of the major factors that prevented them from growing is their inability to access credit. Banks were not lending their money to the small businesses that were doing better than they have ever done before.

I recently spoke with a small business owner named Alton McDonald who owns a grocery store in Tacoma. He told me he wants to hire new employees. His business is primed to grow. But when he went to the bank to get a loan he was turned down.

I spoke with a small business owner named Peter Aaron, who owns the Elliott Bay Bookstore in Seattle which has been a local institution for decades. He is doing his best to keep his head above water in these tough economic times. But he told me that finding a lender to lend him the money he needs to stay in his business is an ongoing challenge. Right now he is struggling to get the financing he needs to put books on his shelves for the holiday season so that when people come in to buy there is something for them to buy.

I had the opportunity to speak with Timothy Robinson. He owns a small manufacturing company in Snohomish County. His small business today employs about 14 people and he is doing well. But he told me that despite his best efforts, he simply cannot get access to the credit he needs to expand. If he could get a bank to give him a loan, Timothy told me he could add 30 people right away, 30 new jobs in Snohomish County.

What I heard from these small business owners and dozens more over the last several weeks was clear: If small businesses were given access to credit, they would be able to expand their operations and add new jobs—as simple as that. Small businesses such as the ones I visited in Washington State can be the engines that drive our economic recovery. But that engine needs fuel in the form of credit to run, and that fuel is not flowing right now.

In communities across my home State of Washington, it has been community banks that have taken the lead in providing that fuel for small business growth. They understand the communities they work in, and they work closely with local small business owners to make sure that their needs are met. But the sad fact is that for far too long our community banks been ignored in our economic recovery. Since this recession began, we have seen banks fail one after another, lending drying up to our small businesses, and job growth suffering. Meanwhile, Wall Street institutions such as AIG and Goldman Sachs were deemed too big to fail. The collapse of our community banks has apparently been too small to notice.

That is why last year I introduced the Main Street Lending Restoration Act, which would direct $30 billion to help jumpstart small business lending.

It is why I spoke directly to Secretary Geithner about this several times. It is why I have been pushing my colleagues hard to make small business lending a priority. It is why, when President Obama came to Seattle last month, I introduced him directly to several small local business owners and we specifically talked about this issue. I believe strongly that we need to focus more on community banks if we are really going to make progress and bring true recovery to Main Street businesses.

I am proud to stand here today in support of the small business lending legislation now before us. This bill takes the most powerful idea from my Main Street Lending Restoration Act. It sets aside $30 billion to help local community banks—those under $10 billion in assets—get the capital they need to begin lending money to small businesses again. It would reward banks that are helping small businesses grow by reducing interest rates on capital they receive under this program. It would help support small business initiatives that are administered by States across the country struggling today because of budget cutbacks. It does all this while saving taxpayers an estimated $1 billion.

When I met with small business owners across my State, I spent a lot of time talking with them about this bill. I talked about how it would help them create jobs and grow their businesses. Every single small business owner with whom I spoke thought this was a very important idea. Many of them had a question for me—a question to which I wish I had a better answer. Their question: Who would oppose this bill? Who would oppose a bill that seems to be such a commonsense solution to a most pressing problem, a bill that would create jobs and help small businesses grow, boost our economy at a time when it is so desperately needed? Who would stand up and say no? I was asked that constantly. Unfortunately, I suspect it comes down to some old-fashioned political games. I fear too many of our Republican colleagues are afraid that a victory for small businesses is a victory for the Democratic Party. They don't want that to happen this close to an election. I think that is truly a shame because I believe the challenges small business owners face today transcend partisan politics.

The truth is that this is a nonpartisan bill. It is a bill that puts credit back into the hands of small business owners. It is a bill that puts people back to work. It is a win for small business. It isn't a win for a political party. It is a win for the economy, our workers, and our country. I urge my colleagues to put partisan politics aside, listen to the voices of their constituents, listen to small business owners, and support this critical legislation.

I yield the floor.

The PRESIDING OFFICER (Mr. BURRIS). The Senator from Montana is recognized.

Mr. BAUCUS. Mr. President, are we still in morning business?

The PRESIDING OFFICER. We are.

Mr. BAUCUS. Mr. President, on behalf of the leader, I yield back our time so we can get to the bill.

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

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

SMALL BUSINESS LENDING FUND ACT OF 2010

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of H.R. 5297, which the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 5297) to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, to amend the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes.

Pending:

Reid (for Baucus-Landrieu) amendment No. 4594, in the nature of a substitute.

Reid (for Nelson (FL)) modified amendment No. 4595 (to amendment No. 4594), to exempt certain amounts subject to other information reporting from the information reporting provisions of the Patient Protection and Affordable Care Act.

Reid (for Johanns) modified amendment No. 4596 (to amendment No. 4595), to repeal the expansion of information reporting requirements for payments of $600 or more to corporations.

Reid amendment No. 4597 (to the language proposed to be stricken by amendment No. 4594), to change the enactment date.

Reid amendment No. 4598 (to amendment No. 4597), of a perfecting nature.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, the Book of Ecclesiastes says: ''A worker's sleep is sweet.'' Because of the great recession that started in 2008, millions of Americans have lost sleep. Why? Because they lost their work. That is why, throughout this Congress, we have been working to create jobs. That is why today, with this small business jobs bill, we are continuing to work to create jobs.

One of the first things this Congress did was to pass the Recovery Act in February of 2009. The Recovery Act cut taxes for Americans by $326 billion. That is right. The Recovery Act cut taxes for Americans by $326 billion. In their latest report on the Recovery Act, the nonpartisan Congressional Budget Office once again reports that the Recovery Act is working.

That office, CBO, says in the second quarter of this calendar year; that is, in 2010, the Recovery Act ''raised real . . . gross domestic product by between 1.7 percent and 4.5 percent''—raised gross domestic product by between those amounts. CBO also says—and I am quoting from them—the Recovery

Act ''lowered the unemployment rate by between 0.7 percentage points and 1.8 percentage points.'' That is right: The Recovery Act lowered the unemployment rate. CBO also says the Recovery Act ''increased the number of people employed by between 1.4 million and 3.3 million'' people. Continuing, CBO says the Recovery Act ''increased the number of full-time-equivalent jobs by 2.0 million to 4.8 million compared with what would have occurred.''

Just think of that. That is CBO's estimates of the effect of the Recovery Act—all positive in all those respects.

In March, Congress passed the HIRE Act; that is, the Recovery Act last year, the HIRE Act this year. The HIRE Act includes a payroll tax exemption for new hires. The HIRE Act cut taxes by a further $15.5 billion. That law has also helped to bolster job creation.

I might add that this summer the Treasury Department found:

> From February to May of 2010, an estimated 4.5 million workers who had been unemployed for eight weeks or longer were hired by employers who are eligible for the HIRE Act payroll tax exemption.

These actions that Congress has taken, therefore, are working.

August was the eighth consecutive month of private sector job growth—the eighth consecutive month. Coming out of the 2001 recession, it took 28 months before we had 8 straight months of private job growth.

Since last December, the American private sector has created 763,000 net new jobs. Contrast that with the previous 8 years under the previous administration. During that 8 years, America's private sector lost 673,000 jobs.

This chart I have in the Chamber shows that. If you look at the chart, beginning in January of 2008, the red bars show the job loss. The job loss got greater from January of 2008, April 2008, July 2008. As you see the longer red bars, that shows the greater job loss.

Then, beginning with the Recovery Act in 2009, what happened? Look at this chart. This chart shows it. The black bars show action since the Recovery Act. The red bars to the left are job loss before the Recovery Act. Once the Recovery Act passed, according to the black bars on the chart, job loss decreased, steadily decreased in April 2009, July 2009, and October 2009. Then, guess what. We start getting positive numbers where job creation exceeded job loss. Those are the blue bars in January 2010, April 2010, and July 2010.

So just to repeat broadly, beginning in January 2008, job loss grew dramatically, unfortunately, for all those folks. The Recovery Act passed in the beginning of 2009, and then job loss got less and less and less and less until about October, January of this year, and now we have a net increase of private jobs. The Recovery Act and the HIRE Act worked.

We still have more to do. We still need to do more to help create new jobs, and we will not rest until every American who wants to work can find it.

We are doing more today. The small business jobs bill we are working on right now is about helping Americans get back to work. This bill helps by helping small businesses especially hire more workers.

Small businesses are the backbone of America's economy. We say that many times because it is true. They are the principal engine of job growth. Over the past 15 years, small businesses have created two-thirds of all new jobs. It is not big business that creates most of the new jobs. Two-thirds of new jobs are created by small businesses. That has been the case for a long time, and I daresay it will continue to be.

But the great recession hit small businesses especially hard. Since December 2007, small businesses lost more than 6 million jobs.

This small business jobs bill would help create the right economic conditions for job growth. This small business jobs bill on the floor now could help small businesses create as many as 500,000 new jobs.

The great recession's credit crunch starved America's small businesses' access to the capital they need. We hear that all the time. I say to the Presiding Officer, I know you do back home in your State. In response, this small business jobs bill will provide small businesses with access to capital, robust incentives for investment, and support for innovation and entrepreneurship.

How? Well, this small business jobs bill would give small businesses $12 billion in tax cuts—$12 billion in tax cuts aimed at small businesses. It would increase small business lending. It would help small business owners get private capital to finance expansion and hire new workers. It would reward entrepreneurs for investing in new small businesses. It would help Main Street businesses compete with large corporations, and all these things would help small businesses create as many as half a million new jobs.

Creating jobs is what people want us to do. I might say, I have a hard time understanding why some on the other side of the aisle have been holding this bill up for weeks and weeks. That is their business. I do not understand it, but that is their business. This is the kind of commonsense legislation we have before us today that Americans sent us here to do.

At last, the end is in sight, thanks to the courageous votes of Senator GEORGE VOINOVICH and Senator GEORGE LEMIEUX. I thank them. I thank Senator VOINOVICH and I thank Senator LEMIEUX on behalf of Americans and on behalf of all the folks, especially small businesses, who want to find jobs.

I thank, as well, every other Senator on this side of the aisle for their votes. I thank those two Republican Senators and the Democratic Senators who voted for this bill. Because of all of you, we are finally bringing this debate to a close, and it is certainly time to.

It is time to pass this bill. It time to help small businesses. It is time to help create up to half a million new jobs. So let us bring this debate to a close. Let us send this targeted tax relief to small businesses without further delay, and let us pass this commonsense legislation.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, while we are talking about taxes, I wish bring up something that is significant to about 26 million Americans. It doesn't deal only with small businesses, but obviously a lot of small businesses are affected by the issue I bring to my colleagues' attention. I do this several times a year. It deals with the alternative minimum tax, a tax that I am sure that out of the 26 million people who might be hit this year if we don't do something, a lot those are small businesspeople.

The AMT was first enacted by Congress in 1969. The alternative minimum tax was created in reaction to some very wealthy and very high income individuals paying no income tax. These high-income individuals were able to do this because they were able to claim a huge amount of tax credits and deductions legally.

Probably the sensible way to have dealt with this problem would have been to curtail the proliferation of those tax credits, tax deductions, and tax expenditures at that time. Unfortunately, that was not the course Congress took when the alternative minimum tax was set up, now 40 years ago. Instead, Congress created this alternative tax system that we call the alternative minimum tax. With the alternative minimum tax, an individual must first calculate his regular income tax, and then he must calculate his alternative minimum tax. The taxpayer compares the two numbers and pays the highest figure of tax owed. I know this is complicated, figuring one's taxes twice—as if the regular income tax all by itself isn't complicated enough—but it has gotten much worse over the decades.

The alternative minimum tax has not merely added complexity; it has ensnared tens of millions of Americans in its clutches. What was originally intended for fewer than 200 very wealthy taxpayers back in 1969 because they didn't pay any income tax—legally didn't pay any income tax—now has grown to ensnare tens of millions of middle-class Americans.

What is really worse is that it was supposed to get everybody to pay some income tax under the theory that if you live in America, even if you take legal advantage of everything the Tax Code allows you to do and still pay no tax, you ought to pay something, so the alternative minimum tax. But now the IRS tells us that there are a large number of people—not tens of thousands but thousands—who don't pay either the regular income tax or there are ways they don't legally have to pay the alternative minimum tax. So it isn't even accomplishing its original purpose of making sure everybody pays some income tax.

The reason it has grown to include many middle-income Americans is because the exemption amount has not been indexed for inflation. Congress has increased the exemption amount so it would be targeted toward those people it was meant to hit—very wealthy people.

We keep talking around here about patching the AMT. We have done it every year since 2001. Congress has passed the AMT so that only 4 million taxpayers have been subject to it in the past few years. At this point, however, the AMT is not patched for 2010. So unless Congress acts to patch the AMT, rather than only about 4 million Americans being subject to the AMT, more than 26 million will be.

