track and face up to this debt threat.

Two of the more distinguished economists in the country, in addition to the two I have already cited, have just concluded work for the Peterson Institute for International Economics. These are the Reinharts—Dr. Carmen Reinhart and Dr. Vincent Reinhart—and this is what they concluded following severe financial crises. They found that economic recoveries are shallower and take much longer. Here is what they said in their analysis:

> Real per capita GDP growth rates are significantly lower during the decade following severe financial crises. In the 10-year window following severe financial crises, unemployment rates are significantly higher than in the decade that preceded the crisis. The decade of relative prosperity prior to the fall was importantly fueled by an expansion in credit and rising leverage that spans about 10 years; it is followed by a lengthy period of retrenchment that most often only begins after the crisis and lasts almost as long as the credit surge.

What they are reporting to us, after looking at a long period of economic history and dozens of countries, is that after a financial crisis, recovery takes much longer than is typical from a standard recession.

We now have a bill that was sent over from the House that I believe has serious defects. I believe that bill is a nonstarter.

First of all, the House leaders included extraneous provisions making it a partisan bill. President Obama has said he will veto it. Even the Senate GOP won't vote on it. So we have the curious circumstance where we have a bill sent to us by the House of Representatives, controlled by the Republican Party, and the Republican Party in the Senate won't permit a vote on the Republican bill. One might ask, why would that be? Perhaps the reason is they know there aren't many votes for it in this Chamber, just as there weren't many votes for it when it was previously offered on this side.

So more than just extending the payroll tax cut is at stake. We also need to extend unemployment insurance, and we need to fix the cut that is about to happen to doctors who treat Medicare patients. That is the so-called doc fix. We need a compromise, not just partisanship, from both sides. Both sides need to find a way to come together.

I have tried to indicate on this side a willingness to cross the partisan divide with respect to the Keystone Pipeline. Some on the other side have said that is important for their support for this legislation. I have said—at least speaking for me—that I am prepared to support the Keystone Pipeline because I do believe it is in the national interest.

As we look at the effect of allowing the expiring payroll tax cut to die, this is what Goldman Sachs said to us:

> Should [the payroll tax cut and extended unemployment benefits] expire at the end of the year, fiscal drag will be intense in 2012.

In other words, because there will be a reduction in demand in the economy, we will see lower economic growth, we will see lower job creation, we will even see a risk of returning to recession. This is from Goldman Sachs, the U.S. Economic Analyst, ''What Turns a Stall Into a Slump?'' They are telling us one way to turn a stall into a slump is to fail to extend the payroll tax cuts and to extend unemployment insurance benefits to those who have been out of work for extended periods of time.

That is not just the view of Goldman Sachs. I wrote a letter to the Congressional Budget Office—that is nonpartisan—and I asked them which of the policy initiatives we could take would give us the biggest bang for the buck. What they told us is No. 1 would be extension of unemployment insurance. Why? Because the people who receive those benefits are most likely to spend the money. That means there would be increased demand in the economy, and that would give additional lift.

Let me be swift to add: For those who are concerned about deficit and debt, I am with you, absolutely, because our long-term threat is this growing debt. But CBO has told us in testimony before the Budget Committee there is no contradiction between taking steps in the short term to give lift to the economy and taking steps in the medium term and the longer term to rein in deficits and debt.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. CONRAD. Madam President, I ask unanimous consent for an additional 3 minutes.

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

Mr. CONRAD. I thank the Chair and I thank my colleagues.

This is what JPMorgan Chase has said on expiring payroll tax cut and emergency unemployment benefits:

> For 2012, the more important issue is what happens to expiring stimulus measures. . . . Together, [the payroll tax cut and the emergency unemployment benefits] have lifted household disposable income by about $150 billion this year. If they expire as scheduled, consumption growth early next year would be challenged. . . . In our baseline view, the drag from tightening fiscal policy [including expiration of the payroll tax cut and emergency unemployment benefits] could subtract 1.5%–2.0% from GDP growth next year.

Since GDP growth is only forecast at 2.5 to 3 percent, a reduction of 1.5 to 2 percent would be a dramatic reduction.

This is what Mark Zandi, the chief economist of Moody's Analytics, said:

> If policymakers do nothing here, if Congress and the administration just sit on their hands and they do nothing, the odds are very high we'll go into recession early next year. . . . We have a payroll tax holiday, all of us. . . . We'd be in recession right now without it. . . . If they don't [extend] that, at the very minimum, we'll likely go into recession.

I hope very much that colleagues are listening. I hope very much that we are able to proceed to address this matter of extending the payroll tax cut and of extending unemployment insurance.

