

think my Republican friends probably will not be quoting Teddy Roosevelt, though he is one of our great Presidents. This is what Teddy Roosevelt said:

The absence of effective State, and, especially, national, restraint upon unfair money-getting has tended to create a small class of enormously wealthy and economically powerful men, whose chief object is to hold and increase their power.

That sounds pretty familiar. A small group of incredibly wealthy people whose sole objective is to hold and increase their power.

Therefore, I, [Teddy Roosevelt] believe in . . . a graduated inheritance tax on big fortunes, properly safeguarded against evasion, and increasing rapidly in amount with the size of the estate.

What he was talking about was not from a financial point of view of bringing in revenue. He was expressing fear about America becoming an oligarchic aristocracy in which a few people had incredible wealth and used that wealth to perpetuate their position in society. If that is not what is happening today, then I don't know what is happening.

When we look at Wall Street spending \$300 million trying to stop any real reform of Wall Street at a time when these guys are making all kinds of money, having been bailed out by taxpayers, if we look at the oil companies and all of their lobbyists around here, that is precisely what is going on. A small number of incredibly wealthy people are perpetuating their power through their wealth.

In order to gain support for the permanent repeal of the estate tax or a major reduction in estate tax rates, Republicans and lobbyists representing the super rich are doing what they do best, and that is distorting reality. We will not hear any of my Republican friends who talk about repealing the estate tax tell us that the richest families in America are going to be receiving \$10, \$20, \$30 billion in tax breaks. What they have done, both as politicians and through their lobbyists, has created a mythology that a responsible and a fair estate tax—or as their pollsters have framed it, “a death tax”—will somehow destroy family farms and small businesses.

In other words, what they are doing is what they very often do. They say: It is not the very rich, the billionaires we are interested in protecting. It is not the Walmart people. We are interested in family farmers and small businesses. Those are the people we are trying to protect. But nothing could be further from the truth.

As usual, they are using their old tactic of pretending to worry about the needs of ordinary people as a smoke-screen to serve extremely wealthy special interests.

Let's talk a little bit about what they are saying. In terms of the preservation of the family farm, something I happen to believe in passionately—we have a lot of family farms in Vermont—the American Farm Bureau

was asked some years ago to come up with a single example of one family farm being lost as a result of the estate tax. They could not find one farm, not one farm that had to be sold as a result of the estate tax, not one.

I should tell you, the legislation I have authored provides even more protections to family farms than previous law. So they are not protecting the family farmers; they are protecting the Walton family and other billionaire families.

In terms of small businesses—something that is obviously vital to our economy; small business is the engine of job creation; we have to protect small businesses—this is what the non-partisan Tax Policy Center has estimated: that only 80 small businesses and farm estates throughout the country paid an estate tax in 2009–80; 8–0—representing, as this chart shows, 0.003 percent of all estates. In other words, virtually every single small business and family farm in this country would not pay one penny in estate taxes under my bill, and because of protections in the Tax Code, their effective, real tax rate would only be 14 percent. And the relatively few people who inherit small businesses who pay an estate tax are given 14 years to pay it off. They do not have to pay it off in 1 year.

So when our Republican friends come down here and tell us they are fighting to protect the family farm or small businesses, that just is not the case. What they are coming down here to do is to protect the Walton family and the Steinbrenner family and the other billionaire families who are spending a whole lot of money in a major lobbying effort to make sure the richest people in this country become even richer.

So I think what this debate is really all about is what the old Woody Guthrie song framed and described as “which side are you on?”—which side are you on?—and the Republicans have answered very loudly and clearly, when it comes to the needs of the unemployed and the uninsured, when it comes to protecting the interests of the struggling middle class, they are just not there. When it comes to ordinary people, the Republicans are deficit hawks. But if you are a millionaire or a billionaire family and if you need a huge tax break that will cost our government hundreds and hundreds of billions of dollars, you can count on Republicans for your support. That is what this issue is about.

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

THE PRESIDING OFFICER. The Senator from Montana is recognized.

UNEMPLOYMENT INSURANCE

Mr. BAUCUS. Mr. President, at 2:30 this afternoon, the Senate will vote again on unemployment insurance. This bill is about jobs. This bill is about compassion. This bill would extend unemployment insurance for people who have lost their jobs.