The chart I have here shows my colleagues a breakdown of the number of families and individuals State by State subject to the alternative minimum tax. These families and individuals should be paying the alternative minimum tax right now because Congress hasn't acted so far this year, after 9 months, to do the patch. That means that about 22 million families and individuals are currently scheduled for quite a surprise come April 15, 2011. Roughly 4 million Americans are presumably used to paying the AMT, but the additional 22 million families and individuals currently subject to it may not have realized they are standing in a hole dug by this Congress. Until Congress patches the AMT in 2010, these individuals should either have their wages withheld at a higher rate and/or pay estimated taxes to take into consideration the fact that the AMT has not been patched. But we would have to figure that very few of these 22 million Americans are, in fact, paying the higher estimated taxes in anticipation of Congress not acting on the AMT. They probably do not know.

The third quarterly estimated tax payment is due today. Literally right now, taxpayers across the country are under the legal requirement to pay their estimated tax. They should be using the form depicted on this chart, the form 1040–ES. I hope I am not here in January when the final estimated payment is due.

It is disappointing that Congress has created a situation where law-abiding citizens who still trust in Congress to look out for them are at odds with the law, even if only temporarily. The betting money is that Congress will get this job done before the end of 2010, but in the meantime, confusion reigns.

In many ways, people simply do not know what to do about this. As I said, taxpayers don't know how much estimated tax to pay. The IRS doesn't know what forms to be preparing for publication. Tax software firms don't know how they should program their software. Tax professionals are not sure what to advise their clients. Government revenue estimators don't know whether to count the AMT patch in or out. And most important, our fellow Americans don't know how to plan their financial affairs. Can they afford that vacation or can they afford a new car? Can they afford some additional gift to charity? Should they contribute more or less to their 401(k)? The answers to these questions turn in part on whether Congress patches the alternative minimum tax.

So what is to be done? The 2005 bipartisan tax reform panel had two different tax reform options: the simplified income tax and the growth and investment tax. But under either option, the bipartisan tax reform panel said that Congress should simply repeal the AMT. I think that is what has to be done.

Don't forget the philosophy behind it 40 years ago, not indexed. That is why we have to patch, is because 200 people, maybe only 150 at that time, were not paying any income tax. Progressives thought: Well, everybody living in this free country, even if they legally don't have to pay any income tax, ought to pay "some tax." So that is the philosophy behind it. We have not argued so much with that philosophy over the last 40 years. But we are in a situation where the IRS says there are some people in America who legally don't have to pay income tax or the alternative minimum tax. Does that make sense? Why would we have that law on the books if it is not fitting its original intention?

That is what I would favor—complete repeal of the AMT. If that isn't to be done, I would favor then a permanent patch of the AMT. Given Congress's actions in this area, it seems likely we will patch it year after year after year, so wouldn't it help with everyone's plans to simply do that once and for all? That is the question. That would be the way to do it. It is predictable.

But allow me to address the AMT in the context of statutory pay-as-you-go. The statutory pay-as-you-go was enacted earlier this year as part of the majority party's debt limit increase. Some on the other side of the aisle have described statutory pay-as-you-go as a fiscally responsible way in which to address the 2001 and 2003 tax relief extensions.

Statutory pay-go provides that all the regular tax relief for taxpayers under $250,000 is permanent. Statutory pay-go, however, only provides for a patch to the AMT just for 2 years: 2010 and 2011. So what is going to happen in the next year, come 2012? There are at least four possible options.

Option 1 would be: In 2012 and after, AMT will not be patched. But I do not really think that is an option Congress would seriously entertain—then or now—to add another 20 some million people paying this tax that middle-income taxpayers were never supposed to pay in the first place.

Option 2: In 2012 and after, AMT will be patched and paid for with new taxes. That would be consistent with what we call statutory pay as you go, but does anyone think that would make sense, pay for tax relief with new tax burdens?

Option 3: In 2012 and after, AMT will be patched and paid for with spending cuts. In general, I believe that we need to use spending cuts to tackle our deficits and debt. But we know our friends in the Democratic leadership are allergic to spending cuts. So, as much as we would like to reign in the record spending spree of the last 18 months, I don't see my friends on the other side agreeing to cure their allergy to spending restraints. They've rejected roughly $270 billion in spending restraints since adopting the much ballyhooed statutory pay-go regime.

But then there is option 4: In 2012 and after, AMT will be patched and not paid for. That certainly is an option I am very open to and quite possibly what Congress will ultimately do and has done in the past. Money that wasn't supposed to be collected in the first place shouldn't be relied on as revenue and so doesn't need to be offset.

However, if the AMT is patched and not paid for, then there is a hidden $1 trillion revenue loss in the package. This means the deficit impact of the so-called fiscally responsible package is understated by $1 trillion. The so-called fiscally prudent statutory pay-as-you-go legislation likely has a $1 trillion understatement of the deficit impact.

If fiscally responsible is understating an increase to the deficit by $1 trillion, I wonder then what fiscal irresponsibility would be. The AMT is a serious problem and needs to be addressed in a comprehensive, permanent, prompt, fiscally prudent fashion.

I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DURBIN. Mr. President, first, I thank the chairman of the Senate Finance Committee, Senator BAUCUS of Montana, who just spoke about the bill before us. If you go to any State in America and ask those who own small businesses what their challenges are today, I will guarantee you that in the top one, two or three items, it is access to credit.

This bill, this small business jobs bill, will give access to credit to thousands of businesses across America so they will have money to expand inventory, to expand their business, to expand their employment.

Many of us believe, as Senator BAUCUS has said, small businesses are key to job growth in America. I cannot explain—I cannot explain—why the Republican Party decided to filibuster this to try to stop us from even bringing this bill to the floor over and over and over. We should have passed this bill months ago. It should have been passed on a bipartisan basis. The Small Business Committee is one of the most bipartisan committees in the Senate. Yet they have resisted it.

I wish to join Senator BAUCUS in thanking two Republican colleagues who had the courage—and it took political courage—to step up and say: Put an end to this filibuster. We have to help small business. Senator GEORGE VOINOVICH of Ohio and Senator GEORGE LEMIEUX of Florida both stepped up, and because of their courage, we passed this bill yesterday with 61 votes—at least moved it forward, I should say, toward passage, and that is dramatic, positive progress for us when it comes to dealing with this recession.

I also wish to say there was a statement made yesterday. I listened to it in my office. It was the stakeout of the Republican leaders after their luncheon, and I listened carefully as Senator MCCONNELL, the Senate Republican minority leader, as well as Senator KYL of Arizona, and others in their leadership, came to the microphones right outside this Chamber and said there should be no tax cuts in America—pardon me—there should be no tax increases in America. They came and said there should be no tax increases in America for anyone. They were focusing on the Bush economic policies that gave tax cuts to the wealthiest Americans, and these Republican leaders said: There should be no tax increases in America.

I wish to say that from my point of view, yesterday the Senate Republican leadership, in front of microphones right outside this Chamber, filed for bankruptcy for the United States of America. If we cannot, in the midst of this recession and with our Nation's deficit, ask for a sacrifice from the wealthiest people in America, then I am afraid we have lost our way.

Let me quote someone who knows a little bit about policy in Washington. His name is David Stockman. I remember David Stockman when I first came to Congress because David Stockman was the budget adviser to President Ronald Reagan. He was the man who guided the President in his thinking about budgets. So, certainly, he has a Republican resume that is pretty strong.

What did David Stockman say about the current state of the Republican Party when it came to these issues of deficits and tax cuts? Here is what he said:

> If there were such a thing as Chapter 11 for politicians, the Republican push to extend unaffordable Bush tax cuts would amount to a bankruptcy filing. The nation's public debt . . . will soon reach $18 trillion.

Stockman said it screams ''out for austerity and sacrifice.'' But, instead, the GOP insists ''that the Nation's wealthiest taxpayers be spared even a three-percentage-point rate increase.''

Well, I know what the Republicans are likely to say in response. They are likely to argue what they have argued for 10 years; that is, if we give a tax break to the wealthiest people in America, then this economy is going to prosper. These wealthy people will spend their money and invest their money in a way that will create jobs, which leads to one very basic question. After 10 years of tax cuts for the wealthiest people in America, where are the jobs? After 10 years of tax cuts for millionaires and those at the highest levels of income, where are the jobs? Eight million Americans are out of work. Another 6 million have basically given up looking for work. We have 14 million unemployed in the worst recession we have ever faced because of Bush economic policies—we have to go back to the Great Depression to see anything worse—and it was based on 10 years of tax cuts for wealthy people. This did not create jobs; it created the biggest debt in the history of the United States.

Let me digress for 60 seconds or so for history. President William Jefferson Clinton left office, turning over the keys to the White House to George W. Bush. What was the state of the economy in America? Well, we had created some 22 million jobs in the previous 8 years. We had a national debt that had been accumulated—a national debt from George Washington through President Clinton of $5 trillion—$5 trillion—and the President said—President Clinton said to President Bush: Welcome to Washington. Good luck in your administration. Let me give you as a starting gift from my administration a $120 billion surplus—surplus in the Treasury—not a deficit but a surplus.

Now, fast-forward 8 years. Now President George W. Bush has had his chance to use his economic policies, and where are we? Well, the national debt has risen from $5 trillion over an 8-year period of time to $12 trillion—more than double during that period of time. How does one more than double the national debt of America in 8 years? Well, let me count the ways.

First, wage two wars and don't pay for them—wars in Iraq and Afghanistan. Secondly, do something no President has ever done in American history: give tax cuts in the midst of a war. We have all the ordinary expenses of our government, and then we have the added expense of war, and President Bush and his Republicans in Congress said: Well, the answer to that is to cut people's taxes.

Guess what. When you cut taxes, you take money out of the Treasury that otherwise would come in and add to the national debt. Then add a few major programs that President Bush passed and didn't pay for. Medicare prescription Part D is a classic example. Though we in health care reform were required by President Obama to pay for it, the Republicans, facing a change in Medicare, did it without paying for it. They added to the national debt.

So President George W. Bush left office. The $5 trillion debt under President Clinton is now $12 trillion, and he said to President Obama: I won't be able to hand you that surplus that I was given when I took office. Instead, I am handing you a $1.2 trillion debt in the next year. Ten times more than the surplus offered him, he offered to President Obama. President Obama took his hand off the Bible being sworn in as President, and in the first month faced 750,000 Americans newly out of work. Welcome to Washington, President Obama; a little gift from the previous administration. That is what we have.

So now come Senate Republicans, and they say: Well, to get out of this recession, clearly what we need to do is do everything over again that got us into the recession, and the first thing we need to do is cut taxes on the wealthiest people in America. As David Stockman says: If you can't ask a millionaire to give up a 3-percent tax cut in the midst of what we are facing in this Nation—a millionaire—if you can't ask for a sacrifice from those who are most well off in our country, how can you possibly govern in a responsible way?

Senator MCCONNELL introduced a bill this week which spells out exactly what he thinks about the deficit. His bill—a tax cut bill—will add $4 trillion to the national debt. That is $4 trillion unpaid for. Did he raise taxes to give tax cuts to others? No. Did he cut spending to give tax cuts to others? No. He just said $4 trillion of debt, here it is, unpaid for. This is the party of fiscal conservatism? These are the deficit hawks? These deficit hawks have had their wings clipped—clipped by the richest people in America, and that is their position.

If I can transition to another question of debt, it isn't just the debt of our national government, as large as it is, that ought to concern us. There are other debts across America. Americans have $826 billion in credit card debt. Naturally, people are struggling to make ends meet, and they are going to put more debt on their credit cards. They are going to owe more. So $826 billion in credit card debt.

The debt I want to focus on is even larger. The Federal Reserve recently revealed that we passed a milestone in American economic history in June of this year. For the first time in history, American consumers owe more on their student loans than on their credit cards. We have $826 billion in credit card debt and $850 billion in student loan debt. The total national student loan debt is increasing at the rate of $3,000 per second. The average college student in 2008 graduated with over $23,000 in student loans. By the time the students start college this fall, when they graduate, they could easily owe more than $30,000 at graduation.

Growing student loan debt creates a tremendous burden on recent college graduates. Recent graduates have a hard enough time finding a job in today's economy, but they need a job that pays enough to cover their monthly student loan payments. Young adults delay decisions to pursue advanced degrees, buy a home, start a family, because of student loan debt. We want young Americans to be an active engine for our economy, but too many graduates trapped in debt have to worry about the first paycheck and making the first payment on their student loans.

This week, Education Secretary Arne Duncan announced the 2008 student loan cohort default rates. Default rates on student loans across America were 7 percent—up from 6.7 percent last year. The cohort default rate is a snapshot of one group of students, those whose first loan repayments came due between October 1, 2007, and September 30, 2008, and who defaulted on their loans before September 30, 2009. During that time, over 200,000 borrowers defaulted on their student loans within 2 years of leaving college.

I was the beneficiary of a student loan when I went to school. It was called the National Defense Education Act. I couldn't have gone to college and law school without it. My understanding was—at least I felt an obligation to pay off that loan so that future generations could borrow that money and other students would get a chance to go to college. Now we find in this cohort 200,000 students already defaulting within 2 years of leaving college. This shows difficult economic times and the trouble young people are having finding jobs after school.

