good-paying jobs and economic opportunity than these choices we are talking about on the floor of the Senate that, in my view, literally yoke us to a system that we know is not going to produce jobs.

It would be one thing if the debate was in question; that maybe the numbers from the 1980s were a little ambiguous, and when tax policy was partisan between 2001 and 2008 the numbers were more encouraging. That is not the picture. The picture is crystal clear. When we went at tax reform in a bipartisan way in the 1980s with a Democratic effort in the Congress and a Republican President, big win: 16 million new jobs. When we got partisan with taxes in 2001 and 2008, we just went downhill to truly anemic economic growth. The country deserves better.

I would finally say I think this is exactly the kind of bipartisan work that the country was calling for at this last election. Why not give it to them rather than serve up yet more that is seen as polarizing and divisive when our country is undergoing such economic anguish.

Madam President, I yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. CASEY. Madam President, thank you very much. First of all, I wish to commend the remarks our colleague from Oregon made. He has great insight into our Tax Code. I think he has reminded us yet again we have a lot of work to do, and we are grateful for his comments today and his charge to us—that we have a good deal of work in 2011 and even as we wrap up 2010.

EXTENDING UNEMPLOYMENT INSURANCE

Mr. CASEY. Madam President, I rise today to talk about unemployment insurance, and I will be brief. At the end of my remarks I will be offering a unanimous consent request.

First of all, I wish to cite a study just released today by the Council of Economic Advisers.

I commend to my colleagues this report entitled ''The Economic Impact of Recent Temporary Unemployment Insurance Extensions'' dated December 2, a report by the Executive Office of the President and the Council of Economic Advisers.

I ask unanimous consent that the Executive Summary of the report be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. CASEY. This report released today had a number of findings: First of all, that the emergency expansion of unemployment insurance programs in 2007 has benefited 40 million people in the United States of America who have either received or lived with a recipient of these programs. This figure includes 10.5 million children.

In line with other studies that have been released, this report by the Council of Economic Advisers states that there are 800,000 more jobs and GDP is 0.8 percent higher because of the expansion of unemployment insurance programs. Without reauthorization through 2011, the one we are debating today in the Senate, at this time next year, in December of 2011, there will be 600,000 less jobs and GDP will be 0.6 percent lower. So there are real consequences to the denial of this reauthorization going forward.

To give my colleagues a sense of what that means in a State such as Pennsylvania, without reauthorization of these programs, 353,989 people will lose unemployment insurance coverage by November of 2011. The Pennsylvania economy will be severely impacted without reauthorization. According to the Council of Economic Advisers, there will be 31,228 less jobs in the Commonwealth of Pennsylvania if we do not reauthorize unemployment insurance.

Just to put that in perspective, in the first three quarters of this year, in the midst of a recovery—slow recovery but a recovery nonetheless—our State has gone from losing jobs in 2009 to gaining jobs. In the first three quarters of the year, we have gained roughly 48,000 jobs. Without unemployment insurance, we stand to lose, as I said, more than 31,000 of those jobs.

We know the unemployment rate of 9.6 percent nationally means nearly 15 million people are out of work. If you are opposed to this reauthorization, you have to come up with another answer. You can't just say to 15 million people: Well, we couldn't get it done, or things interfered in Washington.

In our State, fortunately, we are lower than 9.6. We are 8.8, percent. But 8.8 percent in Pennsylvania means that 560,000 people are out of work. It ballooned up to over 590,000 this summer, but fortunately that has been coming down over the last couple of months and, of course, we want to keep it moving in that direction.

Let me just conclude with this thought: For the past six decades, Congress has provided federally funded unemployment insurance benefits. During every recession, the Congress has done that, and thank goodness they did. Finally, without this reauthorization in our State of Pennsylvania, 83,000 Pennsylvanians will exhaust their benefits this month. Of course, across the country, it is some 2 million.

EXHIBIT 1

THE ECONOMIC IMPACT OF RECENT TEMPORARY UNEMPLOYMENT INSURANCE EXTENSIONS

EXECUTIVE SUMMARY

Unemployment insurance (UI) provides a safety net for workers who have lost a job through no fault of their own, as long as they continue to search for new employment. During normal economic conditions, firms pay into state insurance systems that replace roughly half of the average individual's lost earnings, up to 26 weeks. However, the federal government historically funds additional weeks of benefits in response to an economic downturn. The benefits allow recipients to continue to support their families while searching for their next job.

In response to the recession that began in December 2007, Congress expanded UI benefits by creating Emergency Unemployment Compensation (EUC) and 100 percent federal funding of Extended Benefits (EB). These programs provide UI benefits after a worker exhausts state benefits, helping when it takes longer to find a job, such as in this severe downturn. These extensions began to expire on November 30, 2010. In this report, the Council of Economic Advisers (CEA) examines the effects of the extensions thus far and the potential impact on the economy if Congress fails to act soon to continue these emergency measures.