I think I want to end as I began. If we had not had the government response in TARP and stimulus, Zandi and Blinder—two of the top economists in this country, one who was an adviser to the McCain campaign, one who was the Deputy Chairman of the Federal Reserve—have said we would be in a depression today. We would be in a depression today, with 16-percent unemployment and 8 million fewer people having jobs. We ought to pay close attention to that advice. We ought to act on it, and we ought to do it together. We ought to find a way for principled compromise on both sides.

This body is bigger and better than we are demonstrating at this hour. We have the chance to prove to the American people that we are worthy of their confidence and that we are able to respond and do the urgent business of the Nation. I hope we don't disappoint them.

I thank the Chair and my colleagues for the courtesy of the additional time, and I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

EXTENSION OF MORNING BUSINESS

Mr. CONRAD. Madam President, I ask unanimous consent the period for morning business be extended until 7:30 p.m., with Senators permitted to speak up to 10 minutes each.

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

The PRESIDING OFFICER. The Senator from North Dakota.

KEYSTONE XL PIPELINE

Mr. HOEVEN. I wish to begin by thanking my esteemed colleague from the great State of North Dakota. I appreciate very much his support for this important project as he has again expressed. This is something we worked on for a great length of time. It is something we have quite a bit of background and experience with, energy production and the infrastructure needs that go with it. Again, I express my appreciation to Senator CONRAD for his support of the project, and also for expressing, and I think doing so in very eloquent terms and in terms that are very much appreciated, that he feels this is something that needs to advance; that he feels as we work forward in terms of determining how to handle the payroll tax cut holiday issue, this is something that can be helpful and constructive.

I am here to speak in support of the Keystone project. You might say, Why? Why is it important that we move forward with this project? Well, first and foremost, because it is a tremendous job creator, but also because it reduces our dependence on foreign sources of oil as well as improving environmental stewardship. I want to take a minute to talk about all three aspects of the legislation.

Together with my colleagues, I put forward the North American Energy Security Act of 2011. Essentially, that legislation clears the path to move forward with the Keystone XL Pipeline project.

For those who may not be familiar with the Keystone XL Pipeline, I brought this chart that actually shows the route it travels. It is a 1,700-mile-long pipeline which runs from Alberta, Canada, down to our refineries in the gulf coast region. As you can see, it is this blue line laid out on the chart. Right next to it we have this red line. This is the Keystone Pipeline. I will take a minute to talk about that, because I think it is important in the context of what we are trying to do with Keystone XL.

Prior to being elected to the Senate, I served the State of North Dakota for 10 years as Governor. During that time, we worked with many companies to develop pipeline infrastructure in North Dakota as we produced more and more oil for this Nation, but we also worked with our neighbors from the North who provide oil to our country as well, in fact 2.2 million barrels a day, to move that product safely into our country.

The Keystone Pipeline, built by TransCanada, as you can see, tracks from Alberta, Canada, all the way down to Patoka, IL. So it is similar in that it brings Canadian crude into our refineries here in the United States, which is refined and reduces our dependence on other sources of oil. About 590,000 barrels a day flow through the Keystone Pipeline right now. So when we talk about the Keystone XL project, we are not talking about something which hasn't been done before. In fact, we just got done permitting this pipeline, which is almost identical, bringing oil from roughly the same place in Canada down to refineries into the United States. That has already been approved by EPA and the Department of State. It went through the requisite NEPA and study processes, it went through the proper processes with the Department of State, and it has been approved, 590,000 barrels a day coming into our country to reduce our dependence on oil from places such as the Middle East and Venezuela right now. So when we talk about Keystone XL, we are not talking about doing anything we haven't already done.

This pipeline—which would run a little bit to the west—again roughly starts up about the same place, Alberta, Canada, comes down further than the existing Keystone Pipeline down to our refineries. It is important to know that this isn't just about moving crude oil from Canada to the United States. This is also about moving oil within the United States.

In this part of our country, in North Dakota and in Montana, we are producing a tremendous amount of oil. My home State of North Dakota today is closing in on oil production of 500,000 barrels of oil a day. We will put 100,000 barrels a day of crude oil, such as sweet crude, into this pipeline as well. So it is not just about moving Canadian oil in America, it is about moving oil within our country, production from the Bakken region in the Williston Basin, down to our refineries.

Also, you will notice that the pipeline comes down to Cushing, OK. Right now we have a backlog of oil in Cushing, OK, and this pipeline will move oil from Cushing down to the refineries in Texas and Louisiana. So it helps solve bottleneck issues, moving oil in our country, which will help reduce prices to consumers as you eliminate some of these bottlenecks and price disparities.