But a closer look at the data reveals another growing problem. Default rates at for-profit colleges are already far too high and rising. The 2-year default rate at for-profit colleges was 11.6 percent in 2009, up from 11 percent the year before. In comparison, public colleges had an average default rate of 6 percent; nonprofit colleges, 4 percent.

So let's put the numbers in perspective. The default on student loan payments from those graduating from nonprofit colleges nationwide, 4 percent; public colleges, 6 percent; and the default rate at for-profit colleges, 11.6 percent in 2009.

More than one out of every nine students who take out a student loan to attend a for-profit college will default on that loan within 2 years of leaving school, and the results are even worse after 2 years. Since 1995, two out of every five—40 percent of students who attended 2-year, for-profit colleges—defaulted on their student loans. Students at for-profit schools represent less than 10 percent of postsecondary students in America but one-quarter of student loan borrowers and 43 percent of all student loan defaults. Defaulting on a student loan is not just a bad economic experience; it can be a disaster.

For-profit recruitment officials, however, take it very lightly when they explain to young people what the consequences are of default on a student loan. The Government Accountability Office investigated 15 for-profit colleges and found that all 15 colleges misled students, including making false statements about student loans and defaults. One recruiter told a potential applicant:

> I owe $85,000 to the University of Florida. Will I pay it back? Probably not . . . I look at life as tomorrow's never promised. Education is an investment. You're going to get paid back tenfold no matter what.

Another recruiter taped by a government investigator said, when the student asked about student loans:

> But it's, workable, you know, it's really workable. And the . . . a lot of people have student loans . . . but the best thing about it, it's not like a car note, where if you don't pay they're gonna come after you.

That is a lie, and it is that kind of lie that is leading students into debt that they cannot repay.

Defaulting on a Federal student loan can have dire consequences for these students for the rest of their lives.

Here is what happens if students don't pay back their student loans. First, the loan will be turned over to a collection agency and they will be charged collection costs over and above the loan up to 25 percent. Their wages can be garnished, their tax refund intercepted, and their Social Security benefits withheld. Their defaulted student loan will be reported to a credit bureau and remain on their credit history for 7 years after they pay it off. That means they may not be able to buy a car or a house or take out a credit card. It might even mean they don't get a job if an employer looks at their credit history. They can't take out any more student loans or receive Pell grants to go back to school. They are no longer eligible for HUD and VA loans. They can be barred from the Armed Forces and they might be denied some jobs in the Federal Government.

That recruiter was right about one thing, though: a student loan is not like a car loan. Car loans can be discharged in bankruptcy but not student loans. A borrower can never escape a student loan, whether it is federally guaranteed or a simple private loan for school.

I had a hearing in Chicago about 3 weeks ago on these for-profit schools. I never saw such a crowd in my life. Do you want to know why? This is a big, profitable business. These schools are dragging in billions of dollars in Federal money that is then being loaned to students so they can go to school online or at these so-called for-profit schools. They end up with a worthless degree, if they graduate, deep in debt. They default on the loans and the government loses.

So I went to this hearing with 450 people showing up at this hearing on for-profit colleges.

I didn't expect an amazing turnout. There were picketers on the sidewalk outside the Federal court building. Lo and behold, they were there for me. I went up to the students and said to them: Hi, I am DICK DURBIN. I am going up to the hearing. What are you kids doing here? They said: We are students at the Illinois Institute of Art, which is a school in Schaumburg, a suburb of Chicago. They were dressed similar to the people you see on ''Top Chef.'' I don't know the name of the white tunic they wear. I said to them: So you are at this for-profit college. What are you studying? They said: Culinary arts. One said: I want to be a cook and own a restaurant. I said: How much does it cost you in tuition to go to this school?

Well, it is a 2-year course in culinary arts, and the tuition is $54,000. Do you know what the starting pay is for people in a restaurant, a cook? It is about $10 an hour. So I said: Are you concerned about paying back this student loan? The answer was: Yes, but someday I may own a restaurant. Well, they may. These students were misled into believing they were going to get a job to pay them enough to pay back that student loan, but very few will be able to do so. There just isn't that much money in that line of work. I wish we could suspend all the ''Top Chef'' shows on the cable networks for a couple years so kids will stop signing up for $50,000 training courses and borrowing student loans they can never pay back to become the ''top chef.''

For some, I wish them the best, but it is going to be impossible—difficult at least—for them to pay their loan back. For another school that was upstairs, it was $41,000 for the culinary arts degree.

I say to the Presiding Officer, who is also from Illinois, we have something called the City College of Chicago. Do you know what the same culinary arts course, over a 2-year period of time, which is just as good, same course, same training—what it costs in tuition for 2 years? It is $12,000. It is $12,000 to go to a city college, a community college, for culinary arts. But it is $54,000 to go to the Illinois Institute of Art—whatever that is—out in Schaumburg. You may say to yourself that these students are dragging themselves deeply into debt that they may never get out of, and the default rate at for-profit colleges is outrageous. It is double what it is for many other schools across America.

The growing levels of student loan debt and the increase in defaults are undermining our economic recovery. Instead of contributing to the economy, many graduates and former students are doing all they can to dig out of debt.

While high tuition levels and student debts are a problem across higher education, I am particularly troubled by these for-profit colleges. Low-income students come to these colleges in droves, lured by promises of high-paying careers and flexible courses. Did you see that ad on cable TV saying you can get a college degree in your pajamas? It shows this beautiful young girl in her pajamas saying: I am going to college in my pajamas.

Here is an alert to young people across America: You are not going to earn a college degree in your pajamas. You have to dress up and be part of the world and go to school. I understand that you can go online, and for many people that is a great way to go to school, but it takes more than lounging around the house and going online and ending up with a worthless degree. One of the persons who testified in our hearing was a young girl who is a graduate in law enforcement from the Westwood College. Ever heard of it? I haven't. She went to school there in Chicago; it took her 5 years. She got a bachelor's degree in law enforcement because she wanted to work for the Chicago Police Department or the Sheriff's Department. She wanted to be a professional there and she would have a bachelor's degree. They laughed at her when she showed them that degree. Westwood College? They didn't even accept or recognize it. There she sat, after 5 years of education, with a worthless degree. Do you know what it cost her? It cost $86,000 in student loans. That is how much she owed for that worthless degree. Now she cannot get a Federal student loan to go to a community college. She cannot get a Pell grant. She is paying $600 a month and living in her parents' basement.

That is the reality of life for these young people who are lured into these for-profit colleges. What are the biggest recipients of Federal loans in America today when it comes to those colleges? No. 1, University of Phoenix, the Apollo Group. How many undergraduate students do they have? They have 480,000 undergraduate students—more than the combined undergraduate enrollment of the entire Big Ten schools. No. 2, Kaplan; No. 3, DeVry; No. 4, Penn State University, which offers online courses. They are taking out the lion's share—25 percent—of all Federal student loans for education help to for-profit colleges and have 43 percent of the student loan defaults. It tells the story.

Low-income students don't know any better. They are signing up for courses with promises that can't be kept. I went to the Web site of Roosevelt University, an established college in Chicago, to look up some information, and I was bombarded with ads from these for-profit schools. I called the President of the school and said: Chuck, have you looked at your own Web site? You can't find Roosevelt on there. There's Argosy and Corinthian and all these things thrown at you. Imagine a young person who is trying to decide where to go to school.

It is time to look at risk sharing when it comes to student loans. These for-profit colleges ought to be on the hook. If they are going to lure young people into debts they can't pay, they ought to have some skin in the game and say: If there is going to be a default, we are going to pay a price too. Secondly, I am sick and tired of these schools that are not accredited and are being given money for Federal student loans. If your school is not accredited and if your hours cannot transfer to another school, you should not receive Federal loans. Students should not have to go through a research investigation to decide whether a school is accredited. That is not their job and should not be. It ought to be our job as a requirement. We ought to say that if you want to qualify for Federal aid for education, you have to be an accredited school. If it is a phony school, you don't get Federal money. That ought to be the basics.

Today, school officials are working with incentives, incidentally, that push companies to bring in the highest volume of financial aid, which means they will sign up anybody who can qualify. They don't care if you can read or write. Literally, they will put you on as one of their students earning a baccalaureate degree, and they will get the money from the Federal Government. Incidentally, they complained recently because we capped how much Federal money a for-profit college can receive of their revenues at 90 percent—and they complained. Colleges that have burdened students with this debt, without giving them the skills and credentials, should share a piece of this default risk. Maybe then the colleges would focus less on bringing in as many students as possible, at the highest tuition as possible, and focus more on preparing students to succeed. We need to seriously consider this risk sharing, as well as other ideas to bring student loan debt defaults under control. I look forward to working with my colleagues.

Look at your own States. For those of us who have voted reflexively for Federal student loan increases and Pell grants, the party is over. I will not stand by and watch billions in taxpayers' money funneled into for-profit schools that heap debt on the students and fail to give them the training and degree they need to succeed in life. It is time to bring this to an end.

I yield the floor.

The PRESIDING OFFICER. The Senator from South Dakota is recognized.

Mr. THUNE. Mr. President, the legislation before us is the small business bill, which includes a number of provisions. I have stated before in comments on the floor that there are a number of concerns I have about the $30 billion lending fund that is included in what is now the Baucus-Landrieu substitute amendment to the small business bill.

I simply say, in reaction to the comments of the Senator from Illinois, because a suggestion was made that somehow Republicans were trying to block this bill, I think everybody should know this is being debated under a procedure that is very unique. The Democratic leader filled the tree, which blocks Republicans from offering amendments. So it should come as no surprise that the minority party would react negatively to not being able to have any of their amendments considered or voted on in a debate about legislation such as a small business bill, which we happen to think is very important.

The suggestion was made by the Senator from Illinois that, again, somehow Republicans are being resistant to or blocking this, I think, misses the broader point, which is that there are a number of us who have amendments we would like to offer to try to improve the bill and make it better. But the majority party has filled the tree, and that means, in layman's terms, that they are not going to allow any amendments. This is being considered under a procedure that doesn't allow us to offer amendments, and I have a couple that are filed at the desk. If I were permitted to do so, I would offer them. I think they address what are some of the fundamental shortcomings in this underlying legislation.

I don't think we ought to be using taxpayer dollars to establish this new fund—this $30 billion lending fund or what I like to refer to as "TARP III"—and there is a section 103 of the substitute amendment that creates this small business lending fund. Part of that section allows a bank that received TARP funds to refinance into the newly created small business lending fund. Obviously, there are advantages to this refinancing because this new lending fund was created specifically to avoid the negative association with TARP.

While I have serious concerns with allowing these banks to refinance into this new program, at least the legislation prevents those banks that are behind in dividend payments from refinancing into this new fund. I would give the underlying legislation credit in that regard. What the legislation fails to do, however, is provide a similar prohibition on those banks that are behind in their TARP payments from applying to receive even more capital from the Treasury to this new fund. They can't refinance, but they can get more funds from the Treasury, even though they are delinquent in their payments already to the TARP fund.

According to the most recent report, on July 21, 2010, there were 105 TARP recipients who took funds through the Capital Purchase Program that missed their scheduled dividend payment. That is $157.7 million in outstanding obligations to the Treasury through TARP.

Keep in mind, there were over 70 banks under $10 billion in assets that have received TARP funds through the Capital Purchase Program. Of the six largest banks over $10 billion, all but one have paid back their obligation. Of the 701 banks under $10 billion in assets, there are 625 banks with outstanding investments.

If you are a bank that took money from TARP and are behind in what you owe the taxpayers, you should not be allowed to take more money from the Treasury. This is a major loophole in this legislation.

My amendment, No. 4614, would make sure those banks that are nonpaying TARP recipients would not have access to more capital through this fund.

A bank would not extend a second loan to a customer who is behind in their first loan. Why wouldn't we, as the American taxpayers, provide the same restrictions when it comes to a loan through the Treasury? It seems to me that is a fairly straightforward understanding that we ought to have. If you are delinquent on your first loan, you should not be able to get a second one. As I said before, that is a shortcoming in this legislation.

My amendment would correct that. I think this is an important safeguard that ought to be included. Having said that, that is not enough to make this legislation stronger and better.

At the end of the day, I still believe the small business lending fund will be a reincarnation of TARP. This is not something I can support.

While I am opposed to the inclusion of this fund in this small business bill, I am particularly concerned that we are not adequately measuring the cost of this provision. When I say that, I point out that the CBO, Congressional Budget Office, scored the small business lending fund, and when they did that, the analysts produced two estimates, which is a rare departure from their standard procedure.

One cost estimate was based on a cash-basis method of cost accounting. The other was based on fair market value. The former estimated that the small business lending fund would save taxpayers $1.1 billion over 10 years. That is using the cash-basis accounting method that I mentioned earlier. The fair market value estimate suggested this fund would result in a $6.2 billion net loss in taxpayer money over that same period.

You have a $7.3 billion difference on a $30 billion fund, and I think that is due to the inadequacies in the cash-basis method of accounting, which does not include adjustments for market risk. That is why I think the CBO submitted two different cost estimates, which, as I said, is a sort of departure from their common practice.