As a result of these emergency expansions to UI:

EUC and EB have helped 14 million unemployed workers as of October 2010. As of that date, there were almost 5 million unemployed workers benefiting from these programs each week.

In total, these programs have benefited about 40 million people who have received, or lived with a recipient of, EUC or EB. This total includes 10.5 million children.

If these measures are not extended, the maximum eligibility for benefits in most states will revert to the pre-recessionary level of 26 weeks. The Department of Labor estimates that, relative to a month-long extension, 2 million unemployed workers will lose coverage in December 2010. And, relative to a year-long extension, nearly 7 million unemployed workers in total will lose coverage by November 2011.

Further, EUC and EB make up a substantial portion of household income. Without EUC and EB, the typical household receiving these benefits will see their income fall by a third. In the 42 percent of households where the EUC or EB recipient is the sole wage-earner, 90 percent of income will be lost.

This important income replacement allows individuals that have suffered from job loss to avoid a dramatic drop in their spending levels. Research studies have documented that UI is an extremely effective form of support for the economy relative to other government programs, both in terms of bang-for-the-buck and timeliness. EUC and EB recipients spend their benefit checks, rather than saving them, and a drop in this income will translate into a sizeable drop in aggregate spending.

Specifically, CEA estimates that:

Employment was about 800,000 higher, and the level of GDP 0.8 percent higher, in September 2010 than would have been the case without EUC and EB.

Without an extension, employment would be about 600,000 lower, and GDP 0.6 percent lower, in December 2011 than if a year-long extension were passed.

Previously, Congress continued federal expansions of UI until the economy was much further along the road to recovery. With 10 consecutive months of private sector job growth and half a percentage point drop in the unemployment rate since its peak, the economy is beginning to recover. However, the unemployment rate remains at 9.6 percent and there are still 5 job seekers for every job opening. For the last half-century, Congress has consistently extended UI benefits when economic circumstances substantially increased the difficulty of finding a job. Given the current labor market conditions, failing to continue UI extensions now would be unprecedented.

I. INTRODUCTION

As a form of insurance against job loss, employers pay taxes into state government unemployment systems at rates based, in part, on past usage of the system. State governments then provide weekly payments of $300, on average, to workers who have lost a job through no fault of their own, replacing roughly half of an individual's lost earnings. Typically, unemployed workers can receive up to 26 weeks of benefits, as long as they continue to search for work. In an economy with normal labor demand, one would expect most unemployed workers to find a job within this time frame. However, in December 2007 the United States began to slide into a deep recession. By October 2009, the unemployment rate was 10.1 percent, and there were more than 6 jobs seekers for every job opening, compared to just 1.5 prior to the recession.

Recognizing that unemployed workers would have a significantly harder time finding jobs, Congress created Emergency Unemployment Compensation 2008 (EUC) in June of that year. This swift action put unemployment benefits in place much earlier than has been done in previous recessions—almost one year before GDP stopped declining. These early efforts by Congress resulted in UI playing a greater role in stabilizing the economy, as suggested in a recent Department of Labor report.

As the labor market worsened, Congress further extended and expanded the program, particularly for unemployed workers in the hardest-hit states. As part of the American Recovery and Reinvestment Act, Congress provided for 100 percent federal funding of Extended Benefits (EB), a program usually funded jointly by the state and federal governments. Individuals are eligible for EB once they exhaust their EUC benefits if their state meets certain unemployment-based triggers. All told, an unemployed worker could receive up to 99 weeks of coverage in those states with the highest rates of unemployment. (See the Appendix for more detail on these programs.)

Importantly, the current tiered structure of EUC and EB allows for a natural phasing down of coverage as economic conditions improve. Many of the eligible weeks of benefits are determined at the state level by thresholds based on states' unemployment rates; the maximum length of coverage provided by these federal programs is shorter in states with better economies. Beyond this natural phase down, however, the legislation authorizing these programs began to expire on November 30, 2010 and the millions of Americans receiving coverage through these programs have already begun losing benefits.

UNANIMOUS-CONSENT REQUEST—S. 3981

Mr. CASEY. So with that, I ask unanimous consent that the Finance Committee be discharged from further consideration of S. 3981, a bill to provide for a temporary extension of unemployment insurance provisions; that the Senate proceed to its immediate consideration; that the bill be read a third time and passed; and that the motion to reconsider be laid upon the table, with no intervening action or debate; and any statements related to the bill be printed in the RECORD.

The PRESIDING OFFICER. Is there objection?