This bill is about jobs because unemployment insurance goes to people who spend it immediately. That would increase economic demand, and that would help support our fragile economic recovery. The nonpartisan Congressional Budget Office says that additional unemployment benefits would have one of the largest effects on economic output and employment per dollar spent compared with any other policy. A fancy term is the “multiplier effect.” Dollars spent on unemployment benefits have a much greater effect on the economy, a bigger bang for the buck than almost any other dollar expended by the Federal Government. It stimulates the economy. Unemployment benefits stimulate the economy, and clearly it helps the people who have lost their jobs. Of the 11 policies CBO analyzed, the Congressional Budget Office ranked increasing aid to the unemployed first. It is No. 1. CBO says it will create the most jobs per dollar of budgetary cost.

As I mentioned, this vote is really about compassion. As of this week, more than 2.5 million out-of-work Americans have stopped receiving unemployment insurance benefits because Congress has failed to enact this bill. That is more than 2.5 million people who are not getting a paycheck to pay the bills. That is more than 2.5 million Americans who are not getting any help from unemployment insurance to tide them over. These 2.5 million Americans are trying to get work. But there are still five people looking for work for every job opening—five looking for every job available. They need to get help until they can find that job.

A woman from Helena, MT—the town I was born in—called my office and told us that unemployment benefits are keeping her family afloat. She was laid off when she was 8 months pregnant. She wants the Senate to know she has worked since she was a teenager. She wants to work. And she will work again.

For these 2.5 million Americans, this bill is about the roof over their heads. For these 2.5 million Americans, this bill is about keeping the electricity on. For these 2.5 million Americans, this bill is about food on the table. It is that simple. It is that important.

A Montana father with three small children was laid off after 18 years of service because the company could no longer pay his wages. Now he has no income. But he continues to look for work. His home is going into foreclosure. Unemployment insurance has been his only income. It is what puts food on the table for his family.

This is America. When there is an emergency, we in America do not leave people behind. Let's not leave the unemployed behind. We have stripped this measure down to the bare essentials. We simply must pass this bill. This afternoon, I urge my colleagues to vote for cloture and move this important bill.

SMALL BUSINESS LENDING FUND ACT

Mr. BAUCUS. Mr. President, this week the Senate also returns to the small business jobs bill. Small businesses are central to our efforts to create jobs. Unemployment insurance helps people who are out of work. We want to help create the jobs so people can get the work.

Small businesses employ half of America's private sector workforce. In my home State of Montana, small businesses employ more than 90 percent of all private sector employees. Over the past 15 years, small businesses have created two-thirds of Americans' new jobs. That is about 12 million new jobs.

Historically, during recessions, small businesses bear the brunt of employment losses. The great recession has been no exception. Over the course of the great recession, small firms have accounted for between 64 percent and 80 percent of net job losses. Plainly, to create jobs, we need to find ways to help small businesses.

Small businesses continue to face significant obstacles to expanding and hiring. One of the biggest obstacles is getting capital. A recent study by the National Federation of Independent Business found that only half of small businesses trying to borrow are able to get the capital they need. Nearly a quarter are not able to get any credit at all. Compare that to 2005. Five years ago, 90 percent of small businesses were able to get the capital they needed, and only 8 percent were not able to get any credit at all—a big change.

Small business lending has dropped. From the second quarter of 2008 to the third quarter of 2009, small business borrowing fell by more than \$20 billion. A number of factors have contributed to this decline. Banks have tightened lending standards and terms for new credit. Banks have reduced risky assets to improve their capital positions. Falling real estate values have limited the ability of small business owners to use their own assets to guarantee or collateralize loans. And credit card terms have also worsened.

Over the course of the great recession, small businesses in my home State of Montana have faced many of these obstacles. For example, Grains of Montana—that is a restaurant and bakery based in Billings—had trouble finalizing the terms of its SBA loan. This delayed the expansion of their bakery. And when a potential franchisee in Arizona was unable to secure funding, the deal fell through. Companies such as Grains of Montana need to get capital to grow and to hire new employees. We must act to get credit flowing. We must increase access to capital so small employers can begin hiring again. That is exactly what the small business jobs bill would do.