To quote the Congressional Budget Office—and this is important:

> . . . cost estimates made under the Federal Credit Reform Act [which is what we use in terms of making estimates of what things will cost] do not provide a comprehensive measure of the cost to taxpayers primarily because the Federal Credit Reform Act methodology does not include costs that stem from certain risks in lending—risks that private investors would require compensation to bear.

CBO goes on to say:

> In particular . . . it does not recognize a cost for the risk that losses from defaults will be higher during periods of market stress when resources are scarce and most valuable.

That is from the Congressional Budget Office pointing out the flaws in the traditional way in which the cost of a program such as this would be accounted for.

Phrased differently, with this fund taxpayers are assuming an uncompensated level of risk as lenders of last resort, and this risk is not accounted for in the cash-basis cost estimate.

While I believe the movement of the Federal Government to ownership of private companies in and of itself is a disturbing trend and is one that needs to be stopped and rolled back rather than promoted in advance, it is critically important that these programs include a proper accounting of their costs—something that is lacking in this small business bill.

What my amendment No. 4610 would do is require the Congressional Budget Office to score Federal Government purchases of equity purchases or capital investments on a fair-value basis that considers market risk. In other words, it would use the convention that was used in the original TARP bill that was passed back in 2008. This change would be consistent with what private companies are doing in terms of moving toward a fair-value method of accounting because of its superiority to a cash-basis method of accounting.

This is not the first time this more accurate method of scoring would have been used by the Congressional Budget Office. As I said, when the original TARP program first moved through Congress, it included an important provision that the cost of the bill be calculated using a discount rate adjusted for market risk. Yet, despite all the similarities between this bill we are debating today and TARP, this bill does not have any such provision. Because of this, many Senators and Members of Congress believe this bill will save money for the taxpayers, when, in fact, the opposite is true. If you use the fair-value method of accounting, as I said earlier, according to the Congressional Budget Office, this provision—this $30 billion mini-TARP program—has a net cost of $6.2 billion as opposed to a savings of $1.1 billion if you use the cash method of accounting. The most comprehensive estimate we have from the CBO is that the $6.2 billion will be more reflective of the actual cost, but because the cash-basis method of accounting is used, this cost is not going to be added to the pay-go scorecard.

One of the most important duties we have as Senators and Members of Congress is to be vigilant in watching the taxpayers' money and how it gets spent. This duty has taken on increased importance as the Federal Government and Federal spending has exploded and our national debt has now surpassed $13 trillion.

A quick point on that point. Before I got up to speak, the Senator from Illinois was talking about the Federal debt. Of course, as is typically the case around here, when one of my Democratic colleagues gets up, they think that all that happened is all Bush's fault. Anything bad in America today, it is Bush's fault. What he did not mention, of course, is the fact that on January 2007, the Democrats took control of both the Senate and the House of Representatives. Since that time, they have been writing the budgets. We all know that under the Constitution, the President cannot appropriate a single dime. It is Congress that appropriates money. Since January of 2007, it has been the Democrats who have been writing the budgets around here.

Even if you give them the benefit of the doubt and say when the President came to office in January 2009 and you measure it from that point forward to where we are today, we have added almost $3 trillion to the Federal debt—almost $3 trillion since January of 2009 when this President took office. If you were breaking that down into terms people can understand, if you are a child under the age of 18 in America today, when the President took office in January of 2009, the debt for a young person under the age of 18 was $85,000. Today, it is $114,000. Since this President has taken office, the share of the Federal debt for an average American under the age of 18 has increased by $29,000. By the year 2016, that number will be $196,000. Mr. President, do you want to know why? Because the debt is projected to explode over this next decade. In fact, it took 232 years and 43 Presidents to rack up the first $5.8 trillion in debt. In the next 5 years, we are going to double that and triple it under the President's budget.

I will be the first to admit that Republicans are not perfect, and when we were in charge of the Congress, there were certainly things we should have done better in terms of getting our fiscal house in order in Washington. But to say for a moment, as the Senator from Illinois tried to imply when he was on the floor, that somehow this was a function or a problem that was created by the Republicans or somehow by Bush is just absolutely inconsistent with the facts. As I said, Democrats took control of this Chamber in January 2007. The President became President of the United States in January 2009. Since January 2009, the Federal debt has grown $3 trillion.

There is a whole lot of spending going on around here that is being routinely ignored by Members on the other side when they get up to speak, such as a $1 trillion stimulus bill that was designed to keep unemployment under 8 percent. We all know unemployment today is well north of 9 percent. In fact, with no end in sight, the amount of spending and borrowing that continues today, in my view, puts in jeopardy the opportunity for this economy to recover and begin to create jobs, which is what all of us want to see happen.

But when you spend $1 trillion and borrow it and you hand the bill to your children and grandchildren, when you create a massive new expansion of health care which, when fully implemented, will cost the taxpayers $3.2 trillion and at every turn continue to spend more and more, at some point you have to say, when you are in a hole, you ought to quit digging. That is precisely where we are. We are in a deep, deep hole.

The first rule should be: do no harm. When it comes to spending and the debt, the administration and the current leadership of this Congress have taken that to a whole new level. That is a comment about this debt and one of the reasons this legislation is so important and why it is important that we get it right in terms of accounting for the true costs of the underlying bill.

It is my belief that the fair-value method of accounting provides a much more accurate, much more transparent, and much more comprehensive way of accounting for the costs and benefits of these programs. To ignore the risks these programs pose to the hard-earned money of American taxpayers is simply to stick our heads in the sand and hope. This is not a responsible strategy for governing, and I hope my colleagues will work with me to update this outdated method of scoring with regard to this $30 billion mini-TARP that is included in the small business bill.

While I have many concerns with this bill, some of which I just outlined, we are debating what I think was a well-intended bill with a lot of good provisions and many I support. There are a number of provisions in this bill which, left to themselves, I think will be good. I am a member of the Small Business Committee. We made adjustments in the small business lending program, increasing loan sizes and guarantees for SBA 7(a) and 504 loans and temporarily reducing the fees for some of those loans. It updates SBA's very outdated size standards and provides much needed tax relief through bonus depreciation, section 179 expensing, and allowing business credits against the alternative minimum tax.

There are provisions in this bill that I think do get at providing assistance to small businesses, but I cannot support a new program that puts more taxpayer dollars at risk. The American taxpayer is expected today—this is with the most recent estimate—to lose $66 billion thanks to the original Troubled Asset Relief Program, the TARP, and this current legislation reincarnates that TARP through a $30 billion Treasury fund that will be used to inject capital into banks that are then directed to lend to small businesses.

Treasury and the administration have tried various programs through TARP to increase small business lending without any success, mostly because of a lack of interest on the part of the banks. Again, this lack of interest is likely attributed to the fact that many banks recognize the negative stigma that accompanies accepting TARP money, and that is why I think the Democrats and the administration are trying to create a new fund and call it something other than TARP. The actual language in this amendment provides assurance to banks that by accepting this money, they would not be TARP recipients. That is actually specified in here because they want to get rid of the original stigma that comes with the original TARP. In their talking points, even the White House admits the ''program would be separate and distinct from TARP to encourage participation.'' Essentially, what they are saying is, We are not going to call it TARP. We are going to call it something different. If we call it TARP, banks will not participate, and we want to encourage banks to participate.

The administration goes on to say that ''the administration's proposal would encourage broader participation by banks, as they would not face TARP restrictions.'' These ''restrictions'' the White House is referring to include limits on executive compensation and warrant requirements—many of the restrictions included in the original TARP program.

I wish to point out for the benefit of my colleagues that Elizabeth Warren, who serves as the chairwoman of the Congressional Oversight Panel, has criticized the manner in which TARP funds have been provided to smaller banks—15 percent of which cannot even make payments to the Treasury regarding TARP funding they received. The new fund relies on the same problematic lending structure that has been deemed a failure under TARP.

I wish to quote what this Congressional Oversight Panel said about the Small Business Lending Fund.

> The small business lending fund prospects are far from certain.
>
> The small business lending fund also raises questions about whether, in light of the Capital Purchase Program's—

That was the program under the main TARP—

> poor performance in improving credit access, any capital infusion program can successfully jump-start small business lending.

It goes on to say:

> Banks are subject to a stigma for accepting government money no matter the name of the program.
>
> The small business lending fund looks uncomfortably similar to the TARP.
>
> Like the Capital Purchase Program—

In the original TARP—I continue to quote from the Congressional Oversight Panel's report—

> the small business lending fund injects capital into banks, assuming that an improved capital position will increase lending—despite the lack of evidence that the Capital Purchase Program—

Again, the original TARP—

> did so.

This lending fund does not affect the capital issues affecting banks ''nor any of the issues affecting small business credit demand.'' It goes on to say that such a fund ''runs the risk of creating moral hazard by encouraging banks to make loans to borrowers who are not creditworthy.''

That is all from the Congressional Oversight Panel's report about the very Small Business Lending Fund—the concept we are debating as part of the small business bill.

I am ready to close, but the point I am trying to underscore with this amendment is that the same flawed structure for repayment that is not working for small banks under the current TARP is included in the legislation before the Senate. Knowing this, we are purposefully removing some of the safeguards created through the original TARP, allowing TARP recipients who are behind in their payments—people who are delinquent in their payments—to participate in the new program and get even more funding under this new mini-TARP program.

I believe there are more responsible methods to support our small businesses than through a $30 billion Treasury line of credit for banks. Let's focus on the programs we know work. As I said, some of them are included in this bill, such as the SBA 7(a) and 504 loan programs. Let's not create a new Treasury fund and hope somehow in the end it is going to pay off. History has proven otherwise.

We all know small businesses are the economic growth engine in our economy. They are what keeps this economy growing. Two-thirds or three-quarters of the jobs in our economy are created by small businesses. Despite spending hundreds of billions of dollars on a stimulus bill, the Nation's unemployment rate is still at 9.5 percent. How many more billions are we going to have to spend before we realize that might not be the correct solution to this problem?

Let's pass a good bill that helps small businesses grow and prosper, not another version of a failed TARP program. I think we, as Members, ought to be able, in the context of this legislation, to offer amendments. These two amendments I have spoken to this morning are examples of amendments that would make this bill stronger and that we are being blocked from offering because of the procedure under which the leader has determined this bill ought to be considered.

That is unfortunate. It goes against the very nature of the Senate, which is a place that tends to be free-flowing and open to debate and where all Members have an opportunity to speak to legislation and to get their amendments voted on. That has not been the case here. And I regret that, but we are where we are. We are going to have a vote later, and I hope my colleagues will vote to defeat this bill.

I thank the Presiding Officer.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. FRANKEN. Mr. President, I want to say one thing to my esteemed colleague from South Dakota. I went all around the State of Minnesota during this recess. I had 118 meetings. Many of them were economic development meetings all around the State. Over and over and over I heard from small businesses that they can't get access to capital, and I heard from commercial bankers that they can't lend capital because their regulators are saying: Well, we are going to have to write that all off.

Small businesses want this. This is not toxic asset relief, as TARP was. This is small business lending. Small businesses create 70 percent of new jobs, and this is something that Minnesota's small businesses want and the Small Business Administration in Minnesota wants.

Mr. President, I ask unanimous consent to speak for 15 minutes as in morning business.

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

FDA FOOD SAFETY MODERNIZATION ACT

Mr. FRANKEN. I rise today, Mr. President, to speak in support of food safety legislation. Food safety is a topic that affects every single American. Food safety is something we all care about because we all eat. American consumers spend more than $1 trillion on food each year, and each year there are an estimated 76 million cases of foodborne illness, including at least 5,000 deaths a year in our country. That is why it is time that this important piece of bipartisan legislation be brought to the floor. We have waited far too long to do our job and to complete our work on the issue. We have waited too long to pass a bill that will save lives.

In November, we unanimously voted S. 510, the bipartisan FDA Food Safety Modernization Act, out of the HELP Committee—unanimously. At the time, we were talking about the recent outbreaks of E. coli in spinach and salmonella in peppers and peanut butter. But months have passed and we have still not brought the bill to the floor. In the months since we have passed the bill out of committee, we have already had more outbreaks of salmonella—from black and red peppers in 44 States and frozen tuna in 6 States. Seven states have been affected by raw milk outbreaks, including my home State of Minnesota. Eighteen states have been affected by salmonella in frozen dinners. And this summer, we have seen one of the worst outbreaks in recent history. From May to September of this year, 1,519 illnesses were reported that are likely to be associated with contaminated eggs. That includes at least 14 Minnesotans. And we may still see more cases before this awful situation has been resolved.

With all these cases of illnesses and the recalls taking place, I think we all understand the serious threat contamination poses to our food supply. We have heard repeatedly, and correctly, that our current food safety system is broken. The system relies too heavily on reacting to outbreaks after they have occurred instead of preventing their occurrence in the first place. This is why we need to pass Federal legislation now. We must stop more Americans from getting sick and bring our country's food safety system into the 21st century.

