

It is obvious by now that our Republican friends have drawn their political strategy from this cartoon. We have all heard Republicans weep for the deficit they say they fear. Democrats agree that we need to do something about cutting the deficit by admitting we can't afford a tax break for millionaires and billionaires, a tax break that would add, under the legislation offered by my Republican colleague, Senator MCCONNELL, \$4 trillion to the debt, as this is a tax cut many admit they don't need. When was the last time we heard an investor ask for less money? What did the Republicans do? They pulled away the football and said: Rather than reduce the deficit, we would really rather give an unnecessary, unwanted, unaffordable handout to the richest of the rich.

Then they went a step further. They pretend the real victims here are small businesses, conveniently bending the rules so that multimillion-dollar Wall Street firms, companies such as PricewaterhouseCoopers and enormous conglomerates such as the Tribune Company, count as small businesses. It is a sham. In fact, the way Republicans count, President Obama himself, who has made a lot of money on his books, and most movie stars and professional athletes count as small businesses. If that is the way they count, perhaps that explains why Republican economic policies nearly led us into a depression. It is why this time around perhaps we should not count on their ideas to help us recover.

This week, every Republican sent me a letter saying they would not let legislators legislate, that they wouldn't let the Senate operate until we addressed the tax cuts. So Democrats called their bluff. We said: OK, let's talk about tax cuts. Let's vote. The other body had already passed a middle-class tax cut, and we can do the same. The majority in the Senate, like the majority of the country, believes the middle class deserves this tax cut. The minority in the Senate believes, against all evidence to the contrary, that millionaires and billionaires and big CEOs who ship jobs overseas deserve this giveaway. We disagree, but that is why the Founders created this body—to debate and settle those disagreements. So we said: Let's vote. And what did the Republicans do again? Just like Lucy, they pulled the football away and said: No deal. They then sat on the ball while we watched the clock count down. That is why we are here on a Saturday morning when we could have resolved this days ago.

In that same letter, Republicans claimed their top priority is putting people back to work. It is a priority with which Democrats agree. The difference is we really mean it. My State of Nevada has the highest unemployment rate in the country. I know my most important job is to create jobs. So Democrats again gave them the chance to walk the walk. We tried to

pass a bill that would extend unemployment insurance for so many Americans who lost their jobs in the recession and are still trying hard to find work.

Economists tell us that unemployment insurance is one of the best ways to energize the economy and create jobs. We know that for every dollar of unemployment insurance that goes out, at least \$1.61 comes back into the economy. It is a good investment. The Council of Economic Advisers said this week that failing to extend this lifeline would cost the country 600,000 more jobs.

What did Republicans do? Once again, they did their best Lucy impression, pulling away the football and saying: I object. They stepped up and did the same thing they have done over and over. They stopped us from creating jobs. Like the football Charlie Brown can't kick, the money that would immediately go back into the economy remains out of reach for those who would spend it the fastest.

Finally, the Senator from Arizona, his party's nominee for President last election, has given a dizzying defense of don't ask, don't tell—an obsolete, embarrassing, and discriminatory policy that weakens our military and offends our values. First, Senator MCCAIN said he seriously would consider repealing it if the military leadership thought we should. When the military leadership said it should be repealed, he pulled away the football. Then Senator MCCAIN said he would need to see a study from the Pentagon. When the Pentagon produced a study saying repeal would have no negative impact, he pulled away the football again. And for his latest trick, he said yesterday that he opposed repealing don't ask, don't tell, a proposal that would be a great stride forward for both equality and military readiness, because of the economy. I repeat: The senior Senator from Arizona said he couldn't support repealing don't ask, don't tell because of the economy. I have no idea what he is talking about, and no one else does either.

Yesterday, we also heard the Republican leader say:

Americans don't want to see meaningless theatrics in Congress. They want us to do something about the economy.

He is right. The theatrics need to end. The time to do something about our economy needs to begin now, and what better way to demonstrate that than by doing what the American people and economists of every political position know is the right thing to do—protect the middle class from higher taxes and reject a \$4 trillion bailout for billionaires.

Our economy is not a cartoon. The jobs of hard-working Americans are not political footballs. Instead of taking their ball and going home when they don't get their way, it is time Republicans realize we are not here to embarrass one another. We are here to get things done. We are here to help

our economy grow again. It is time Republicans recognize that, like Charlie Brown and Lucy, we are on the same team.

Mr. President, we are 2 minutes or so from the 2 hours for the time on the tax cut debate. We have a couple of amendments. Unless there is objection, we should go ahead and start that.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. REID. This will provide an extra 2 minutes.

The ACTING PRESIDENT pro tempore. The Senator from Illinois.

Mr. DURBIN. Mr. President, I ask unanimous consent to speak under the time allotted to Senator BAUCUS on the first amendment.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. REID. I think there is a consent in effect that Senator BAUCUS would control a half hour and Senator SCHUMER would control a half hour of the time. If not, I ask unanimous consent that that be so.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

FEDERAL AVIATION ADMINISTRATION EXTENSION ACT OF 2010

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of the House message to accompany H.R. 4583, which the clerk will report.

The legislation clerk read as follows:

Motion to concur in the House amendment to the Senate amendment with an amendment to H.R. 4583, an act to amend the Internal Revenue Code of 1986 to extend the funding and expenditure authority of the Airport and Airway Trust Fund, to amend title 49, United States Code, to extend authorizations for the airport improvement program, and for other purposes.

Pending:

Reid motion to concur in the amendment of the House to the amendment of the Senate to the bill, with Reid amendment No. 4727 (to the House amendment to the Senate amendment), to change the enactment date.

Reid amendment No. 4728 (to amendment No. 4727), of a perfecting nature.

Reid motion to refer the message of the House on the bill to the Committee on Finance, with instructions, Reid amendment No. 4729, to provide for a study.

Reid amendment No. 4730 ((the instructions) amendment No. 4729), of a perfecting nature.

Reid amendment No. 4731 (to amendment No. 4730), of a perfecting nature.

The ACTING PRESIDENT pro tempore. The Senator from Illinois.

Mr. DURBIN. Mr. President, it has been my honor to serve on President Obama's deficit commission, a commission chaired by former White House

Chief of Staff Erskine Bowles and former U.S. Senator from Wyoming Alan Simpson. For 10 months, we met and considered all of the possibilities for us to move toward a more stable fiscal picture in America. Our goal was simple: to reduce Federal spending, reduce the deficit by \$4 trillion over 10 years. It took us 10 months to come up with a proposal, and yesterday 11 out of the 18 members of the commission voted in favor, as I did. I had my reservations about some of their provisions, but I did not quarrel with the goal.

Unless we are serious about budget deficit reduction, America's economy will be in peril. Borrowing 40 cents out of every dollar we spend and borrowing it from countries such as China, which, as a result, have leverage on the U.S. economy, is something we should not ever accept as normal. It is abnormal and dangerous.

I left that commission hearing yesterday, voting to cut \$4 trillion over 10 years, to come to the floor of the Senate, where the Republican side of the aisle, the Republican Senate leader, MITCH MCCONNELL, has a proposal for tax cuts over the next 10 years of \$4 trillion. What a coincidence. All of the pain that would be inflicted on the American people and our economy from the deficit commission proposal to reach the goal of moving toward budget balance and sensible budgeting would be completely wiped away by the Republican tax cut proposal. That is why this debate is so critical.

I fully support the amendment being offered by Senator BAUCUS of Montana, as chairman of the Senate Finance Committee, an amendment which says: We will have tax cuts, but we will do it sparingly because we need to, not only to help middle-class families but to help this economy. The Baucus proposal would cost us, over 10 years, \$1.5 trillion. It is a huge sum of money. But it is a sum of money we should invest at this moment because of the reports we received yesterday that the unemployment rate in America continues to rise, that our economy is fragile, that this recession is serious, and we need to move to breathe life into this economy as quickly as possible for workers and small businesses all across the United States.

That is why I support the Baucus proposal. That is why President Obama supports it. That is why it is a sensible way to go. And that is why the Republican position—calling for expanding our deficit, calling for expanding tax cuts to the wealthiest Americans—the Republican position is indefensible, indefensible not just among Democrats and Independents but even in their own political party.

A recent CBS poll showed more than 50 percent of Republicans across America reject the Senate Republican position calling for tax breaks for millionaires. When we add those who say to just extend the tax breaks for those making \$250,000 or less or don't extend

any tax breaks, the Republican position is rejected by Republicans across America. Why? Because they can add and subtract, and they understand that to give a tax break to the wealthiest people in America at this moment in history is foolish and reckless. Yet that is the position of the Republican Party and a definition of their values.

I might also add, to think that the Republicans could stand before us and argue that we should give tax breaks to those making over \$1 million a year—let me quantify those tax breaks. The average tax break for a person making \$1 million a year, under the Republican proposal, is \$100,000 a year—\$100,000 a year. That is what they are prepared to ask for and then turn around and argue it does not add to the deficit, which it clearly does—some \$700 billion—and then argue we cannot extend unemployment benefits because it might add to the deficit.

So on one hand, giving help to those who do not need it, did not ask for it, and, frankly, will not help our economy when they receive it, is acceptable to Republicans. But turning around to help 127,000 unemployed people in Illinois who will lose their unemployment insurance this month—Merry Christmas, they lose their unemployment insurance—40,000 people in Missouri who will lose their unemployment benefits this month, this holiday season, and over 30,000 people who will lose it in the State of Iowa, to cut off those unemployment benefits, the Republicans say: Tough luck. That is the way it has to go. We have to be very careful about the way we spend money. Tax breaks for the wealthy, no unemployment insurance for those who struggle is an unacceptable position for America's economy and America's future.