Mr. ENSIGN. Madam President, reserving the right to object, because the Republicans want to extend unemployment benefits without increasing the deficits, would the Senator agree to include an amendment proposed by Senator BROWN that would offset the cost of the bill with unspent Federal funds, the text of which is at the desk?

Mr. CASEY. I would not. I object to that for the simple reason that the construction of that amendment involves dollars already allocated to Federal programs across the board. Although the money has not been spent yet, it has been allocated. If there is a concern, as there seems to be—and I would categorize it as an alleged concern—about the deficit, there doesn't seem to be the same concern about running up the deficit not by billions but by hundreds of billions to extend tax cuts to Americans above the $250,000 income tax bracket. So if there is that concern about the deficits, I wish that logic and concern was applied to the tax cut debate.

Mr. ENSIGN. Further reserving the right to object, first of all, I would love to offset the tax cuts with spending reductions in areas across the board because I think the deficit is a problem. Because the Senator from Pennsylvania just wants to increase the deficit with unemployment benefits, without offsetting it, without spending cuts, I am forced to object.

The PRESIDING OFFICER. Objection is heard.

Mr. CASEY. I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

(The remarks of Mr. ENSIGN pertaining to the introduction of S. 4004 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

The PRESIDING OFFICER. The Senator from Iowa.

REVISIONIST FISCAL HISTORY

Mr. GRASSLEY. Madam President, since yesterday, we have witnessed in this Chamber the resumption of a set of tired and worn out taking points that the Democratic side drags out whenever they are forced to finally get around to discussing tax policy.

Well, once again beating the same dead horse, the other side has attempted to go back in time again and talk about fiscal history. Earlier this week, there has been a lot of revision or perhaps editing of recent budget history. I expect more of it in the future days.

The revisionist history basically boils down to two conclusions. First, that all of the ''good'' fiscal history of the 1990s was derived from a partisan tax increase bill in 1993, and, two, that all the bad fiscal history of this decade to date is attributable to bipartisan tax relief plans.

Not surprisingly, nearly all of the revisionists who spoke generally oppose tax relief and support spending increases. The same crew generally supports spending increases and opposes spending cuts.

For this debate, it is important to be aware of some key facts. The stimulus bill passed by the Senate, with interest included, increased the deficit by over $1 trillion. The stimulus bill was a heavy stew of spending increases and refundable tax credits seasoned with small pieces of tax relief.

The bill passed by the Senate had new temporary spending that, if made permanent, will burden future budget deficits by over $2.5 trillion. Now, that is not this Senate Republican speaking; it is the official congressional scorekeeper, the Congressional Budget Office. In fact, the deficit effects of the stimulus bill passed within a short time after the Democrats assumed full control of the Federal Government roughly exceeded the deficit impact of 8 years of bipartisan tax relief. You can see that very clearly right here.

The tax relief over here, and the stimulus bill here—all of this occurred in an environment where the automatic economic stabilizers, thankfully, kicked in to help the most unfortunate in America with unemployment insurance, increased amounts of food stamps, and other benefits.

That antirecessionary spending, together with lower tax receipts and the bailout activities, set a fiscal table of a deficit of $1.4 trillion. That was the highest deficit as a percentage of the economy in post-World War II history. You can see that right here.

From the perspective of those on the Republican side, this debate seems to be a strategy to divert, through a twisted blame game, from the facts before us. How is the history a history of revision? I would like to take each conclusion one by one.

The first conclusion is that all of the good fiscal history was derived from the 1993 tax increases. To test that assertion, all you have to do is take a look at data from the Clinton administration. The much ballyhooed 1993 partisan tax increase accounts for 13 percent of the deficit reduction in the 1990s, 13 percent. That 13-percent figure was calculated by the Clinton administration Office of Management and Budget.

The biggest source of deficit reduction, 35 percent, came from a reduction in defense spending. Of course, that fiscal benefit originated from President Reagan's stare-down of the Communist regime in Russia. The same folks on that side who opposed President Reagan's defense build-up somehow seem to take credit for the fiscal benefit of the peace dividend.

The next biggest source of the deficit reduction, 32 percent, came from other revenue. Basically this was the fiscal benefit from the pro-growth policies such as the bipartisan capital gains tax cuts of 1997 and the free trade agreements that President Clinton, with Republican votes, got passed.

The savings from the policies I pointed out translated to interest savings. Interest savings account for 15 percent of the deficit reduction. Now, for all of the chest thumping about the 1990s, the chest thumpers who pushed for big social spending, did not bring much to the deficit reduction tables in the 1990s. Their contribution was this, 5 percent.

What is more, the fiscal revision historians in this body tend to forget who the players were. They are correct that there was a Democratic President in