S. 510 will provide FDA with the resources and authorities it needs to properly oversee that safe food comes to our table. There are a lot of great provisions in this bill, and I want to highlight a few that are most important to us in Minnesota.

First, the bill would give FDA the authority to require certification of imported food and verify that the food coming from foreign suppliers is safe. Our food safety system was set up in the early 1900s, and a lot has changed since then. The key difference is that we have a lot more imported food than ever before. The truth is that even if we do everything right with our food products here in the United States, about 15 percent of our food comes from other countries. S. 510 gives the FDA new authority so we can avoid situations such as the 2007 melamine contamination in the infant formula and pet food coming from China.

Secondly, S. 510 would get the FDA out and inspecting food producers more often and require them to keep better records. Right now, FDA visits a given food facility every 10 years, on average. A lot can change in 10 years. Ten years is not frequent enough to assure safety.

The issue is primarily one of lack of resources. As the number of food producers has increased, FDA's capacity has remained stagnant. This bill would provide FDA with the resources to inspect more frequently and target the facilities with the greatest risk for outbreaks. FDA would also have the authority to require better recordkeeping and access records if there is a reasonable probability that a problem is occurring.

Lastly, S. 510 would also make sure the FDA is equipped to trace and recall food quickly when it needs to. Right now, there are a lot of processed foods with a lot of different ingredients and there are no requirements for anyone to track where they come from, and when there is a problem, FDA can't force a company to recall its product, even when there is overwhelming evidence to do so.

Let me give an example of why these traceback and recall provisions are particularly important. In late 2008, the Minnesota Department of Health noticed an elevated number of salmonella cases. My State has one of the best surveillance systems in the country, and after comprehensive investigations, the Minnesota scientists identified the King Nut brand of peanut butter as the culprit, produced by the Peanut Corporation of America, or PCA.

Minnesota folks worked with the FDA and the CDC, and in January companies began to voluntarily recall products with potentially contaminated products. But it was difficult for the company to know exactly where the contaminated peanut butter had ended up. So the recall was expanded three different times to try to get hold of the outbreak.

Most companies complied. But on March 23, 2009, the FDA asked the Westco Fruit and Nut Company to voluntarily recall all of its products containing peanuts from PCA because of the contamination threat. Westco refused. This company willingly put American lives in danger. And since the FDA doesn't have mandatory recall authority—now—it wasn't until April 27, 2009—36 days later—at the request of the FDA, that U.S. Marshals seized about $35,000 worth of PCA peanuts and products containing PCA peanuts at Westco because of possible salmonella contamination. So even after the tainted products were identified, it took almost 5 weeks to get the salmonella-laced peanut products off the shelves and away from where they could harm people.

This contamination and the subsequent investigation led to weeks of multiple company recalls of more than 2,000 different products from the shelves. But if the FDA had been able to immediately trace foods back to their producers and demand they be recalled, it could have withdrawn the contaminated foods much more quickly, saved lives, and prevented illness. Because so much tainted peanut butter got into our markets, the whole debacle was estimated to have cost the industry nearly $1 billion and led to the loss of innumerable jobs.

But the greatest cost was to American families. Because of the tainted products that PCA sent to market, over 700 Americans became ill, half of them children. Nine people died, three of them from my home State of Minnesota.

One of those who died was Shirley Almer, a Minnesota mother of three sons and two daughters. She had survived brain cancer and was in good health at the time of the outbreak. There was Clifford Tousignant of Duluth, a Korean war veteran, father of six, grandfather of 15, and great-grandfather of 14, who died. And Doris Flatgard of Bergen, MN, who had been married to her husband John for 65 years before she died from eating peanut butter on her morning toast.

I wanted to recount this outbreak because there are lives that were lost because we failed to protect the American people.

The bill we referred out of the HELP Committee takes some steps to improve the traceback infrastructure, but I think we can do more. I decided to work on this issue when Shirley Almer's three sons came and met with me and told me about how their lives had changed since they lost their mother; how their family would never be the same. They told me about the contaminated peanut butter, about how it had been included in countless products across the country, but we couldn't track the problem down fast enough since we don't require companies to keep track of where ingredients come from.

That is why I have been working closely with my colleague Senator BROWN of Ohio to strengthen the traceability provisions in S. 510. I think we have made some good progress and I am hopeful the bill will be even better because of our efforts.

S. 510 includes a lot of other great provisions too and there is not enough time to talk about them all. But I do know that many elements of the bill were inspired by the great food safety work we do in Minnesota. We are a national leader, especially in early detection of foodborne disease. I am pleased that my colleague from Minnesota, Senator KLOBUCHAR, has a great provision we hope will be in the final bill to enhance our Nation's foodborne illness surveillance.

Mandatory recall authority, traceability, more frequent inspections, better recordkeeping, and safer imported foods—these are just a few of the reasons why we need to get the food safety bill to the President's desk, and we need to get it there now. Not later, but now.

This is legislation that every member on the HELP Committee, on both sides of the aisle, voted to favorably report. Every Member of this body recognizes the importance of food safety to the American people. The FDA Food Safety Modernization Act will finally give the FDA the tools it needs to do its job and keep Americans safe. So I urge the majority leader to bring this critical legislation up before we head home in October. We can't afford to wait any longer.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Florida.

Mr. LEMIEUX. Mr. President, I come to the floor today to talk about job creation and what this Congress needs to do in order to make sure that our businesses have the best chance of succeeding in what is a very difficult business climate.

I have the privilege of representing the great State of Florida—18½ million people. The economic difficulties we are having now are as difficult as anybody can remember. We are No. 1 in being behind on our mortgage payments; No. 1 on mortgage foreclosures for the first half of the year, and unemployment is at record highs—near 12 percent. No one can remember a recession as difficult as the one we are experiencing.

I think it is our job, as Members of Congress, to do what we can where we can be helpful to try to get people back to work. In Florida, our small businesses are struggling. When I drive down the State roads of Florida, down Federal Highway in southeast Florida, or I am in Tallahassee on Monroe or I am over in Pensacola or in Jacksonville or wherever I am in the State—and I spent a lot of time in the State during our work period in August visiting with business owners—I see more and more doors that are shut, small businesses that have been closed.

I talked to a woman today who owns a small strip shopping center. She said in the past 3 years they have gone from being 95 percent occupied to 55 percent occupied. Businesses are struggling. That is why I was proud to work with Senator LANDRIEU and others to fashion a small business bill, a bill I believe is going to help our small businesses get back to work.

The small business bill does three things, principally, that I think are going to help small businesses. First, it is going to cut taxes on small businesses by $12 billion—a tax cut for small businesses. Among those tax cuts is a 100 percent exclusion of capital gains tax for those who invest in a small business. There is a provision to allow firms to immediately write off 50 percent of the cost of new equipment, and there is a doubling of the tax deduction for expenses for start-up businesses to $100,000. These will allow businesses to pay less taxes, to buy new equipment, hopefully hire new people, and get Floridians and Americans back to work.

The bill also has a lending facility, a $30 billion lending facility that is going to bring money to small community banks to get loans to them—not Goldman Sachs, not Citibank, not Wall Street but the banker down the street, the banker who knows the small dry cleaners, the local paint shop, those small businesses that employ our friends and neighbors. If these banks do not loan the money, they will have to pay a higher interest rate back. They cannot just keep the money on their books to make their balance sheets look better. If they want to participate in this program—and it is voluntary, by the way—if they want to participate and get these dollars out to small businesses, they have to lend them out.

All over Florida small businesses tell me they cannot get a loan, that their credit line has been frozen. If they are some of the few businesses that have a chance to expand, they cannot do so because they cannot get the needed capital.

I visited one of those businesses this past week in Florida, a business by the name of UniQueso. They are a family business, two brothers, and they make dairy products, principally focused on the growing Hispanic community in Florida. They have had great success because this is a market that wants more of these wonderful products. They are moving their business from Cocoa to Orlando, FL. They are building a new plant. I had a chance to tour it. They are going to open in about a month, and they are growing their business. They are doubling the number of their employees. They are going to produce 10 times more product than they did at their previous location—just the kind of story we want to hear.

But even though they have a good business plan, even though they are making money, 10 banks denied them loans. What did they do? This family-owned business had to sell off a majority share in their company to get an investor so they could expand. At least they were able to find a private investor, but they should not have had to give up control of their family business just to succeed in the marketplace when no bank would give them a loan.

I believe this small business bill, while it will not cure every problem, is a good start. It is not going to cure all the troubles we have in this economy. That is why I am proud to support it. Frankly, there are not a lot of folks on my side of the aisle who support this bill. But I have to look at this bill for what it means for Florida and the country. It does not increase the debt, it does not increase the deficit, it does not increase taxes—it cuts taxes—and it is going to help small businesses with tax cuts and the credit they need to build their small business and, hopefully, put people back to work. That sounds good for Florida. It sounds good for America.

But we need to do more. Where I do differ with my colleagues on the other side of the aisle is that we have taken steps in this Congress in the past year and a half that have been chilling to business and job creation. When I talk to business folks in Florida, they tell me this new health care law is keeping them from hiring new employees. They do not understand it, it is complicated, it is thousands of pages. They understand if maybe they hire that next employee, they will come within the confines of the bill and will be fined if they do not offer the type of health care the Federal Government has mandated.

The financial regulation bill we passed in this Congress has caused confusion and anxiety among businesses in Florida, some of which have told me they are going to move a portion of their business to the Bahamas so they will not fall under these regulations. That is jobs that will leave Florida.

Small business in Florida is frozen in its tracks because of an uncertain regulatory burden from Washington and now the specter of new taxes. At the end of this year, the tax cuts that were put in place nearly a decade ago are set to expire. If those tax cuts expire, we are going to raise taxes during a recession, and we are going to raise taxes on small businesses. As many as three-quarters of a million small businesses in America will be impacted by higher taxes at the end of the year if Congress does not act.

Look, I walked across the aisle to work with my colleagues from the other side on something that made sense for job creation. I know now that there are four or five or six of my colleagues on the other side who are saying let's not raise taxes on anybody during recession. We need to work together. We need to work together to be problem solvers. It does not make any sense to raise taxes during a recession. It doesn't make any sense to raise capital gains taxes, which will stop investment. It doesn't make any sense to raise the taxes on dividends, which will hurt seniors, which will hurt people who invest in companies, which will chill business. It doesn't make any sense to raise taxes on small businesspeople who, we know, create two out of every three jobs in this country—more than that in my home State.

I hope we will work together to extend the current policy for everyone and not raise taxes in the middle of a recession.

Let me say there is one more thing this Congress can do right now to help job creation. We have three pending trade agreements—with Panama, with Colombia, and with South Korea. The President of the United States said in his last State of the Union Address that he wants to pass these free-trade agreements. He wants to promote trade and exports with foreign countries.

Why haven't we taken them up? Why haven't we passed them? Colombia and Panama are huge trading partners of my home State of Florida. If we pass these free-trade agreements, we will create jobs in Florida almost immediately. Let's get out of the business of pulling huge levers on this economy, imposing new restrictions, and burdens and taxes on businesses. Let's promote trade. Where we act, let's act judiciously, with the surgeon's knife and not the bureaucrat's bludgeon.

Business is hurting in this country, small business especially, hurting very much in my home State of Florida. I think there is a way for us to work together to do these things which will put Americans back to work.

I yield the floor.

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. KAUFMAN. 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. KAUFMAN. Mr. President, I ask unanimous consent that I be allowed to speak as in morning business.

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

FEDERAL EMPLOYEES

Mr. KAUFMAN. Mr. President, I rise today to express my concerns about the continued disparagement of our Federal workforce. I also want to speak about the opportunity we have for long-term investment in making our government work better for all Americans.

Earlier this month, people across the country took time to mark Labor Day. It is a moment to celebrate one of the chief American values that has helped make this country so great, that is, hard work. Employees in every industry tirelessly each day not only realize their own share of the American dream, but also because it is part of our culture to strive for success in every task we undertake.

I have seen the same quality every day throughout my career, exemplified in all the outstanding government employees with whom I have met and worked. That is why I have been coming to the floor each week to honor a great Federal employee. All of those I have so honored work extremely hard and serve with dedication.

In June, I spoke from this desk about how efforts to scapegoat government workers with threats to freeze their pay or cut hiring are counterproductive and how proponents of such measures use flawed analysis of compensation data to make their argument.

I was dismayed and upset to see once again an article in USA Today making the claim that Federal employees earn more than double that of private sector employees. USA Today based their article on the newly released data from the Bureau of Economic Analysis, and, quite frankly, they did a very poor job of it.

Unfortunately, their findings have been circulated to other papers and on television and are being used as fodder for political attacks directly against those who work in government jobs. The article's lead statistic is based on 2009 BEA data that shows the average amount spent by the Federal Government—not the average salary, the average amount spent by the Federal Government—on salary and benefits for each worker, is $123,049. For the average private sector employee in this country, they figure $61,051. This statistic would truly be shocking if it were true.

The newspaper also points to a trend, a growing pay gap, between Federal employees and those in private companies. That trend is also based on a flawed reading of statistical data.