This is a clear choice. I support the Baucus amendment: help middle-income families, reduce the deficit. Do not reward those who have done so well in our economy, have not asked for a tax break, do not need it, and only add to our Nation's deficit. As part of the proposal from Senator BAUCUS: provide unemployment benefits for those in America who have lost their jobs through no fault of their own and deserve a helping hand in this holiday season.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I yield my time to myself, 15 minutes out of what we control.

First of all, I remember before the President was sworn in he announced that—even though he ran on a platform of increasing taxes on higher income people—you do not raise taxes during a recession. So during the year 2009, there were no proposals to increase taxes from the administration, and, obviously, the Congress went along with that.

Then, in August 2009, the President was in Elkhart, IN, and there was an exchange there along the same line, and the President said this:

You don't raise taxes in a recession. We haven't raised taxes in a recession.

Well, with 9.8 percent unemployment yesterday, it is quite obvious we are still in a recession. This debate is not about cutting taxes. This debate is whether we ought to increase taxes on anybody during a recession. We believe we should not raise taxes on anybody during a recession.

Also, I heard the other side in their early speeches talk about efforts on this side to prevent unemployment insurance from being extended. Well, that is the same song we heard from the majority party during June and July. I would remind people on the other side of the aisle, the results of the election were that the people of this country said they were concerned about jobs, about the economy, and about the legacy of debt.

During that period of time last summer when we were being accused, as we were just accused this time, of not wanting to do anything about unemployment compensation, on June 14, June 17, June 24, and June 30, we tried to not only extend unemployment compensation but we tried to do it in a way that was paid for so we did not increase the deficit. But we were denied that opportunity.

Finally, soon after the July Fourth break, we were given an opportunity to at least vote on an opportunity to extend unemployment compensation and pay for it. But we did not get the votes because for the other side, a deficit does not bother them except when it comes to increasing taxes on somebody else. Then they say the deficit is of concern to them.

But the fact is, as I said yesterday right here as I spoke to my colleagues, if we look at the history of tax increases in this Congress—in Congress generally—over a long period of time, it is one thing to raise taxes if it will go to the bottom line, but we have seen time after time raise a dollar's worth of taxes and it is a license to spend about \$1.15, \$1.17. So raising taxes does not reduce deficits. The reason is, it is not because people in this country are undertaxed, it is because Congress overspends. For the tax increases of the past and the expenditures that followed, \$1 of taxes gives a license to spend \$1.15. It is just like the dog chasing its tail; he never catches it.

So here we are, just 1 month after the people of this country very definitely spoke about their concern about jobs, the deficit, and the economy, and we are right back where the President said we should not be both before he was sworn in and then in August of 2009; that we should not increase taxes during a recession.

So I would like to quickly discuss the proposal to increase taxes on some Americans starting in less than a month from now.

The first one would be unemployment. Just yesterday—as I just stated but to be more specific—the Bureau of Labor Statistics said the unemployment rate ticked back up to 9.8 percent

from 9.6 percent. In July, the unemployment rate was 9.5 percent. For the 3 months of August, September, and October, it was pretty steady, 9.6 percent; now for November, 9.8 percent. The unemployment rates for minorities are significantly worse than what it is for the average. The trend is in the wrong direction. In other words, the economy is in a very fragile situation. The economy is clearly telling Congress: Handle with extreme care.

The second point is what the economists say. I have a chart that says what various economists say we ought to do. This was a survey by CNN Money. A majority of the economists say preventing the 2011 tax hikes is the No. 1 thing Congress can do right now to help the economy. That would be the 60 percent of the economists who say don't raise taxes for any taxpayers; the 60 percent of the economists who say preventing tax hikes on all Americans is the best course of action.

But only 10 percent of the economists say preventing tax hikes on only the middle class is the best way to help the economy. Sixty percent say don't increase taxes on anybody versus 10 percent who say it is OK to increase them on some. Of course, the survey is by CNN, hardly known as being a Republican network.

Four, some on the other side may say that preventing tax hikes on higher income folks is not important. The theory goes that high-income people would just save the money. There are a couple problems with that point. The first is, we all know the lack of savings and investment is harmful to the economy. But the other more direct response is, they probably would increase their spending on consumption.

Mark Zandi, a respected economist with Moody's, had this to say: Normally, I would firmly agree that raising taxes on people who make over \$250,000 a year would not make a meaningful difference in the way they spend money. But I worry that these aren't normal times and that even this income group may be sensitive.

Now, obviously, these are not normal times when we still have almost 10 percent of the people unemployed and a fragile economy. What this Congress does has consequences, and we ought to be very cautious how we approach it.

Fifth, we have CBO saying the gross domestic product would be as much as 1.4 percent higher in 2011 if all the tax relief of 2001 and 2003 is made permanent. If the tax relief is only for lower income Americans—as is proposed by the amendment before this body and by people on the other side of the aisle—then, according to CBO, the GDP would only be 1.1 percent higher in 2011.

Now maybe some people think the difference between 1.4 percent and 1.1 percent of more growth is insignificant. But let me tell you, when it comes to 10 percent unemployment that sort of economic growth is going to put a significant number of people back to work if we allow the higher 1.4 percent to happen.

In other words, the difference between preventing tax increases on all Americans and on only preventing the tax increases on some Americans—that three-tenths of 1 percent in 2011 is a very significant difference of economic growth.

I would like to go to a sixth point. Given the recession, given the unemployment rate, given business reluctance to invest and grow, is this the time to reduce the gross domestic product at all? If it were just a matter of either the government got the money or the private sector, that would be one thing, as the government does have a deficit problem. But in this case, it is a matter of money simply not being there because of the hit to the gross domestic product. So we are talking about dead-weight loss.

Then, seventh, fiscal history proves higher rates do not yield higher revenue. As shown on this chart, this is a 50-year history of revenue coming into the Federal Government as a percentage of gross national product. The red line is pretty steady. It does not matter whether we have 93 percent rates back in the Eisenhower and early Kennedy years, and then they were reduced down and down and down and down and down, to eventually, in 1987, when they got down to 26 percent, and, in 1990, they went back up to 39.6 percent. Now they are down to 35 percent. Are they going to go back up to 39 percent, 40 percent? This chart proves the taxpayers of this country are smarter than we are in Congress because we think we can raise high marginal tax rates and bring in more revenue, and it doesn't have anything to do with what the American people are willing to send to Washington.

I wish to quote not this Senator but the Joint Committee on Taxation in regard to high marginal tax rates not making much difference to what money comes into the Federal Government because the taxpayers are smarter than we are. They are smart enough to know that if you have 93 percent marginal tax rates, why work? So you didn't get any more revenue. There is still about 18.2 percent of the gross national product coming in for us to spend. But we don't give the taxpayers of this country any credit for having any smarts because we think we are smarter than they are, and this chart proves the taxpayers are smarter than we are because we have high marginal tax rates, and it doesn't bring in any more revenue. When are we going to learn?

So the Joint Committee on Taxation says about this:

We anticipate that taxpayers would respond to the increased marginal rates by utilizing tax planning and tax avoidance strategies that will decrease the amount of income subject to taxation.

The ninth point out of 11—and I am about done—I often quote the National Federation of Independent Business, the voice of small business here. Because the President says 70 percent of

the new jobs in America are created by small business so we ought to listen to what their voice in Washington has to say for small business and what we do and the effect, good or bad, on the economy.

Members of Congress fled with no action on important issues like expiring tax rates, leaving the cloud of uncertainty larger and darker. In response, consumer sentiment fell and owner optimism remained anchored solidly in recession territory. Thus, spending stayed in "maintenance mode", deterioration of jobs continued, and capital spending remains at historically low rates. Owners won't make spending commitments when sales prospects remain weak, and important decisions—

I wish to highlight this—

such as tax rates and labor costs remain so uncertain.

This debate adds to that uncertainty, if you are going to have tax increases.

So here we are on a Saturday. I have a chart up that I think says what today's debate is all about. We don't need a dog and pony show going on, on a Saturday, when we ought to be giving certainty to the economy, because the word "uncertainty" is exactly what CEOs of major corporations told the President back in June, when he called them in and said: You have \$2 trillion in cash sitting in corporate treasury. Why aren't you spending it and creating jobs?

They said: Because of so much uncertainty.

So the bottom line is this. Stop the tax hikes.

Mr. President, may I make a unanimous consent request, please, that Senator HATCH have 15 minutes; Senator THUNE, 10 minutes; Senator KYL, 10 minutes; and Senator GRAHAM, 10 minutes.

The ACTING PRESIDENT pro tempore. Is there objection?

Without objection, it is so ordered.

Mr. SCHUMER. Mr. President, would my colleague yield for a question?

Mr. GRASSLEY. Yes, because you New Yorkers think you can make us Midwesterners look bad, but I am glad to yield.

Mr. SCHUMER. I thank my colleague. Through the Chair, I would simply like to ask my colleague this. I understand we have a different point of view. We both care about deficit reduction. Could he please explain to me why it is OK to take \$300 billion of tax cuts for those at the highest income levels—above \$1 million—and not pay for it, yet we have to pay for an unemployment extension?

Mr. GRASSLEY. Yes; I thought I made that point very clear. Because the taxpayers are smarter than we in Congress are. They know if they give another \$1 to us to spend, it is a license to spend \$1.15. So it just increases the national debt. When it comes to paying for unemployment compensation, we can pay for unemployment compensation because the stimulus bill was supposed to stimulate the economy and it is not being spent. If you put money from stimulus into unemployment, you

don't increase the deficit, and you also have the money spent right away.