The small business jobs bill includes a provision that would completely eliminate the tax on the sale of certain small business stock purchased from the date of this bill's enactment

through to the end of 2010 and held for 5 years. This proposal would provide a powerful incentive to invest in small entrepreneurial firms right now.

The bill also includes a provision for certain small businesses that expands the carryback period for general business credits determined this year from 1 year to 5 years, and our bill allows these general business credits against the alternative minimum tax.

Another provision would temporarily shorten the holding period required after a C corporation converts to an S corporation in order to avoid triggering a gain on assets. This provision would allow small businesses to increase their liquidity by selling assets that would otherwise be subject to an additional layer of tax.

All of these provisions free up business capital for expansion and job growth. In past recessions, small firms were the first to begin hiring again. We must ensure that this trend continues as we recover from the great recession. We can achieve this by helping small businesses get the capital they need.

I urge my colleagues to support the small business jobs bill.

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

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

UNEMPLOYMENT INSURANCE

Mr. CASEY. Mr. President, I rise to talk about an issue we are going to be voting on today, thank goodness. We are going to be voting on an extension of unemployment insurance, which is something many of us in the Senate have tried to pass for many weeks now. We have been blocked by the Republican side of the aisle.

We are finally at a point now where we think we can get the votes today to extend unemployment insurance. It is badly needed. You don't have to be a Senator or a Member of Congress to have heard from people all across this country about what this means to them. Those of us who are serving in the Senate have received letters, e-mails, phone calls, and other communications from people within our States.

In Pennsylvania, the people have made it abundantly clear to me and my office over many weeks now about how urgent a problem this is in their lives. This isn't about some complicated, remote issue; this is an issue of life and death, in some instances. But for most, it is an issue of getting by every week, making ends meet, paying bills, providing health care for their children, those who have lost their jobs, through no fault of their own, being able to have the dignity that comes from pro-

viding for your family. We know we have more than 14 million Americans out of work. In Pennsylvania, we have over 591,000 people out of work. If that is not a record, it is very close to one. I know it is a high for the last quarter century in Pennsylvania.

The last unemployment extension expired 5 weeks ago, on June 4. Without an extension, just about 1.2 million people have lost their benefits in the month of June, just last month. If this continues to be blocked in the Senate, we know another 2 million will be without benefits by the end of this month, July. In the Commonwealth of Pennsylvania, over 200,000 will have exhausted their unemployment benefits by the end of this month. That means one-third of Pennsylvania's jobless will be without benefits by the end of this month.

To say this is anything but an emergency is an understatement. To continue to block an unemployment insurance extension is irresponsible, in a word, and I think callously irresponsible. Also, I think it is an action that is harmful to our economy. We know, for example, that if you spend a buck in unemployment insurance, you will get a lot more than a buck in return for the economic impact. The Congressional Budget Office has an estimate to the effect that for the GDP, gross domestic product, it may be as high as \$1.90 for every \$1 you spend on unemployment insurance. So you spend a buck and get a \$1.90 back. That is an even higher number than a lot of us have pointed to prior to this.

Mark Zandi, one of our leading economists, said years ago, I think, that if you spend a buck on unemployment insurance, you get about \$1.60 back. Such as when you spend \$1 on food stamps, you get more than that—maybe \$1.70—in return. Now we have the CBO saying the return might be as high as \$1.90 for every \$1 you spend on unemployment insurance.

There are those in Washington and around the country who are trying to make political arguments against extending this and using a lot of hot air in the process to oppose the extension, block the extension, slow down the effort to provide this bridge that unemployment insurance is, for people who paid into this program for years, in many instances, for just this purpose—when the economy is in the ditch, when they lose jobs and they are trying to get this help.

We have had weeks and weeks of efforts to block this. We should be at the end—we hope. In the end, this isn't simply about a program or about an extension or about what the Federal Government is doing; this is about real people and their lives and the challenges in their lives.

I have received lots of correspondence—whether they are letters, e-mails or phone calls—and I will highlight a few examples. We had a letter from Frank—I will just use the first name so we don't disclose people's names. He