In my remarks of June 17, I went through their early analysis of Federal compensation data from 2008 and explained the flaws in their methodology and how they drew spurious conclusions. This latest study simply repeats the mistakes they made last time.

Let me list several common analytical errors. No. 1, the analysis did not consider differences in experience and education. The data does not measure similar populations sometimes, even USA Today concedes. The article says that with regard to the gap in pay between Federal and private sectors: ''The analysis did not consider differences in experience and education.''

The analysis does not take into account the statistically significant fact that the private sector workforce is 52 times larger than the Federal workforce. There are 101.3 million private sector workers. Simply put, there are far more people proportionally in the private sector earning low wages than the Federal sector, only 1.9 Federal civilian employees, because the government has outsourced so many of its low-paying jobs.

This is like matching apples and oranges. Our Federal workforce has also become far better educated in the last 20 years, which translates into greater earning power. The most egregious mistake made by USA Today in its last analysis, which I spoke about in June, was trying to compare data from two different Bureau of Labor Statistics studies. The numbers the paper used for private sector salaries comes from the BLS's National Compensation Survey, while the numbers used for its Federal employee salaries are from another data set, the Occupational Employment Statistics Program.

Even the BLS has warned against comparing data from these sets against one another. On its Web site it says:

> Occupational wages in different ownership groups (the private sector, and state, local, and federal governments) are influenced by many factors that the [Occupational Employment Statistics] measure cannot take into account. It goes to list examples, such as ''level of work performed,'' ''age and experience,'' and ''cost of living'' adjustments for large urban areas.

For many of the occupations being compared, the total number of Federal employees in a given category is minuscule compared to the total employed in the private sector; therefore, leaving the statistical analysis in the lurch.

For others, the job categories in the private and public sectors are simply not comparable. One great example is broadcast technicians. According to USA Today, broadcast technicians in the Federal Government earn an average of $132,000 a year, while those in the private sector earn only a little more than $88,000.

However, what USA Today does not tell its readers is that according to the very same data set they use, there are only 110 broadcast technicians working in the entire Federal Government. In the entire national workforce, according to the same data, there are 33,550 broadcast technicians. This means the broadcast technicians in the Federal Government represent three-tenths of 1 percent, three-tenths of 1 percent of the total.

One can hardly compare them, especially since, according to the OPM, 99 percent of broadcast technicians in the Federal Government work for the Broadcasting Board of Governors here in Washington and are broadcasting throughout the world.

I know very well from personal experience that BBG technicians require much more experience and education than the average private sector broadcast technician working at radio and television stations across the country, many of which are very small.

The same is true for clergy. Most of the 810 clergy in our Federal workforce are employed by the Veterans Health Administration. I think it is reasonable to take a guess at what clergy might be doing at the VA—working as chaplains and counseling our wounded warriors. There are 42,040 clergy employed in this country, many of them with small congregations that cannot afford to pay much salary. It is impossible to draw conclusions by comparing 800 Federal clergy to over 42,000 clergy based on compensation alone.

Let's take a look at another one. Highway maintenance workers are said to make an average of $11,344 more each year in the Federal Government than in the private sector. However, if we look at the data, we find there are only 50 highway maintenance workers in the entire Federal workforce. When USA Today compares this to the total number in the private sector, how many highway maintenance workers are they looking at for an average? The answer is 5,190. That is 104 times more.

But this brings us to the other problem. Some of these jobs, like highway maintenance worker, do not have truly comparable positions in the Federal Government. When searching through the Office of Personnel Management's human resources data, one cannot even find such a category. The 50 who work in the Federal Government, who were listed in the BLS survey under this category, are likely performing very different, and quite possibly more highly specialized work, than most of the highway maintenance workers in the private sector.

The Federal Government is not like any private industry. Federal employees perform functions directly relating to public health, national security, and financial stability. Jobs in the Federal Government routinely involve decisionmaking that affects millions of lives.

Over the past 20 years, after calls in the 1980s and early 1990s to streamline government, many Federal jobs not directly related to ''inherently governmental functions'' have been outsourced. This is a good thing. As a result, the demographics of the Federal workforce have been transformed perhaps even more dramatically than most realize. That is the subtext behind the data chosen by USA Today.

By far, most of the jobs now performed for the government by private sector contractors are entry level and low wage. This includes maintenance workers, customer-service agents, security guards, and other jobs that typically receive smaller salaries.

Correspondingly, a larger share of the jobs still held by Federal employees is higher wage, supervisory, and professional—such as physicists, doctors, and highly specialized IT experts.

At the same time, the size of the Federal Government is virtually unchanged since the 1960s, even though our Nation has grown by 40 percent in the same period. According to the OPM, in 1960 there were 1.8 million Federal employees. Today, there are 1.9 million. Looking at this chart, one can see that the Federal workforce has shrunk drastically compared to the number of Americans its serves on a per capita basis. The total population of the United States was 180 million in 1960, and it has risen to over 300 million today.

These days, Federal employees are working harder than ever. In fact, and I have said this before, the USA Today is right about one thing. There is a public-private pay gap, but it goes the other way.

The Federal Salary Council reported last October that civilian Federal employees are making, on average, over 26 percent less than private sector workers in comparable jobs. This gap continues to widen.

I am thrilled that there are so many outstanding individuals who have chosen to work in public service knowing that they could probably make more money in the private sector. But the pay gap has certainly continued to discourage many talented Americans from making that choice.

Like all important decisions we make about government, our mission to recruit and maintain the best possible workforce must feature a strategic approach.

I think Linda Bilmes, of Harvard's Kennedy School, and Max Stier, the President and CEO of the Partnership for Public Service, put it best when they wrote:

> The fundamental mistake . . . is to think of the federal workforce as a cost rather than as a resource that delivers specific benefits to the nation.

That was from an op-ed in the Boston Globe in February.

The great Federal employees I have honored from this desk over the past 16 months are just a few examples of government workers who are an asset and make great contributions to the government but, more importantly, to the country.

As Director of the Office of Public Housing Programs at HUD, Nicole Faison inherited a rental assistance program rated as ''high-risk'' by the GAO for 13 years due to rampant waste, fraud, and abuse. She quickly turned it around, eliminating over $2 billion—that's billion with a ''B''—in fraudulent payments what is that worth?

Eileen Harrington and the Federal Trade Commission's ''Do Not Call Team'' brought peace of mind to dinner tables around the country when they designed and implemented the national registry to stop telemarketing calls. Tens of millions have benefited.

Dr. Gareth Parry, who retired last year after a long career at the Nuclear Regulatory Commission, worked to create risk assessment models for our Nation's nuclear facilities. His efforts significantly improved the safety of communities near nuclear plants and those who work there.

I could go on and on and on.

But the example of Dr. Parry leads me to an important point we here in Congress must consider. There is a lot of data on the demographics of our Federal workforce. While some choose to point to compensation, the statistic I think is most pressing and needs the most attention is that of retirement eligibility.

Currently, there are two retirement systems for civilian Federal employees. Those who began work before 1984 fall under the old civil service retirement system, or CSRS. All employees hired after 1984 participate in the Federal employees retirement system, or FERS. In 1997, the number of employees eligible to retire under CSRS was 12 percent. In 2006 it had climbed to 37 percent. That is over a third of the workforce. That is over a third of the Federal workforce. For those eligible to retire under FERS, the number climbed from 7 percent to 13 percent.

As I said in June, the OPM today estimates that a fifth of the Federal employees will leave the workforce by 2014. That is almost 400,000 people. Many have already been postponing retirement for years because they know we need their talents and experience.

Today our civil service finds itself at a crossroads.

We could choose to listen to those who continue to disparage public employees and cut salaries or cap hiring. We would, however, undoubtedly see more failures to regulate Wall Street because we didn't have regulators or those who drill offshore, failures to secure our borders and keep our communities safe, failures to ensure that all citizens have fair access to resources they need to pursue the American dream.

We can do that, but there is an alternative. Actually, I would say, it is a necessity.

We can choose—now at this critical moment—to renew our investment in a strong, vibrant, and successful Federal workforce. The return on such investment promises to be high—indeed, if we fail to devote ourselves now to building a top-notch civil service, the next generation of Americans will have to spend even more to fix the problems that will result.

In his book, ''Excellence,'' former Health, Education, and Welfare Secretary John Gardner—who founded the public interest group Common Cause—wrote that:

> The society which scorns excellence in plumbing as a humble activity and tolerates shoddiness in philosophy because it is an exalted activity will have neither good plumbing nor good philosophy: neither its pipes nor its theories will hold water.

In the same way, if we don't value our government workers and the jobs they perform, we're going to end up with a Federal workforce—and a government—that isn't the best it could be for all of us. I have never known Americans to settle for second-rate.

What does a sound investment in our Federal workforce look like? First, we will need to redouble our efforts to recruit new hires, and I hope many will be young graduates. We have so many young people right now who are eager to give back to this country and make a difference.

According to the Partnership for Public Service, the Federal Government will need to fill 273,000 full-time, mission-critical jobs over the next 3 fiscal years. By mission-critical, they mean jobs considered essential for agencies to fulfill their obligations to the American people: doctors and nurses at the VA, counterterror analysts, lawyers, high-tech specialists, contract administrators. These are very special jobs. We have high unemployment now, but the kind of jobs we need are not readily available.

So how can we attract the best and brightest of the new generation into public service? We need to pursue policies and enact legislation that will enable a work-life balance competitive with the private sector. This includes programs like parental leave, loan repayment, and telework. I am glad that some departments are already making strides on work-life balance, and I commend Chairman AKAKA of the Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia for being a leader on these issues.

We should also be launching programs to help train managers and supervisors, since more and more Federal employees are taking on these roles. With so many lower wage jobs outsourced to contractors, we need to ensure that those managing contracts remain Federal employees and that they have the skills and experience to make sure contract work is being performed according to the public interest. Just think how much it has cost us because people were not monitoring contracts. Think about the problems we have had monitoring contracts.

Now some of my colleagues are probably starting to shake their heads and say: Wait a minute; Americans do not want bigger government.

Indeed, these recent charges that Federal employees are somehow overpaid evoke the perpetual claim that the most desired government is always the smallest. That cuts and outsourcing are ends in themselves. We hear it every day, that government is too big. However, it was precisely this ideology of reduction that left our key regulatory agencies unable to prevent disasters like the financial crisis and the gulf oilspill and so many other things over the last 8 to 10 years where agencies did not follow up—whether it was FDA, the Consumer Protection Agency.

I think they have it wrong. It is not that Americans want smaller government. They want better government. They want government that works.

Let me share some interesting findings from a survey conducted in May by the Center for American Progress and Hart Research Associates. The study found that 62 percent of Americans have an unfavorable view of Federal Government, a 22-percent rise since 2000.

However, it also found that Americans would rather improve the efficiency and effectiveness of government than reduce its size. The same number—62 percent—preferred better government to just smaller government. Among those who identified as political moderates, the figure was even higher, at 69 percent.

Furthermore, when asked about specific aspects of government involvement, a majority of Americans believe the Federal Government should be more involved in solving problems. 60 percent want the government to do more to improve schools; the same number want Federal help to make college more affordable; and 57 percent would like the government to do more to reduce poverty.

Investing now in building and developing the next generation of Federal employees will go a long way in making sure that government works better for everyone. It will help us tackle problems such as these—developing clean energy, expanding educational opportunities, reducing poverty—and avoid the next financial crisis or major oil spill.

It is time to ask ourselves what kind of government we want for the next century. We can not afford to let this important debate about our Federal workforce and its future be hijacked by those who prefer to scapegoat and distort the facts. We have all seen what happens when we make important policy decisions based on incorrect information.

I am encouraged that the OPM has joined with the Office of Management and Budget and the Labor Department to study the actual pay gap, in order to determine how best to compare Federal and private-sector jobs. Once we have that data, then we will be better able to figure out how to make Federal jobs competitive with their private-sector counterparts and attract the very best talent into government.

Again, I want to stress, everybody cares about money. Most Federal employees I meet are here because they want to make the world a better place and they are concerned about making the world a better place, and they want to make a difference for their lives. That is one of the things we do not talk about nearly enough; that is, how great it is when you get to my age to see that you actually tried to make the world a better place, and you worked on making the world a better place.

That is important, and that is the kind of people we have in the Federal Government. They are willing to make the financial sacrifices because they care about and make the special extra effort to give of themselves in order to make this country the great country we know it is.

By looking forward, by ceasing the ''blame game,'' and by making a commitment now to building the best Federal workforce possible, we can ensure that the next generation is well poised to tackle its greatest challenges.

Lincoln called on his fellow Americans to cherish and safeguard our greatest strength: ''government of the people, by the people, and for the people.'' We must also strive to maintain a civil service of the same kind for the long term. Our children and grandchildren deserve the same type of great Federal employees we have today.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mrs. HAGAN). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The Senator from Louisiana.

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

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

Mr. VITTER. I ask unanimous consent to speak as in morning business for up to 12 minutes.