Mr. SCHUMER. Reclaiming my time, I thank my colleague.

The ACTING PRESIDENT pro tempore. The Senator from New York.

Mr. SCHUMER. Mr. President, I would just say the answer doesn't deal with deficit reduction. If you care about deficit reduction, the two should be treated equally. Mr. President, \$1 of tax break per millionaire and \$1 of increased unemployment benefits increases the deficit the same amount. However, every economist—I saw we had a chart up about economists before—will tell us \$1 into unemployment benefits stimulates the economy about four times as much as \$1 into tax decreases for millionaires. That is pretty universal. Mark Zandi, JOHN MCCAIN's economic adviser during his campaign, said \$1 of tax breaks for millionaires stimulates the economy about 30 cents' worth. So \$1 of unemployment benefits increases the economy by about \$1.62.

I know we have a few of my colleagues coming. Does my colleague have anyone else here he wishes to have speak right now?

Mr. GRASSLEY. I don't think they are here.

Mr. SCHUMER. OK. Then I will speak for a minute or two, unless you would like to speak a little longer.

Mr. GRASSLEY. Are you saying you don't want to use any time on your side to speak?

Mr. SCHUMER. If you have more time on your side that you want to use, that is fine; otherwise, I will.

Mr. GRASSLEY. I don't want to eat into my colleagues' time.

Mr. SCHUMER. OK. Then I will speak for a few minutes.

Mr. President, this debate is very simple. Everybody here believes in all good faith that we ought to permanently extend tax breaks for the middle class. The question on the floor is, Do we want to extend those tax breaks for millionaires and billionaires at a time of huge deficit? I would argue vociferously no. I would argue most economists agree that shouldn't happen. I would argue the American people, by 26 percent to 74 percent, are against giving tax breaks to millionaires. Why? It is very simple.

It is not that we are against millionaires. God bless them. Most of them made their money the hard way. They worked hard. They made the American dream. Every one of us would like to have done that—or most of us. So this is not aimed at being critical of them. But, rather, it says we have two economic realities. We have an economy that under the Bush tax cuts right now—my colleague mentioned unemployment went up to 9.8 percent. That is under these tax cuts.

When the rates were a little higher under President Clinton, we never had unemployment that high. But we would argue: So the middle class needs to continue that break for two reasons. One, it stimulates the economy and,

No. 2, middle-class incomes have declined over the last decade. In the first decade under the Bush tax cuts, middle-class incomes declined for the first decade since World War II. Under the Clinton rates, middle-class incomes increased rather significantly. Second, we would say this: But at the same time—this is the conundrum we have economically—we have a large deficit and the question is, How do you reduce the deficit? Again, I think both of us agree we should reduce the deficit. It seems to me, about the best way to reduce the deficit is not to give \$300 billion of tax breaks to the 315,000 Americans whose income is over \$1 million.

By the way, I would remind my colleague there are 160 million people—my colleague from Alaska has reminded me—160 million people who file tax returns. Only 315,000—by quick math, that is about .03 percent—have an income over \$1 million. But in the last decade under the Bush tax cuts, those people have garnered all the increase in wealth, all the increase in income—or just about—a huge proportion of it.

So if we are looking for deficit reduction, should we hurt the middle class? No. Should we stop building roads? In my opinion, no. Should we take money out of Social Security? In my opinion, no. Where are we going to get it? Don't do unemployment benefits which stimulate the economy and mean so much to middle-class people who have been out of work for so long under this regime of Bush tax cuts? No. The best place to get that money—it is not that we want to punish wealthy people. We want to praise them. But they are doing fine and they are not going to spend the money and stimulate the economy. For some reason, 42 Members of this Senate, all on the other side of the aisle, somehow the linchpin of their entire economic policy is tax breaks—further tax breaks—for those who are very wealthy.

Let me remind my colleague that every person whose income is \$100 million—there aren't many of them, but they have a lot of the income—would get a \$3.8 million tax break a year. The average middle-class person under our plan would get about a \$2,000 tax break a year. Is that equivalent? Certainly, the person making \$3.8 million isn't going to rush to J.C. Penney and buy that warm winter coat they have been waiting for. No.

So I would say to my friend, it is a bit contradictory to say pay for unemployment benefits but don't pay for tax cuts to the rich. It is also a bit contradictory to say you care about deficit reduction but not when it comes to tax breaks for the wealthiest people.

I am going to be here for the next 2 years to remind my colleagues, every time they talk about deficit reduction and don't spend money on this and don't spend money on that, that they were willing to increase the deficit \$300 billion to give tax breaks to people who have over \$1 million.

With that, I yield the floor and turn it over—I see my colleague from Utah

is here. I kept him waiting yesterday. I am not going to do that today. So I yield the floor.

The PRESIDING OFFICER (Mr. BENNET). The Senator from Utah.

Mr. HATCH. I appreciate my colleague, Mr. President. This is a first for him to yield to me and appreciate me.

That is not quite accurate because we are real good friends.

My friend, the senior Senator from New York, has come forward with an amendment. The essence of the amendment is a marginal tax rate hike on taxpayers earning more than \$1 million. It has been dubbed the "millionaires' tax."

Folks on the other side must know two things. One, this may be well designed from the other side's political viewpoint. Supporting the tax probably registers well with some of the Democratic polling mavens. By the same token, these polling mavens might be indicating to their patrons that this lameduck session vote might supply some good campaign material. As the debate ensued this past week, it almost seemed as though my friends on the other side were giddily rubbing their hands together. Maybe they view this vote as the equivalent of a Hanukkah gift or Christmas present. But their holiday political joy stands in sharp contrast to the dreary situation facing America's unemployed. Two years of wall-to-wall Democratic rule has only made the situation worse.

There is a second thing my friends on the other side must know. They know Senator SCHUMER's amendment will surely fail. Does anybody doubt it?

Thirty-three days ago, the American people sent a message: Work together. Take care of the people's business. Nothing is more fundamental to the people's business than how much they are taxed. In this weak economy they said: Keep taxes low. Keep taxes low.

We should not meddle with the great sovereign power of taxation. It is especially true in this harsh economic climate. On April 19, 1774, Sir Edmund Burke tried to persuade the British Parliament to repeal the last of several controversial colonial taxes. His wisdom is instructive for today's vote. Remember, this is Sir Edmund Burke arguing for the colonists in America:

Could anything be a subject of more just alarm to America, than to see you go out of the plain high road of finance, and give up your most certain revenues and your clearest interests, merely for the sake of insulting your Colonies?

Burke's point was that the Parliament was acting unwisely by maintaining a tea tax primarily to spite the colonists.

Four Saturdays from today, we will mark New Year's Day 2011. The tax law, as it now reads, will impose a punitive hike on virtually every American taxpayer. That date of reckoning has been clear since my friends took power almost 4 years ago in both Houses of Congress.

My friends on the other side, with all due respect, your actions this morning

amount to meddling. You possess part of the sovereign power to change the tax law to prevent this tax increase. Instead, you have forced this body into a political showdown.

The proponents of the so-called millionaires' tax say the reason to do so is "fiscal discipline." This proposal preserves less than half of the revenue of the related positions in the Reid-Baucus substitute. If that is the case, and revenue is the goal of the proponents of the millionaires' tax, they ought to stick with the Reid-Baucus substitute.

But let's set aside for a moment the fact that the revenue raised is a fraction of the broader tax hike on the Reid-Baucus substitute. Does anybody take seriously the amendment proponents' claims that the revenue raised will go to deficit reduction? Does anybody really believe that? You know they are going to spend every dime of it, if there were any revenues. Where is the mechanism to assure taxpayers of that? More important, what is the record of my friends on the other side on this point? You need to only look at the fine print in the revenue and spending tables of the President's budget.

As an aside, the President's budget is the most transparent presentation of the fiscal features of the agenda of my friends on the other side. Hiking marginal tax rates on singles making more than \$200,000 and families making over \$250,000 translates to about six-tenths of 1 percent of gross domestic product, or GDP, per year over 10 years. The new above-baseline spending initiatives in the President's budget translate to seventy-five one-hundredths of 1 percent of GDP per year over 10 years. What does that mean fiscally? The revenue raised by the broader tax hike in the Reid-Baucus substitute is less than the new spending in the President's budget. It doesn't take a rocket scientist to figure this out.

As I stated earlier, the revenue raised by the amendment of my friend from New York is less than half of that of the Reid-Baucus substitute. Does anybody really believe that lesser amount of revenue is less likely to be spent? So much for the fiscal discipline argument.

There are some disturbing points to ponder on this so-called millionaires' tax. I am going to alert my friends on the other side to them.

The first point is that capital is the lifeblood of business. Pump more capital into business and it will respond: the business will gain economic energy. Curtail the flow of capital to a business and it will respond: the business will lose economic energy. That is what is happening in America.

According to the latest Internal Revenue Service statistics of income—or SOI—data, a lot of capital gain income is earned by taxpayers targeted by Senator SCHUMER's amendment. Statistics of income data states that 56.6 percent of the net long-term capital gain from traditional capital assets is reported by taxpayers with \$1 million or more in

income. More important, if capital gains from transactions involving partnerships and other flowthrough entities are concerned, that percentage rises to 64.7 percent. There can be little doubt that we are talking about a large pool of capital.

If my friends on the other side were to prevail, it would be a game-changer for the tax treatment of a large pool of income from capital. The change in the capital gains would surely be a negative one.

I have a chart that illustrates the change in the playing field for capital transactions. It shows where we are today; that is, 15 percent capital gains rate. If my friends on the other side are successful, in a little over 27 days from now, the marginal rate will rise to 20 percent. The health care reform bill has baked in another 3.9 percent rate hike. That kicks in a little over 2 years from now. So that is 23.9 percent.

This chart shows that the marginal rate on nearly two-thirds of taxable long-term capital gains transactions could be affected. It means investors who supply that capital, the lifeblood of business, will see the marginal tax rate on capital gains rise by nearly 60 percent in a little over 2 years.

Everything else being equal, a rise in the marginal tax rate means a decline in the after-tax rate of return. The nonpartisan Joint Committee on Taxation always cautions us about this effect in their revenue estimates.

Here is what Joint Tax said:

We anticipate that taxpayers would respond to the increased marginal rate by utilizing tax planning and tax avoidance strategies that will decrease the amount of income subject to taxation.

My gosh, what more do you need to understand economics? Capital is the lifeblood of business. Raise the marginal rate on capital gains transactions, and the result will be a decrease in the after-tax rate of return on capital investments. What will happen? Capital will go out of taxable activities, in many cases. Capital, the lifeblood of business, will be constricted. With capital constricted, does anybody see business activity affected in any way that is positive? It would be hard to imagine that outcome.

When most folks hear about a so-called millionaires' tax, they probably think it would have minimal impact on the business environment. The data I have discussed shows exactly the opposite. It also shows that any revenue raised will likely be spent. Anybody who believes that by raising revenues we are going to pay off the national debt has not lived in this country for the last 34 years I have been in the Senate. Our friends on the other side will always spend that money. That is how they keep themselves in power.

Does it make sense to send a tax policy signal to investors to move their capital out of taxable business activity? In the worst economic environment in many years,—now with 9.8 percent unemployment—should we not be

going in the opposite direction? Instead of finding ways to kill jobs when the unemployment rate continues to stagnate near 10 percent, let's focus our time on finding a bipartisan solution to protect all Americans, especially our job creators, from crushing tax hikes. It is time to put a stop to this nonsensical political theater and get down to the people's business.

One last thought. Over the last summer, President Obama said this:

The last thing you want to do is to raise taxes in the middle of a recession, because that would just suck up, take more demand out of the economy, and put businesses in a further hole.

I think the President was right. I think the economists think that statement was right. The last thing we should do is raise taxes in the middle of this downturn, which now is even more down because of the 9.8-percent unemployment rate. But that tells only part of the story. If you talk about the underemployment rate—those people who don't have jobs, those who can't find jobs, those who are dependent on the Federal Government, and those who stopped looking for jobs, and there are a lot of people like that—you are talking about 18 percent or better. We have to wise up. The last thing on Earth we need to do is increase taxes at this late date.

This is an important debate. The Democrats have had 4 years to change this, where they controlled both Houses of Congress. In the last 2 years, they controlled not only the Houses of Congress but the Presidency. At this last minute, to say that we have to do something, it shows a lack of—well, you name it; I won't name it.

I yield the floor.

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

Mr. THUNE. Mr. President, I think the American people, when they voted this year, were saying one thing: We want to keep the main thing, the main thing. To the American people, the main thing is getting the economy growing again and creating jobs. Almost everything that has been done here in Congress in the last couple of years has been the exact opposite of that. You have seen policies put into place that increase the cost of doing business in this country and make it more difficult for small businesses to create jobs.

So here we are today debating what evidently has become the Democratic economic theory, which is to raise taxes to create jobs. We have seen this in play throughout the last couple of years. The cap-and-trade bill was a tax on energy. It didn't get through the Senate because we were prepared to stop it, but it passed in the House of Representatives and was headed here. The health care bill raised taxes on medical device manufacturers and drug companies and health insurance plans, all of which is going to get passed on to small businesses in the form of higher insurance premiums.

Here we are debating a frontal, direct tax increase on small businesses. It is the most astounding theory on how to create jobs I have ever seen—raising taxes to create jobs. That hasn't worked in practice. The Senator from Iowa eloquently pointed out that, historically, if you go back over the past half century, not only does it not create jobs, it doesn't generate additional revenue. As he pointed out, when you raise taxes, you don't get more revenue. When you lower taxes, you get more revenue. Why? Because it affects the behavior of the American people. It affects investors, it affects the allocation of capital, and it affects people across this country when they know their tax rates are going to be low.

This seems to me to be completely off the track and off the point that the American people want us to focus on, which is keeping the main thing, the main thing—how can we expand the economy and create jobs? We do that by keeping taxes low on small businesses, which, by the way, create two-thirds of the jobs in our economy.

What will be the impact of the proposal we will vote on today in terms of small businesses and their ability to create jobs? According to the non-partisan Joint Tax Committee, half of small business income would be subject to higher taxes. That translates into 750,000 small businesses that would be faced with higher taxes. That also, incidentally, impacts about 25 percent of the workforce in this country.

How does that translate in real terms? When these taxes go up on January 1 for people who make more than \$250,000 a year, who are probably paying the 33-percent or 35-percent marginal income tax rate today, their taxes will go up to 36 percent or 39.5 percent. If they are a family of four and they have personal exemptions, these phase out. There is a cap on the number of itemized deductions they can take. When that kicks in, their top marginal income tax rate could go up to 41 percent.

If you are a small business today that is paying at the 33-percent rate and you end up paying 41 percent as a result of this increase to take effect on January 1, you are looking at roughly a 25-percent decrease in your income. That is obviously going to increase the cost of doing business. When you increase the cost of doing business, it makes it that much harder for small businesses to invest, to make that new capital investment and buy that new piece of equipment or to hire that additional person, or hopefully additional people, in the workplace.

All they are simply doing here is trying to implement a failed policy that hasn't worked in the past and isn't going to work in the future. We have all the science and history and facts to support this. It is counterintuitive to the American people. How many people think the way to create jobs is to increase the cost of doing business in this country? When small businesses create

two-thirds of the jobs in our economy, it is absolutely fundamental that you don't increase their cost of doing business. You don't raise taxes if your ultimate goal is to create jobs.

The best thing we can do for the high unemployment numbers and for the debate we are having about unemployment benefits being extended is to get people back to work. This is the exact opposite way of going about that. It is completely counterintuitive. Raising taxes to create jobs is a failed economic theory, and it has failed in practice.

I think if the Democrats' tax hike goes into effect—and make no mistake about it, I hear the other side talking about tax breaks and tax cuts. These are not tax breaks or tax cuts. Taxes are going up on January 1, pure and simple. That is all there is to it. Taxes are going up on income, on capital gains, on dividends, and they are going up on estates. If action isn't taken by the Congress, we are going to see the largest tax increase in American history.

The other side says: Well, let's cushion it. Let's limit it to those making more than \$250,000. Of course, that affects a lot of LLCs, a lot of partnerships and subchapter S corporations, whose incomes flow through to their individual income tax returns and who will be faced with the higher income tax rates, not to mention the higher capital gains and higher dividend rates. These are the very people we are asking to pull us out of this recession and create jobs.

So where does that leave us? Well, we are going to have an alternative. The alternative would be that we just extend the tax relief, not raise taxes or the cost of doing business, and allow our businesses to prosper and to flourish and to create more jobs for the American people so we can get that 9.8 percent unemployment rate down and reduce the amount of unemployment benefits we have to come back periodically and approve.

We have 9.8 percent unemployment. We were told a year and a half ago—a little more than that, almost 2 years ago—when the stimulus bill was being debated, if we passed a \$1 trillion stimulus bill, we could keep unemployment below 8 percent. That didn't work. Obviously, we borrowed \$1 trillion to do that from our children and grandchildren, and what do we have to show for it? We have a 9.8-percent unemployment rate today and no apparent prospect for the economy to pull out of this sluggishness we are in.

The best way to accomplish that, the best way to make that happen, in my view and I think the view of the American people—and I speak as one individual who is under the \$250,000 threshold—is to allow the people who create the jobs in this country, the people who make more than \$250,000, to continue to do well. I hope they do because the small businesses, when they can increase their top-line sales and increase

their revenues and increase their bottom-line profits, are going to be in a better position to create jobs. I get that, and I think the American people get that. That is why they so consistently voice their disapproval—and particularly the best poll that was taken was the election-day poll, where they came out in big numbers and voiced their disapproval of the policies in Washington, DC, that continue to kill jobs.

So I think we should be looking at what we can do not to kill jobs but to create jobs; what we can do to incentivize businesses to create jobs, not putting more burdens on them and increasing the cost of their doing business in this country. There isn't anything, in my view, that has happened in this last year, if you are concerned about creating jobs, that has been conducive to that.

There was a group of CEOs pulled in to visit with the President sometime last summer. When the President posed the question to them: Why are you CEOs and corporations not creating jobs, I will paraphrase this, but I think the answer, very simply, was: It is your agenda, Mr. President. That is the problem. We have an agenda here that is killing jobs because it is increasing the cost of doing business in this country.

It is a very simple proposition. I don't think it takes a lot to get it. That is why I think so many people are beginning to realize either of these proposals—the Baucus proposal or the Schumer proposal—are the wrong ways in which to approach an economic downturn in this country and the wrong way to get that economy back on track and get people back to work. The latest example of that was today in the New York Times.

In the latest sign how the tax issue continues to rankle and divide Democrats, the White House said the administration opposes raising the threshold to \$1 million.

So we have the \$250,000 vote that is going to occur and we have the \$1 million vote that is going to occur, but what I wish to point out to everyone is, under the Schumer bill—which is the \$1 million threshold—according to the Joint Tax Committee, that still impacts 350,000 small businesses in this country whose income flows through to their individual tax returns. So it is a question of whom do you want to raise taxes on, 750,000 small businesses with the Baucus amendment or 350,000 small businesses with the Schumer amendment.