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

DREAM ACT

Mr. VITTER. Madam President, I was very disappointed to learn recently that Senator REID intends to bring up a very significant amnesty proposal next week known as the DREAM Act. It is disguised as an education initiative, but it will provide a powerful incentive for more illegal immigration by allowing States to grant in-state tuition to illegal alien students. This is a bad idea at any time, but this is a bad idea right now, at the worst possible time.

Unfortunately, this announcement isn't shocking given Senator REID's and this administration's record of pushing policies on the American people that the people oppose. In these difficult economic times, it is really an insult to legal, taxpaying citizens that the President and Senator REID would want to use their hard-earned money to pay for in-state college tuition for illegal aliens.

This horrible economy has increased the demand for enrollment and help at public universities. As a growing number of families are unable to afford an education at a private university, they turn to public universities in increasing numbers, and they turn to that help, including in State tuition, in increasing numbers. At a time when many Americans cannot afford to send their children to college at all, this bill would allow States to provide in-State tuition to illegal aliens who would displace legal residents competing for those taxpayer subsidies.

I am opposed to this proposal because of that—because it would unfairly place American citizens in direct competition with illegal aliens for very scarce slots in classes at State colleges and universities. The number of those coveted seats is fixed, so every illegal alien who would be admitted because of this through the DREAM Act would take the place of an American citizen or legal immigrant. It makes no sense to authorize Federal and State subsidies for education of illegal aliens, when our State schools are suffering, as higher education budgets are slashed, admissions are curtailed, and tuition is increased.

Enactment of the DREAM Act would do just that, and it would be bad policy under any circumstances, but in the current economic climate it would be a catastrophe.

Again, the DREAM Act would grant amnesty to millions of illegal aliens who entered the United States as minors and who meet loosely defined so-called educational requirements.

Specifically, the bill grants immediate legal status to illegals who have merely enrolled in an institution of higher education or received a high school degree or diploma. The bill's sponsors described the beneficiaries of this legislation as ''kids,'' boys and girls. In reality, the DREAM Act is far broader than that. It would allow illegals up to the age of 35 to be eligible to receive this amnesty and qualify for Federal student loans.

The American people have made it very clear that they want to see the government fulfill its responsibility to enforce the laws on the books, take steps to control illegal immigration, not to reward bad behavior with tuition breaks.

Amnesty and economic incentives, such as taxpayer-subsidized tuition, only encourage more illegal immigration. This is certainly not the answer to our current immigration crisis and will only worsen our current economic crisis.

If Senator REID does move forward with this proposal, I plan to file a second-degree amendment to strike the provision that allows States to grant in-State tuition for illegal aliens. It will be a very clear choice: Do you want these limited resources, this limited help, to go to U.S. citizens and legal immigrants or do you want illegals to compete for those and take some of those slots away from U.S. citizens and legal immigrants?

As chairman of the border security caucus, I will be fighting this overall measure tooth and nail and also advancing this second degree proposal. This is common sense. This is certainly the sentiment and the will of the American people.

I encourage all of my colleagues—Democrats and Republicans—to talk to Senator REID to dissuade him from the bill overall and, if it comes to the floor, to support this second-degree amendment so that American citizens and legal aliens are not having slots taken away from them by illegals in this matter.

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

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

Mr. REED. Madam President, we have been debating for weeks now a needed solution to our economic recovery in the United States. We have seen some progress, but it is a long and difficult journey for American families. The depth of the crisis that materialized in the last few years of the Bush administration can't be overcome in just 18 months, although I believe we are headed in the right direction. The legislation we are considering will help us in that journey to recovery.

We have seen, in fact, over the last several months, an increase in private sector jobs. We didn't see that in the last several years of the Bush administration. When President Obama took office, we were losing 750,000 jobs a month and we had 22 straight months of job losses. Now we need to turn that dynamic around by creating private sector jobs, but we have to do much more.

The great engine of private job creation is small business in America. These provisions are aimed to aid small businesses throughout the country. Small business is an engine of growth. It is the place where people will, I think, find employment as we go forward. Our small business community has been hit very hard by the economic crisis, the financial crisis, and the collapse of the credit bubble. Small businesses have lost more than 6 million jobs since December 2007, and we have to start restoring those jobs.

The legislation we are considering—the Small Business Jobs Act—will provide $12 billion in fully paid-for tax breaks for small businesses to bolster confidence in the economy by unlocking frozen credit markets, spurring job creation, and fostering our Nation's burgeoning recovery. These tax incentives will allow small businesses to make investments to help with job growth, purchases, and expansion. I emphasize that these are fully paid for because we have multiple challenges.

I have served long enough to recall in 2000, when we were looking at strong employment growth and a Federal budget surplus, and, in 2009, when President Obama took office, we were looking at a job collapse in many parts of the country and a huge deficit, which is still going on. So we have to consider both as we move forward.

The particulars of this legislation are important to note because they will contribute, I believe, very significantly—and one would hope very quickly—to increased job opportunities throughout the country. The legislation will incentivize investors by giving 100 percent exclusion from capital gains taxes on small business investments. It will create a targeted $30 billion small business lending fund to provide small community banks with the capital to increase their ability to lend to small businesses. This is particularly notable. I must commend Senator LANDRIEU for her tenacious advocacy of this position, along with Senator MERKLEY and others. In fact, this is a bipartisan effort. This proposal will put money in the hands of small community banks that want to lend, that have clients, and that do it the old-fashioned way. They look at the books, they know the borrower, they have faith and confidence in that individual, and they are constrained now because they do not have sufficient capital to expand their lending. With this capital, they will be able to expand lending and go right out to the heart of small businesses throughout the country. Madam President, just as in North Carolina, in Rhode Island I have numerous businesses that will come in and say they are very successful, they want to expand, they can hire a few people, but they just can't get the loan from the bank. This will help.

Another provision reduces the tax burden of small businesses by allowing them to carry back general business tax credits to offset their tax burdens from the previous 5 years. Small businesses will also be able to count the general business credits against the Alternative Minimum Tax. That will free up capital for expansion and job growth.

The legislation also increases Section 179 expensing—permitting up to $500,000 in capital investments that businesses can expense to immediately get some tax credit for it. It also extends bonus depreciation, allowing taxpayers to immediately write off 50 percent of the cost of new equipment. We hope that this will have the small businessman or woman buying a piece of equipment which will require, we hope, a manufacturer or assembler somewhere in the United States to call people back to work to meet this new demand.

This is going to increase demand for goods and services, and that is one of the key deficiencies in this current economy. We have a lot of money locked up. It is said, quite authoritatively, that there is about $2 trillion on the balance sheets of corporations throughout the United States that they are not spending. We hope these incentives will produce increased demand which will get them to start spending and provide the kind of private capital investment and momentum that will carry us forward.

As I mentioned before, this Small Business Jobs Act has a $30 billion lending fund that is so critical. More than 10 community banks in Rhode Island, for example, are eligible to receive these funds. I have spoken to many of the bank leaders and they are ready to lend right now. They have customers whom they have great faith in, who have a good business plan and are profitable. In fact, many times business owners are willing to guarantee or to put up even personal collateral to get the loan. Yet the bank says: We can't do that because we have reached the limit based on our capital of what we can lend to small business. This raises those limits, and it is absolutely necessary to do that.

One other important aspect is that this legislation will raise the limits on loans that the Small Business Administration can make and guarantee. Again, another source of tremendous and important funding is being capped now because they can't make big enough loans because there are certain loan limits. It will also extend the elimination of the fees borrowers pay to the SBA. Now we have businesses that may be ready to hire, but they just can't generate the cash to pay the fees. Now they will be able to get the loan, hire the workers, and move forward.

The legislation also supports States because there are many State initiatives. There is $1.5 billion in grants to

States that will help in their efforts. There are many States that have programs very much like our Small Business Administration at the Federal level—innovative programs that will be supported.

This legislation has bipartisan support, and that is absolutely necessary. Again, I wish to thank particularly my colleagues who were supportive of the cloture motion that has us now on a path to passage. I thank them very much for their efforts. They made a decision that will benefit American business across the country, small businesses in particular.

We need to move forward. We need to get this legislation done—I hope this week—as soon as we can. Then we have other legislation we can and should consider. For example, we have a tax extenders bill that will hopefully provide R&D tax credits and other provisions that will help businesses, both large and small but particularly small business.

I urge all my colleagues, now that we feel confident we have the votes, let's move to final passage. Let's give American businesses, particularly small businesses, the help they need to move the economy forward.

I yield the floor.

The PRESIDING OFFICER. The Senator from Utah.

POLYCYSTIC KIDNEY DISEASE

Mr. BENNETT. Madam President, I am rising today because this is PKD Awareness Week. People say: What is PKD and why do we need to be aware of it? PKD is the acronym that stands for polycystic kidney disease. Polycystic kidney disease is the leading cause of kidney failure from a genetic disease in America. Every year, we have PKD Awareness Week, as we try to bring people a better understanding of it.

Let me outline how serious it might be and how it affects the Federal Government. For those who do not know, it is a silent killer that stalks more than 600,000 Americans. That is greater than the number of Americans who are afflicted with cystic fibrosis, Huntington's disease, sickle cell anemia, hemophilia, muscular dystrophy, or Down syndrome. That works out to be about 12,000 PKD sufferers in each State. Every one of them is at risk for kidney failure and the ravages that come with that.

I became aware of it particularly when my daughter was diagnosed with it. It is a disease that is carried as a genetic disease. We had no idea it was anywhere in the family until she was diagnosed with it. We have now tried to go back to find out who may or may not have had it. But this means that not only is she at risk and is losing kidney function, but so are her children and perhaps so are others in our family. So it becomes a very significant personal thing for me, but I wish to reach out and express my gratitude to my colleagues in the Senate, who do not have the same kind of personal connection, who have joined in cosponsoring the resolutions on PKD Awareness Week—Senator HATCH, Senator KOHL, Senator SPECTER, and Senator HARKIN. Over the years, they have cosponsored the annual PKD Awareness Week resolution. They have joined in securing PKD-specific appropriations report language, and they have helped pass the Genetic Information Nondiscrimination Act, which has been very important with respect to this disease and others where, for a variety of reasons, they have not had the kind of attention they have needed.

This has an impact on the Federal Government because the annual cost of PKD exceeds $2 billion for kidney dialysis, kidney transplants, antirejection drugs, and related therapies. That, of course, affects those who have government money going into their health care support. End-stage renal disease is the fastest growing expense of Medicare. This causes a huge financial, emotional, and physical burden on the Americans who are affected by it.

The good news is that the field of PKD research is robust, the therapy is ripe, and I ask my colleagues to look favorably on a forthcoming public-private partnership initiative that is known as the Regional PKD Diagnostic and Clinical Treatment Center, designed to increase application of new diagnostic methods and therapeutic regimens for PKD patients, conduct pilot studies and clinical trials, and, finally, coordinate data and streamline the appropriate clinical application of effective treatments.

I am pleased to have the opportunity to once again call attention to the disease of polycystic kidney disease and the ravages and challenges it has. I thank my colleagues for their continued support over a 20-year period of PKD Awareness Week and the work they have done in the Senate and hope that all of us can continue to support an activity to keep the research going forward. The consequence will be, if it is successful, tremendous benefit for those families who suffer from PKD and financial benefit for the government as a whole through reduced Medicare costs.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. UDALL of New Mexico). Without objection, it is so ordered.

Mr. KYL. Mr. President, I would like to speak to the bill pending before us briefly, first to respond to a criticism that Republicans had been filibustering this bill, and, therefore, that somehow revealed an antagonism on the part of Republicans toward small business.

The charge is so ludicrous that one would think it does not even need to be responded to. Republicans have been the champions of small business in this debate about taxes. I will have more to say about that in a moment.

Why was it that the majority of Republicans did not want to proceed with the proposal that the majority leader put before the Senate? A very simple reason. The majority leader, once again, precluded Republicans from offering any amendments. The entire history of the Senate is a history of tradition and comity and the opportunity for the minority to be able to offer amendments and debate.

When repeatedly the majority leader does what they call, in the Senate parlance, filling the parliamentary tree, which means he precludes the minority from offering any amendments, naturally Republicans are going to object to that.

We said repeatedly we would be delighted to debate this bill, just let us offer some amendments. No, was the answer; you cannot do that. Well, we are on the bill now, and I think it is pretty clear that what this debate boils down to is what is the best way to help the small businesses who are the job creators. In fact, about one-quarter of all of the jobs in this country are created by small business, and what we know is that especially the small business folks are the first ones to hire in bad economic times, hoping to bring the economy out of a recession.

Why are they not hiring today? Well, on Monday I came to the floor and I pointed out one of the reasons. One of the entrepreneurs in our country wrote an op-ed in the Wall Street Journal in which he totaled up all of the expenses that he has every time he hires someone. I believe, if memory serves me correctly, it cost him about $78,000 every time he hired somebody who had a $44,000 salary. That is in the extra taxes that he would have to pay and the cost of regulations just to comply with Federal law for hiring one additional person. It is no wonder that small businesses do not hire at this point.

So what is the Democratic response? Let's raise their taxes. Let's make it even more difficult for small businesses to hire people. We believe that is the wrong solution, and rather than looking at the kind of bill that is on the Senate floor today that creates yet another kind of TARP bank lending authority, something the American people are a little bit fed up with, we believe we should leave tax rates where they are so that businesses have some certainty that they are not going to be raised. At least do not make it worse.

I noted that the distinguished assistant majority leader earlier this morning inadvertently confused tax cuts with tax increases. I have done the same thing many times. But the reason I wanted to point that out is because I think there has been so much talk on the Democratic side about tax cuts for the rich that the Members on the other side have almost gotten to believe that. The truth is, nobody is proposing tax cuts for the rich. Nobody is proposing tax cuts for anyone.

My colleague from Illinois corrected himself and said: No, I mean tax increases. That, of course, is what the question is. Should there be tax increases on anyone? The Republican position is no. At least in times of recession or bad economic times, do not raise taxes on anyone. Do not raise taxes on families who are struggling to make ends meet, and do not raise taxes on businesses, especially the small businesses that are the best job creators.

So our view is, do not raise taxes. But the Democratic view is, well, let's raise taxes on some but not on others. That is this class warfare concept that I was critical of Monday. In America we do not believe in class warfare. We think everyone ought to have a chance to succeed, and if someone succeeds, we applaud it and we hope we are in the position the next week or the next year. But, instead, there seems to be a view that, well, rich people can afford it, so let's raise their taxes.

Again, economists generally—including Peter Orszag, the immediate past Director of OMB under President Obama—have made it clear that raising taxes on anyone, including the entrepreneurs, those people who pay in the higher tax brackets, is a bad thing for job creation especially in bad economic times.

So why would we do it? Well, the concern is we have to be worrying about the deficit. Well, this is a fine time to be worrying about the deficit and a fine way to do it. We spend $1 trillion on a new health care bill, we spend $1 trillion on a stimulus bill, we spend all of this other money bailing out this and that in our economy, and now another new TARP lending program spending trillions of dollars, a budget that doubles the national debt in just 5 years, doubles all of the debt accumulated from George Washington through George Bush, we are going to double that in 5 years under the Obama budget.

I would suggest that we ought to start worrying about the spending. If we are worried about the deficit, let's stop the spending spree. Let's do not try to make up a little bit of that by deciding to tax a bunch of people who are the very folks who are going to hire the employees that are going to help bring us out of the recession.

Am I just sort of fancifying this or do real small businesspeople have this view? Well, let me just read about—I think there are three, maybe four folks here. These are some of the folks, some of the 750,000 small business owners in the United States whom we are counting on to create jobs and who would see an increase in their marginal income tax rate under the Democratic proposals.

I just want to quote from what a few of these folks say. Here is the chief operating officer of a company called Logical Advantage in North Carolina. His name is John Fread. He says marginal tax rates will mean his company will not be able to hire the new sales representative it needs, and it may force layoffs. He says:

> We founded Logical Advantage in 2003 with a couple of card tables and laptops and a staff of three. We've been successful and have since expanded our business. One of the keys to our growth has been our determination to reinvest our profits in our firm. We're organized as a pass-through business, (meaning the company's taxes are paid at the individual income tax rate),—

That is why this marginal rate is so important—

> and if our marginal income tax rates go up, we'll be left with less money to put back into our company. This would mean we would not be able to hire an additional sales representative.

Then he also closes with this:

> Also, since our employees bill their services hourly, we use profits to keep our employees employed between projects and avoid layoffs. Without this additional cash, we'll have no choice but to do layoffs. My advice to Congress would be to keep the current tax rates in place and do all they can to avoid raising our taxes because that will lead to fewer jobs.

So here is an entrepreneur, a small business owner, who says he wants to create jobs, save the jobs he has. He wants to expand, but an increased tax burden will prevent him from doing so. No, we are not talking about tax cuts for the rich. Nobody is talking about tax cuts. We are talking about keeping his taxes from going up. That is what we want to prevent.

Kevin Linehan of Bravadas Fairfax, LLC, a small clothing and accessories business, says—and I hope I am pronouncing that correct—Bravadas is the way I see it here. Anyway, he says the shaky economy has forced him to cut his staff and payroll by 40 percent and slice his inventory by 30 percent, not an uncommon situation in this economic downturn. He wants Congress to know that if the top two marginal rates increase, he will not be able to hire the new employees he needs, increase his inventory, or take the risks that would lead to innovation in his business. I am going to quote him.

> If Congress goes through with the plan to increase the marginal income tax rates for the top two brackets, my business will be hurt. We've already been battered by the recession and had to cut staff and payroll by 40 percent. I have also cut both my advertising and inventory by 30 percent each, and have had to downsize and change locations to save on rent.
>
> If Congress raises my taxes, it will be more of the same rather than being able to grow my business, attract new customers and hire new staff. In fact, in this economy I have had to cut back on essentially all new business activity, meaning I've stopped trying to innovate and instead have been forced to focus on only those activities that are the most profitable because I cannot afford to take risks. The more and more the government takes, the more difficult it is for small businesses like mine to be successful and do the things they want us to do, which is to create jobs.

Here is a third small businessperson, Ray Pinard. He owns a printing business in Boston. He says if tax rates go up, he would not have the resources to expand his business operation to new areas, and, therefore, to create new jobs. Here is what he wants Members of Congress to know:

> Keeping the tax burden low is so critical to our business, 48HourPrint.Com. . . . With the economy where it is, now certainly isn't the time to play games by extending tax relief for some but not others.
>
> For example, if Congress fails to keep all of the current income tax rates in place and we take a hit, then that will mean we have left capital to grow our team and our operations, not only in the Boston area but at our other facilities in Ohio, Arizona, and New Hampshire, as well. There are thousands of other small businesses out there that will react similarly if their tax burdens increase. I am worried that it will take much longer to get our economic ship righted if our elected officeholders in Congress fail to show leadership on this issue. [Raising taxes] is a job killer. Leave the money in the private sector where it will be put to good use.

Despite what the President says, these tax increases will have a very negative impact on job creation, especially for the small businesses, the entrepreneurs I have quoted. These are the people who are on the ground, running businesses, trying to weather the bad economy, hoping to hire new workers. They are telling us that their businesses cannot tolerate new taxes.

As this debate continues, I will share more stories from small businesses and other folks who are opposed to the tax increases.

It is critical that we appreciate the fact that even the talk about this, even the potential for an increase in taxes, has created a kind of uncertainty that has caused businesses to lock up and not want to make any kind of big decisions because of what they think could happen. I remind my colleagues that this money is not the government's money. It doesn't belong to the Congress or the President. When we talk about taxing people, we are talking about taking their money. It is not the government's money. It is their money.

The question is, Will the government do more good spending it or will the private sector, the people who have that money, who earned that money? Will they do more good with it? I think it is obvious that these small business folks I have talked about will put that money to good use for their families and their employees. They will create more jobs with it. That will help more folks.

The irony is that will eventually help the economy and will even help the U.S. Treasury, because we have more people paying more taxes at the existing rates, and that means more revenue for the Federal Government.

This is a very aspirational country. Almost everybody here looks at opportunity. We all think we can do better. If we work hard, we have a system that will reward hard work. These successful small business folks never cease to amaze me. They come up with an idea, a service, or a product to sell. They go through all the difficulties of doing so, sometimes mortgaging their home, borrowing money. They are the lifeblood of the economy. They are not some bunch of fat cats. They are the people who make the economy work.

It bothers me when folks on the other side of the aisle denigrate them as if they are somehow evil people because they end up making enough money to pay taxes in the top tax brackets when, as we pointed out, the reason for that is that as business people who are not corporations, they are subchapter S or other partnership or small business legal entities, they pay taxes as individuals. And because of the income of their businesses, therefore, they are put in the top bracket and somehow, therefore, they deserve to be punished—they can afford it; they are the rich.

They are not the rich. They are folks like all of us, struggling to make ends meet, who will hire more people and who don't deserve to be punished for their success. We are supposed to be creating incentives for people to do exactly this. Ironically, the bill we are debating now is a bill that is supposed to help small business folks. We will give these TARP-like funds to the banks and make them lend a certain amount of it to small businesses, and everybody will be better. My guess is, if we let the small businesses keep their money and not raise their taxes, they would be perfectly happy and be able to get along, and they would have the ability to borrow money from the banks without the effect of the legislation before us.

I hope we both begin to change our rhetoric, not to attack those people who are the backbone of the economy, people who cannot afford another tax increase, who want to help the economy recover and like to hire more people, and that we would also recognize the most productive way to help them is to simply not raise their taxes. We are not talking about a tax break. I would argue that this TARP-like lending thing is an idea that may be well motivated, but it is not the way to help most of the businesses we are talking about. Just don't raise their taxes.

I will return to where I started. Some of us get a little confused. Sometimes we say tax cut when we are talking about tax increases. It may be that we have gotten so used to this rhetoric that somehow somebody is asking for a tax cut for the rich when, in fact, I don't know of anybody who is asking for a tax cut for the rich. Not a single Republican is asking for a tax cut for the rich. All we are asking is don't raise taxes on anybody; it is usually not a good idea, and it is certainly not a good idea in this time of economic downturn.

I hope as time goes on, I will have the opportunity to reflect on what more small business folks have written to us, and we will take their pleas to heart. The three people I have talked about today all say: Don't raise my taxes. I am having a hard enough time as it is. If you leave me alone, I might be able to begin hiring more people.

Let's take those stories to heart and listen to our constituents and not take the attitude that Washington knows best. It reminds me a little of what the President and one of our colleagues said in a townhall meeting in August when somebody asked about the health care bill. One of our colleagues said: Well, you may not like it now but over time I think you will get to appreciate it.

It is the attitude that we know best here; we will make the decisions; you may not like them now, but you will come to think they are okay over time. I think Americans have understood what it takes to make a successful business. They understand what taxation is all about. They understand this isn't the time to raise taxes on anybody, and we ought to get away from this idea that Washington knows best. Let's listen to our constituents. Let's listen to what they are telling us. Don't raise our taxes.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KYL. I ask unanimous consent that the order for the quorum call be rescinded.

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

RECESS

Mr. KYL. I ask unanimous consent that the Senate stand in recess under the previous order, which means that we would return at 3:30.

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 3:30 p.m.

Thereupon, at 2:38 p.m., the Senate recessed until 3:30 p.m. and reassembled when called to order by the Presiding Officer (Mr. MERKLEY).

SMALL BUSINESS LENDING FUND ACT OF 2010—Continued

The PRESIDING OFFICER. The Senator from Maryland.

Ms. MIKULSKI. Mr. President, I rise to speak on behalf of the bill.

I rise to strongly support the pending bill, the Small Business Jobs and Credit Act. I do it because it will help small business create jobs in Maryland. I spent much of the last several months visiting worksites in Maryland, and it was an exciting time. Maybe orders and customers are not up, but enthusiasm and entrepreneurship is up, and absolutely, in many areas, consumerism and customers are up.

I visited bakeries, microbreweries, factories of small machine tool companies wanting to retool. During that time I visited Main Street, small streets, rural communities. I talked with small business owners and their employees.

What was loud and clear and visible was that small businesses are stressed and strained. Small businesses said: Hey, BARB, it is sluggish out there. There is uncertainty, but we believe we can expand. We believe we can grow our business, but we need help.

They continually talked about their problems in having access to credit—not because they were not good risks but because there was not good money out there for them to borrow. Even though these businesses are thriving, they could not expand because they could not get the loans they needed to grow.

I visited a startup green energy business whose demand is skyrocketing, but they need credit to expand their business and, I might add, certainty in an energy bill.

I visited a wonderful family bakery which reminded me so much of my own grandmother's bakery. Well, they just do not bake bread, they build community and create jobs. They want to expand. They need access to credit.

I visited a machine tooling business in Baltimore which does precision metal work for many of the components for our military, the space program. They, too, want to retool.

These are ''good guy'' businesses, working hard, playing by the rules. They have jobs right here in the United States of America. They want to expand. They want to hire. They want to upgrade their equipment. They want access to credit. They need a government on their side and at their side.

I believe that is what the Small Business Jobs and Credit Act will do. It will help businesses be able to get that much needed access to credit to be able to strengthen our economy.

I know people are anxious about the economy. Many are worried their middle-class life is slipping away. But in Maryland we know we can count on small businesses to create jobs, to help people who are in the middle class stay there, and those who want to get there be able to do so through hard work.

From beauty shops to biotech, there are family-owned businesses, small businesses in Maryland that need help. What they need is not a guaranteed outcome, but they do need to have access to credit.

I am no Janey come lately on this issue of small business. My grandparents owned a local bakery shop. My father ran a small grocery store, alongside with my mother. I often watched him open very early for local steelworkers and automobile workers, people who worked making the famous National Boh beer right down the street. They would come and buy their lunches before going to the morning shift.

We know what it is like to have a small business and to be able to meet a payroll and to be able to grow. I saw what it means to be able to provide service to the community, lend a helping hand, provide a good customer value for a hard day's work. I believe it is through these small entrepreneurial efforts that we will get our economy going and growing.