Obviously, one is clearly better than the other, but the point simply is this: The economic theory we are debating about raising taxes to create jobs is the wrong one. It has been proven wrong historically. It is counterintuitive to anybody who knows anything about economics, which is why 60 percent of all prominent economists in this country say—and this was quoted by the Senator from Iowa today—the best way to create jobs, to grow and expand the

economy, is to extend these tax provisions that are going to expire on January 1.

That is what this debate is about. I hope we will keep the main thing for the American people and not get distracted on all these other things.

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

Mr. THUNE. With that, Mr. President, I urge my colleagues to defeat both of these amendments.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from Montana.

Mr. BAUCUS. Mr. President, I yield 10 minutes to the Senator from Vermont.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. SANDERS. Mr. President, what this debate is about is whether we continue to take money from the middle class and working families of this country who are struggling in a way they have not struggled since the Great Depression and force their kids to borrow huge sums of money in order to provide \$700 billion over a 10-year period to the wealthiest people in this country.

I hear my Republican friends, time and time again, coming down to the floor of the Senate, say we have a huge deficit, we have a huge national debt. Yet today what they want to do is to drive that national debt up by \$700 billion over the next 10 years in order to give huge tax breaks to millionaires and billionaires. So please, my friends, say what you want, but stop talking about the deficit and the national debt when what you are doing today is driving that debt up by \$700 billion over the next 10 years.

Secondly, everybody in America knows what is going on in our country today is that the middle class is collapsing, poverty is increasing, but the people on top are doing phenomenally well. In the last 25 years, 80 percent of all new income created in this country went to the top 1 percent. You don't have to worry about the top 1 percent. The millionaires and the billionaires in this country are doing fine. They do not need a huge tax increase. Today, in America, we have the most unequal distribution of income and wealth that we have had in this country since before the Great Depression.

Isn't it enough for you that the top 1 percent now earns 23½ percent of all income? Isn't it enough for you that the top 1 percent earns more income than the bottom 50 percent? Isn't it enough for you that in the last 25 years, almost all new income has gone to the top 1 percent? Do you think the CEOs on Wall Street who make hundreds of millions of dollars a year need a tax break? Do you think so? I don't think most of the American people think our kids and grandchildren have to see their taxes go up in order to provide tax breaks for the richest people in this country.

Thirdly, I would say, without the slightest doubt, if these guys are successful in giving \$700 billion more in tax breaks to millionaires and billionaires, the next thing they will do is run down to the floor and say: Oh my word, the deficit and the debt are going up. We have to cut Social Security because we have such a large debt. Yes, we have raised the debt by \$700 billion, now we have to cut Social Security. We can't afford to extend unemployment compensation. We can't do it.

Millions of workers out there today, as we get to the holiday season, are worried about how they are going to take care of their families, how they are going to maintain a minimum level of economic security. We can't afford to extend unemployment security, but we can afford to give billions and billions of dollars in tax relief to the top 1 percent.

So I think this is a very easy vote, and the vote is to say: OK. Let's give tax relief, let's extend the tax cuts to 98 percent—many of whom are struggling—but let's not give tax breaks today to the millionaires and billionaires of this country who, in many ways, have never had it so good.

I yield the floor.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. Mr. President, I think what we have just heard illustrates why it has been so hard for us to reach a bipartisan agreement on how to resolve the tax issues all Americans face in just 4 short weeks.

Last Tuesday, a group of us went down to the White House to visit with the President, the Vice President, and some of his folks in a spirit of cooperation, I must say, and a spirit in which the President reached out to us and said: All right, the elections are over. My party didn't do so well, but it is time now for us to get together and work together, and the first piece of business we have to resolve is this tax issue. We have to figure out how we are going to fund the government for the remaining 10 months of the fiscal year, and we have to figure out how we are going to prevent Americans from getting a big tax increase come January 1. What I would like for you all to do—talking both to Democratic and Republican leaders in the House and Senate—is to sit down and try to negotiate this in a bipartisan spirit that truly would give credit to the Congress and give the American people some confidence that they can move forward with some degree of clarity about what their tax obligations are going to be. We agreed.

The President asked us if we would be willing to sit down, literally immediately, to begin these discussions. We said yes. He named two of his chief spokesmen—the Treasury Secretary, Tim Geithner, and Jacob Lew, the head of OMB, to discuss those issues on behalf of the administration, and each of the four leaders in the House and Senate named someone to join the discussions as well. Leader MCCONNELL asked

me to do that on behalf of Senate Republicans.

We immediately scheduled a meeting and we got together to discuss the parameters of how we should move forward, and it was a very productive discussion. But it also became apparent, and it became apparent the second time we met, that actually there weren't going to be any bipartisan negotiations to reach a decision until there had been a political catharsis on the Democratic side.

So let me respond briefly to comments made by the majority leader this morning, who seemed to lay at the feet of Republicans the delay in getting this tax issue resolved, when, in fact, it has been due to the fact that House and Senate Democrats have had to demonstrate to many of the people in their political base that they can't accomplish what their base would like them to accomplish and, therefore, ultimately, they will have to negotiate something with us. I understand sometimes you need to go through a process whereby it makes it easier for you to make concessions, and I suspect that is part of what this is all about.

I certainly don't denigrate the motives of any of my colleagues because this is hard, and they are getting a lot of pressure from people in their political base about not giving in to the Republicans and so on. But the President asked us to discuss this in a bipartisan way, and Republicans have been willing to do that. But, first of all, Speaker PELOSI scheduled a vote in the House that was the Democratic position to allow taxes to be increased on hundreds of thousands of small businesses and others in this country. A vote was finally held, and I might add that 20 Democrats left the fold and joined Republicans in saying: No, that is not the way to reach a consensus. Then the Senate Democrats decided to schedule the same vote and one more vote to try to accomplish the same purpose. Because of the lateness of the time in which that was done, the cloture didn't ripen until this morning, which is why we are here this morning getting ready to cast these two votes.

But I wish to make it clear that I have a disagreement with the majority leader if he is suggesting that somehow it is Republicans who have delayed these negotiations. The fact is, we have had three meetings and I have sat there and we have been very genial with each other, but it has been very clear we are not going to be negotiating anything until this political process is over with—until the partisan votes have been cast—and then and only then will people sit down to seriously negotiate how we are going to resolve the issue. The problem is, of course, there is very little time before Christmas. The President has some other things on his agenda, as does the majority leader. I now understand we are going to have to schedule time next week for an impeachment trial, for example, that can take about a day and a

half. The President would like to see the START treaty brought up in the Senate and resolved before Christmas. There are other things that have to be done.

I wish to make it clear that it is not the Republicans' fault that these things are taking time and we still don't have the tax issue resolved. It is interesting, we have now been in the lameduck session for 2 weeks and we have accomplished exactly one thing: the Senate has passed a food safety bill which now turns out to be unconstitutional. So 2 weeks of lameduck session and essentially nothing accomplished.

Our Democratic colleagues have been in caucus for hours—hours—trying to figure out what to do while Republicans are ready to negotiate, ready to act. But until this political catharsis has finally run its course, it appears there will be no more negotiation.

I am assuming that the next time the negotiators get together—I hope it will be Monday morning; whenever we can get together—we will then be able to actually sit down and work through the process so we can extend the tax policies that have been in place for the last decade so that no Americans have their taxes increased, so that businesses will have certainty and families will have certainty about what their tax obligations will be going into the next year. If that process can begin quickly, then I think we can reach a bipartisan agreement that would make the American people proud and would demonstrate that we actually can come together on an important issue such as this for the benefit of the American people.

But let there be no mistake, the votes that were taken in the House of Representatives and that will be taken here are not because Republicans wanted to take these votes. These are votes the Democrats believed were necessary to demonstrate essentially that they cannot get the support they need to do what they would prefer to do, therefore enabling them to sit down and talk to Republicans.

Those are the facts. We understand this takes time. I just don't want to be blamed for taking the time when it is, in fact, not the Republicans' fault that negotiations have not been completed.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. BEGICH. Mr. President, as you know, I was presiding this morning. I was not scheduled to speak, but this time I decided to inform my staff that I would be speaking so they would not be surprised.

First, with all due respect to the Senator from Arizona, let's not cast shadows on either side. We are all in this together. You cannot blame one side or the other for delay. I could argue that the food safety bill took way too long because of three filibusters from the other side. But we are here.

I am new to this whole process the last 2 years, and I have been patient about the issues we face and talk

about. But this one is a fundamental issue. It is not a question of how long we extend these tax benefits for the middle class; it is who gets them—the middle class or the wealthy, the millionaires and billionaires.

I heard my good friend, the Senator from South Dakota—we just sponsored a piece of legislation that passed—talk about the small businesspeople, that they will be affected. Well, let me give some data points because it is one thing to have opinions, it is another thing to have facts. Let's just focus on the facts.

The bottom line is businesses in this country. I can speak as a small businessperson, I think the only one—if not broadly, pretty darn close—who has small businesses in this Chamber. My wife has four retail businesses. She started her businesses selling smoked salmon on a street corner on a vending cart. Today, she employs 30-some employees, struggling every day but making a difference in the small business world.

Who are these people, the small business community I hear people from the other side talking about? I have no clue whether most of them have been in it, but I have. Who are these people? These are the people we get our dry-cleaning from or when we go to the convenience store, the pizza parlor, wherever it might be, these are the small businesses we are talking about.

The small business community of this country that makes \$1 million gross—that is not their taxable income; gross—\$1 million and under, where probably their net income is well below \$200,000 on that, the taxable income, is 95 percent of the businesses of this country. I like the \$250,000-and-under proposal. I also like the compromise Senator SCHUMER has brought forward—\$1 million and under—because it catches 95-plus percent of the small businesses of this country.

I continue to hear from the other side that we are going to have an impact on the small business community. You are not. If you support the efforts of helping the middle class and you support the efforts of helping small business—businesses that gross \$1 million and under—and for those who don't know the difference between gross and net, net is the profit on which they get taxed; gross is what they sell the products for, not what they get taxed on. Don't confuse the numbers and confuse the American people. And 95-plus percent of the businesses will enjoy the tax relief and break. So don't be confused by some of the numbers that are thrown around on the other side or their one-liners.

I am going to tell you from Alaska, when I go back to Alaska and I listen to the constituency or when I get the phone calls, e-mails, the thousand-plus letters and e-mails I get every single week, what do they want? They want to make sure the small business community—because in our State 56 percent of the employment is generated by

small businesses, small businesses that every day are making a difference. Those are the folks on whom we are focused. It is a question of not how long these extensions are but who gets them. Is it the millionaire-billionaire club or the people?

I know the other side complains and even some on our side complain that we are here on Saturday, but you know there are a lot of Alaskans, a lot of Americans, a lot of folks from Colorado who are working today. They are working on Saturday, working on Sunday, working one or two or three jobs. First, I say to my colleagues, we are here to have a debate. Some might want to call it political. Well, welcome to politics, where 100 people get elected to a political process. This is what I came for—a debate and discussion about what is important to the American people, to the people whom I represent—Alaskans. That is what I came here for.

Yesterday, the Wall Street Journal—again, not a very liberal magazine—as well as the Washington Post, which some may consider a liberal paper—read their headlines. We can talk about what is making the economy move. What is making the economy move is consumer confidence, not millionaire and billionaire confidence. I can tell you that. They have \$2 trillion stuffed away in a bank account.

My friend from Iowa is right—he and I have done some work together, and I respect him greatly—he is right: \$2 trillion is stuffed away with the millionaires and billionaires. But the people who are expending the resources and buying this economy are the middle class, the working people of this country. It is a question of, who are we going to support? Who are we going to help?

We do have these huge deficits. We have to make some decisions sooner or later. Today's is one of those decisions. I hope we are going to make a decision that, millionaires and billionaires, we are not going to fund your tax bonus, your tax giveaway from the taxpayers, on the backs of the future. But we are going to help the small business community. We are going to help the middle class.

When you look at the numbers—Cyber Monday—some of you may not know what this is; I do because I am in the retail business in our family—versus Black Friday, which is the Friday after Thanksgiving, and then there is Cyber Monday, which occurs Monday, Cyber Monday alone raked in a historic \$1 billion. Now, no disrespect for the millionaires and billionaires, but they are not on Cyber Monday, I guarantee you that. Everyday Americans are, everyday Alaskans are—especially in Alaska because we have to get a lot of products that are not necessarily always in our State. Double-digit increases to the automobile industry—an automobile industry that we helped out to make sure they could survive, but now they are having double-digit sales. Home sales in October,

existing home sales, which is critical to clean the inventory—again, I am from the real estate industry, and I know this—10.4 percent increase in October. That is not millionaires and billionaires who buy those homes because they just trade among their friends; these are working Alaskans, working Americans spending their money because they believe in the future.

But here we are about to have a political debate, and I understand there is a lot of swapping and trading going on, and we are having to debate today, and who knows what is going to happen next week on other legislation. To be very frank with you, I think that is not the way this should operate. We should vote on this based on the merits, the merits of the 95-plus percent of the business community that will benefit from the million-and-under program, the 98 percent of the middle class who will benefit—that is whom we should be talking about.

When you look at the data points in regard to the consumer confidence, we are now in the third month and running of increasing consumer confidence. Thirty retail chains talk about their record increases in sales. Again, the people who are shopping at these places, people such as myself, my family, my brothers and sisters, many Alaskans—that is what this is about. It is not a question of how long to extend these things; it is who will benefit from the right public policy discussion and decisions. Small business folks benefit.

I understand the other side doesn't like the \$250,000 and under, so a lot of us on this side, moderates, said: Well, why not try something a little different? Let's up it a little bit; let's get to the \$1 million threshold because it covers basically everybody except the millionaire and billionaire club. That seemed reasonable. I have yet to see any compromise from the other side.

That is also what the election told us. It wasn't one side won, one side lost. The people in this country, the people in Alaska are telling me every day: Get busy, solve problems, compromise, and move forward. The compromise should be not on how long these go but who benefits.

My view, again, I am going to support both of these. I think the compromise that has been laid out on the \$1 million and under will make a big difference to our business community. So that argument I keep hearing from the other side—and I will tell you this from the other side—I am a small businessperson. I know who these people are. So when you talk about it and talk about an economist says this or that, I have worked in it, I live it, I see it. So I understand what they are asking me to do. Going with that compromise is the right decision in the long term.

I encourage my friends that we can reach a compromise here and get to help our small business community, the middle class, and put money in to reduce the deficit—to reduce the deficit. Help our economy, reduce the def-

icit, I would say that is a pretty good deal, and that is what the taxpayers and the voters told us in this last election.

To my friends on the other side, we are reaching out. They may not like the \$250,000, but the \$1 million and under is a positive step to help our communities. Again, why would we give millionaires and billionaires \$300 billion in another bonus? It makes no sense to me. They are not the ones driving this economy, despite what my friends on the other side might say. It is the people who are the small business community, it is the people who work every single day, who are working today while we sit here and deliberate this issue, who will be working tonight and tomorrow and Monday. For us to sit around and say: Let's wait until Monday to sit down and have compromise—today is the day, right now; this is what we are doing.

I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I yield 10 minutes to the Senator from Oregon.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. MERKLEY. Mr. President, I rise today to contrast the Democratic plan, plan A, and the Republican plan, plan B, and what they mean for the working citizens of the United States of America.

Let me start by talking about the Democratic plan, plan A. It is plan A because it is America's plan. Why is it America's plan? First, it benefits every single taxpayer in America. That is the first reason.

Some of my colleagues across the aisle have liked to talk about how the Democratic plan only helps those who earn under \$250,000, but that is because they are not paying attention or they are deliberately distorting the facts, because the Democratic plan provides a tax break on the first \$250,000 regardless of what amount of money you make. So it helps every single American.

The second is that the recent focus on citizens earning less than \$250,000 is because it is the working citizens of the United States of America who have been getting the short end of the stick. The amount of money—the average income for workers in America plateaued in 1974.

Now, that happens to be the year I graduated from high school. Earlier this year, I had the pleasure of taking my son to his first day of high school, same high school I went to, exactly 40 years later. So for almost 40 years, the working wages for working Americans have been flat. But during that time period, the wealth of this country has increased enormously.

The productivity of the American worker has increased enormously. Up until the mid-1970s, when the productivity increased, the wage of working Americans increased. They shared in the productivity of our economy be-

cause they were the driving factor in our economy. Unfortunately, for the last 3½ to 4 decades that has not been the case.

Then along come the great Bush recession. This recession, caused by the deregulation of retail mortgage,—allowing predatory mortgages, allowing kickbacks from mortgage originators to create predatory mortgages, when folks qualified for prime mortgages, and then the deregulation of Wall Street so those could be packaged into securities was a 2-year ticking time bomb because they had these teaser rates on the mortgages.

When the interest rates went from 4½ to 9 or 10 percent, not only did the mortgages blow up but the securities based on them blew up. And we blew up the whole economy. So, thank you very much, friends across the aisle, for attacking the most important financial instrument for American families, the American mortgage, destroying it, allowing predatory mortgages, allowing predatory securities, blowing up this economy, and attacking the American family.

I cannot tell you how many millions of American families are suffering because of the policies that you all implemented over the last decade. What is the result? The American family home has lost value, a tremendous amount of value. Families are underwater. What is the result? Huge unemployment caused by the meltdown in the great Bush recession. Retirement savings are depleted. Folks who thought they could have retired maybe now, maybe in 2 years, 5 years, are realizing they may have to work as long as they are able to work, as long as they are able to keep a job. Their dreams are blown up thanks to these Bush policies.

Well, there is a third reason the Democratic plan is the American plan. That is because four out of five Americans support it. Some 79 percent, or roughly 80 percent, four out of five Americans support tax breaks for families earning less than \$250,000, for extending those tax breaks. So that is plan A, America's plan, because it helps all Americans, because it is focused on the American worker who has been hit so hard by the great Bush recession, and, because four out of five Americans support it and understand we need it.

But now let's turn to the Republican plan, plan B. Plan B consists of bonus breaks for billionaires—millionaires and billionaires. Why "bonus"? Because every person helped under the Republican plan who earns \$1 million or \$1 billion has already been helped under the Democratic plan. But my colleagues across the aisle want "extra" for the wealthiest, most successful Americans.

I respect tremendously the entrepreneurs who have been so successful. But there is a time when we have to ask, Are bonuses to those best off the best strategy for America to go forward? This is quite a tongue twister:

bonus breaks for billionaires. It gets even worse. These are the extensions of the Bush breaks, and because my colleagues across the aisle are trying to sell it as a job creation issue—and we will get to that in a minute—they are bogus.

So we have the bogus bonus Bush breaks for billionaires. That is the Republican plan B, saying they will obstruct any issue on the floor of the Senate so they can get these bonus breaks for their best friends earning millions and billions.

Well, I will tell you, these are expensive. Let's ask ourselves how much is the average value of the Republican bonus break? Well, \$100,000 per taxpayer. That is how much. If we take the \$700 billion the Republican plan creates in more deficit and more debt, if we take that \$700 billion and divide it by the number of citizens—men, women and children—in America, 300 million, that is \$2,300 for every man, woman, and child in America.

So my colleagues across the aisle are proposing taking \$2,300 out of every child's and adult's pocket in America to give breaks, \$100,000 tax breaks, to millionaires and billionaires.

So let's look at the total cost. Total cost, \$700 billion, before we add on interest. Let's add on interest. It is almost \$1 trillion. That is a huge increase in our deficit. So it is deficit busting, debt adding, financed by China, and placed onto our children.

Is that what the excited Republican team, coming fresh out of an election, wants to say is their top priority in America, taking \$2,300 from every man, woman, and child in America so they can give a \$100,000 tax break to millionaires and billionaires?

Well, they have a way of trying to camouflage this. That camouflage is to talk about jobs. So let's talk about jobs. Let's look at the Republican plan in terms of job creation. Well, CBO ranked the Republican plan against many other plans, and where does it come in? Dead last.

I have the detailed chart from the Congressional Budget Office, and up here at the very top is the Democratic plan. That is to provide assistance to the unemployed. Here at the very bottom is the Republican plan, which is bonus breaks for millionaires and billionaires.

Let me tell you just how different these are. Increasing aid to the unemployed is estimated to create 8 to 19 jobs for every \$1 million in expenditure, 8 to 19 jobs. How many jobs are created by the Republican plan? One to three, one to three jobs.

So the Democrats are saying, let's take the dead-last plan in job creation, the Republican plan, and let's replace it with the best plan, the Democratic plan.

Republican plan, one to three jobs per \$1 million, one to three for \$1 million; Democratic plan, 8 to 19. Well, my good friend from South Dakota was here saying it is all just common sense.

Yes, it is common sense. We take the plan that is the worst for job creation, and we replace it with the plan that is the best for job creation.

Well, friends across America, this is about jobs, and the word "jobs" will come out of the rhetoric on the opposite side of the aisle with every speech. But it is bogus. Their plan is dead last; Democratic plan is top of the list. Check the CBO study.

It hurts to hear folks who are out of touch with the foreclosure crisis in America—

The PRESIDING OFFICER. The Senator has spoken for 10 minutes.

Mr. MERKLEY. I ask for the chairman to yield me 30 seconds.

Mr. BAUCUS. How much does the Senator seek?

Mr. MERKLEY. One minute.

Mr. BAUCUS. I yield 1 minute to the Senator from Oregon.

The PRESIDING OFFICER. The Senator is recognized.

Mr. MERKLEY. I thank my friend from Montana.

It is summarized like this. We have American families who are hurting. They have lost their jobs, their retirement savings, the value of their houses. Let's have the plan that is best for creating jobs, not the plan that is worst for creating jobs.

I yield the floor.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. GRAHAM. Mr. President, I am allocated 10 minutes, I think. Can you let me know when I have used 9 minutes?

The PRESIDING OFFICER. The Senator will be notified.

Mr. GRAHAM. Thank you for allowing me to speak, Senator GRASSLEY, Senator BAUCUS.

I guess the first observation I would like to make is that we are here on a Saturday morning. This is democracy, in many ways, at its best. People understand the two votes are going to fail. But it is good for Americans to have genuine differences to be able to discuss what makes us tick, why we want to go one way versus the other. So the fact that America is divided on a lot of big issues is just the result of living in a free country.

What was the lesson of the last election? They are what you would like them to be. But here is my observation, for what it is worth. Our Democratic friends took a beating. As Republicans, we have been there. In 2006 and 2008 we took a beating. In 2006, the Iraq war was going very badly, and Americans were very frustrated. President Bush's popularity plummeted.

In 2008 we had an economic meltdown that I thought was related to housing, where we lent money to people who could not afford to pay their mortgages. The mortgages were being packaged and sold as all kinds of exotic instruments throughout the world. It brought the whole world economy down, and we have been struggling ever since.

We can talk about how much Fannie Mae and Freddie Mac were the cause of this problem, how loose the practices were when it came to lending, but I think most people understand that our economic crisis was created by the housing market being overextended and people getting into that market in exotic ways without a whole lot of regulation.

Here we are a couple of years later. I think the last election was a message to our Democratic friends: For the last 2 years, you have been going down the wrong road. The health care bill, which about 80 percent of Americans, if it ever becomes law, will be under government-controlled health care, was an overreach.

The stimulus package was \$780-something billion that has not done what it was billed to do. When we look at the amount of spending the Democratic Party is engaged in, way above what every American has been able to do, this was an election basically not to pro-Republican, just to our Democratic colleagues. Stop. And the way you get stopped around here is to get replaced.

So the House had a dramatic election. We picked up seats in the Senate, and some of us thought maybe we could pick up about two or three more. We made some pretty poor choices when it came to candidates, but that is now behind us.

What I would like to tell my colleagues is, when I look at America I do not see an undertaxed nation. I think our Tax Code is far too complicated. Now 35 percent is the rate. How much is enough? Is it 39.6? Is that the difference between a social justice country and a land of the rich? I mean, are we going to increase taxes for the upper incomes by 10 percent when we cannot create enough jobs for Americans who are unemployed?

I do believe in this idea that upper income Americans are the ones who create most jobs for the middle class and people looking for work. That is just the fact.

Here is how our Tax Code works today. Forty percent of Americans pay no Federal income tax. Forty percent of us really do not pay any income tax at all. Of those who do, 50 percent of those who pay Federal income tax pay 3 percent. The other 50 percent pay 97 percent.

The top 10 percent of wage earners in this country pay 70 percent of the taxes. Now, I am for a progressive tax system, but that is not right. That seems to me to be taking the country in the wrong direction.

There are 750,000 small businesses who will get a tax increase if we do not extend the Bush tax cuts for everybody.

I will make a prediction. There are a lot of unsolved mysteries in the world, a lot of things we would like to know that we do not know the answers to. This is not one of them. What will happen, hopefully, next week, is all of the Bush-era tax cuts will be extended because we have high unemployment, and

now is not the time to pass on to businesses or upper income Americans more taxes.

I hope we can extend some of the Obama tax cuts. I do not want to raise taxes on anyone. If you do not pay taxes, then you should not be getting a tax cut because you have no tax liability. But if you were in the EITC before, you have some tax liability. The Obama tax cut and the stimulus helped you. I am one who considers that to be something we should be looking at, that no one's taxes should go up, Bush-era tax cuts or Obama tax cuts.

When it comes to the unemployed and unemployment insurance, we are going to extend that. But we have to have a package that makes sense. So once we get this vote behind us Democrats on the other side will join with Republicans on this side to say no to the class warfare approach.

One of my good friends from New Jersey said something that got everybody stirred up, that negotiating with Republicans is like negotiating with terrorists. Well, I know BOB MENENDEZ. He is a fine man. But these are heated times. We say things that sometimes maybe sound good to our base but upon reflection we should not say. Nobody over here should be considered in that light. To our Democratic friends, we have a genuine disagreement. That is all it is. The one thing we have in common, when the real terrorists do come to visit America, they could care less how much money one makes. They will kill the janitor and the business owner just as quickly because they don't see any difference based on income. The one thing Americans have in common is, we do believe in free speech, open debate, religious diversity. That is not something we believe in based on income. That is something we believe in based on being an American.

I ask my colleagues on both sides to understand that not only are we in this war on terror together, we are in this economy together. A lot of Americans are suffering, some more than others. The ones who are struggling in the middle class and lower incomes are trying to do one thing everybody agrees on—get a job. I believe the best way for struggling Americans to get a job is not to raise taxes but keep them low in a weak economy. That is what I genuinely believe.

I did not come from a rich family. I am the first person in my family to ever go to college. My mom and dad owned a liquor store and a restaurant. They worked long and hard to make sure my sister and I could go to college. When my parents died, I was 22 and my sister was 13. If it were not for Social Security survivor benefits, we would not have made it. She received Pell grants to go to school when her college days were there. I was in the Air Force and helped where I could. I get it. People are struggling. There is a role for the government. But this is not the time for our government to raise taxes on anybody because all of us are

struggling to try to find a way out of this economic mess. There are tough days ahead, economically. There are tough days ahead in the war on terror.

Let's have these votes, come back next week, and see if we can solve some problems that all Americans are dying for their Congress to solve: get us back on sound economic footing, deal with debt.

Hats off to Senator DURBIN, Senator CRAPO, and Senator COBURN for their votes on the debt commission. They did some very hard things. That product is going to serve the country well. We are all in this together.

I wish everyone good holidays and maybe a time to reflect that we do have more in common than we have in differences.

I yield the floor.

THE PRESIDING OFFICER (Mrs. HAGAN). Who yields time?

Mr. BAUCUS. I yield 10 minutes to the Senator from Rhode Island.

THE PRESIDING OFFICER. The Senator from Rhode Island.

Mr. WHITEHOUSE. Madam President, the job market is still suffering from the fallout of the recession from the end of the Bush years. The unemployment rate nationally is near 10 percent; in my State, it is well over 11 percent. The proposal of Chairman BAUCUS would inject hundreds of billions of dollars into this faltering economy, helping struggling families make ends meet and creating jobs in the process. On behalf of the 65,000 Rhode Islanders who are out there currently looking for work, I express my support for the Baucus 1-year extension of emergency unemployment benefits. Without this extension, thousands of Rhode Islanders will soon be left with no source of income as they continue to search the want ads, no money for the mortgage or rent, no money for food, no money for medicine or for holiday presents for the children.

The 1-year extension of this lifeline will quite literally mean for Rhode Island families the difference between keeping a home or facing homelessness this winter. The vast majority of unemployed Rhode Islanders are out there looking for work. They are out of work through no fault of their own. They are looking for work every day. The jobs simply are not there.

I was at the Cranston senior center yesterday for their Christmas holiday party and spoke to a lady whose son had been in the workforce for 28 years. He had a substantial career. He was out of work. He is stocking shelves at the minimum wage. People are not ducking work. The jobs are not there.

Historically, Congress has extended unemployment benefits when the national unemployment rate has been above 7.2 percent. It is over 9 percent. It is 9.8 percent, according to a report Friday. This 1-year extension will give the 65,000 unemployed Rhode Islanders and over 15 million unemployed Americans the support they need to continue weathering this tempestuous economy.

In addition, this tax package would continue a powerful incentive for more investment in smaller companies. Under the proposal of the chairman, qualified investments made in 2011 in small businesses would be eligible for a 100-percent capital gains tax exclusion, if they are held for at least 5 years. As the credit market continues to slowly thaw, I have heard from numerous Rhode Island business owners that they would like to expand operations, but they can't get the capital. This provision will encourage much needed equity investments so businesses in Rhode Island and around the country can create and expand jobs.

The Baucus proposal would make permanent the current tax rates for 97 percent of taxpayers and deliver tax savings to 100 percent of taxpayers. I am sure my colleagues hear from their constituents, as I hear from Rhode Islanders, that it is getting more and more difficult for families to balance their budgets. Each year ticks by bringing higher fuel, food, and medicine costs. Budgets are stretched paper thin. It would be harsh now to let taxes go up for middle-class families. The Baucus proposal would keep tax rates where they are for individuals earning less than \$200,000 per year and families earning less than \$250,000 per year. Continuing these rates will spare middle-class families considerable tax increases. For example, a family of four earning \$60,000 per year would save \$2,500 under our plan. I can assure my colleagues that for some of my constituents, that \$2,500 could be the difference between paying their mortgage and facing foreclosure or sending a child to college instead of into the minimum-wage workforce.

In addition to continuing the middle-class tax cuts, this will inject about \$200 billion into the economy over the next 2 years. When middle-class families get additional resources, they tend to spend them, invigorating the economy and supporting local and regional jobs. From family budgets to the national economy, extending the middle-class tax cuts is a clear win-win.

This is not necessarily the case for extending tax cuts for millionaires and billionaires. Under the Democratic plan, the first \$250,000 of income for a wealthy family would benefit from extended lower rates. This means \$6,000 to \$7,000 in savings. But our Republican friends want to go much further and give the average multimillionaire a \$100,000 tax bonus. Every economist knows a middle-class family is more likely to spend an extra few thousand dollars on groceries, on clothes, on pharmaceuticals, than a person who already has millions to spend will with an extra \$100,000. In an age of large deficits, we need to start to make tough choices on our budget, and this should be an easy one. Let's keep rates where they are for the vast majority of Americans and permit the rates at the very tip-top to go back to Clinton-era levels.

We are warned that if millionaires and billionaires have to pay the same tax rates as the 1990s, the economic recovery will suffer. But were the Clinton years a time of economic suffering? Of course not. The economy thrived in the 1990s under Clinton income tax rates, far better than it did under the Bush tax rates. There is no reason to think the recovery would suffer if we restored the Clinton-era rates for the very wealthiest and most fortunate.

I find it astonishing that our Republican colleagues continue to filibuster our efforts to get a tax break for all Americans in order to secure a bigger tax bonus for the top 3 percent of the American population at a cost to our debt and deficit of \$700 billion. The wealthiest 1 percent of Americans earn about 21 percent of all income and own over one-third of our Nation's wealth. Those figures are at their highest levels since the Roaring Twenties. Quite simply the rich are richer than they have ever been, and Senate Republicans are holding hostage a tax benefit for all Americans to demand a super-benefit for the superwealthy.

I hope our Republican colleagues will stop obstructing this important tax reduction and emergency unemployment legislation. From funding the government to authorizing the military, we have so much work to do this year. The price for regular Americans of obstruction in the Senate is becoming too high.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Madam President, I yield 5 minutes to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. SCHUMER. Madam President, I thank my colleague, the chairman, for his leadership on this issue.

Today, we stand at a crossroads. We have two vital issues facing this country. One is an economy that is moving too slowly. The second is a large deficit looming around the corner. How do we solve that problem? The best way to solve that problem, in my judgment, is to give tax breaks to the people who will spend it, the middle class, and to make sure the highest income people who have done very well over the last decade, instead of getting a tax break, make sure that money goes to deficit reduction. Most economists who would look from 10,000 feet up, who are not ideological, would say that is the solution. So why, then, do our colleagues on the other side of the aisle make the linchpin of their economic policy tax breaks for the wealthiest among us? It can't be because it is needed to stimulate the economy. Economic statistics show that very little of the dollars we give them in tax breaks will go to stimulate the economy. It can't be for the purpose of fairness. The highest income people in America, the people who make over \$1 million, the people who make over \$250,000, are the ones

who have benefited the most in the last decade while middle-class incomes have declined. It can't be because they care about the deficit. Because if they did, that would be a much higher priority.

It is hard to figure out why 42 Members on the other side of the aisle say tax breaks for the wealthiest among us are more important than any single other issue. Over the next 2 years, when they come to the floor and talk about deficit reduction, they will be reminded that they chose \$300 billion in tax breaks for the very wealthy, not paid for, increasing the deficit, over any other priority.

Our view is simple, those of us on this side of the aisle. Our view is that tax cuts should go to the middle class. The well-to-do among us—God bless them. They have done well, and we are proud of them. We don't resent it—their huge increase should go to deficit reduction. It is that simple.

My colleagues on the other side say: Well, what about small business? Virtually no small businesses have incomes of less than \$1 million. Some big businesses disguise themselves as small businesses for tax purposes, but no small business does. So we are not hurting small business one job. Then they say: What about moving the economy forward? The answer is very simple. Thirty cents out of every \$1 we give to tax breaks for people who make above \$1 million goes into the economy. Madam President, \$1.62 goes into the economic economy. We renew unemployment insurance. In the most anomalous situation of all, they insist that unemployment insurance be paid for but tax breaks to the wealthy not to be. It is a philosophy far out of touch with what America needs and what average Americans believe.

The election was not a referendum on tax cuts for the millionaires. Very few people campaigned on it. A CBS poll shows 26 percent of Americans think the Bush tax breaks ought to go to everybody, and 74 percent think they should not go to the millionaires.

One final point. We had 10 very good years in the 1990s. Middle-class incomes increased, the deficit was reduced. The wealthy did well under the previous administration's tax policies. The Bush tax policies have been a failure. We should not repeat them.

I yield the floor.

Mr. LEVIN. Madam President, let's start with a basic fact: the legislation we soon will vote on represents a tax cut for every single American taxpayer. From the poorest to the wealthiest, every single American taxpayer will pay less in taxes under this legislation than they will pay if we do not act.

But prudently, given the concerns all of us profess about our fiscal situation, this legislation draws a line. While every taxpayer would enjoy a tax cut, that cut would only apply to income under \$250,000 for families and \$200,000 for individuals. This is important for

two reasons. First, it focuses on the middle-class families that were struggling to get ahead even before reckless mortgage lenders and Wall Street traders drove our economy into a ditch. Second, drawing that line respects the need to address our fiscal situation. Extending the cuts for income above the \$250,000 level would increase our budget deficit by \$818 billion over the next 10 years.

Let's focus on that for a moment. Just a month ago, we concluded a political campaign. During that campaign and after the votes were counted, my colleagues on the other side of the aisle repeatedly characterized that election as essentially a referendum on the deficit and jobs. In a joint opinion column published in the Washington Post, Republican leaders in the House and Senate wrote that the message from voters is, "They want us to stop the spending binge, cut the deficit."

So what's the first major policy position taken by our Republican colleagues after that election? It is a proposal to increase the budget deficit by \$818 billion. They say the deficit is important to them but apparently not so important that they would give up additional tax cuts for the wealthiest 2 percent of Americans in order to cut it.

This change of heart extends beyond the question of tax cuts and the deficit. In that same opinion article, the Republican leaders say voters in 2010 told us "they want both parties to work together on policies that will help create the conditions for private sector job growth."

Well, here is our chance. This legislation includes an extension of unemployment benefits for those who have lost their jobs in this recession. There is no policy option more effective in helping "create the conditions for private sector job growth" than extending unemployment benefits. Doug Elmendorf, the director of the Congressional Budget Office, said before the Budget Committee on September 28:

The largest effect on the economy per dollar of budgetary cost would arise from a temporary increase in aid to the unemployed.

Let me repeat that:

The largest effect on the economy per dollar of budgetary cost would arise from a temporary increase in aid to the unemployed.

Director Elmendorf isn't alone. Economist Mark Zandi told the Finance Committee earlier this year:

No form of the fiscal stimulus has proved more effective during the past two years than emergency UI benefits.

These economists and others, across the ideological spectrum, base these judgments on empirical studies and complex statistical models. But the reason what they say is true comes down to common sense. If you are without a job, you don't have much money not just money to spend on luxuries but money to spend on food and shelter for yourself and your family. So the relatively small amount of money you receive in an unemployment check almost certainly will go to pay for

those necessities. You have little choice but to spend it. And that spending helps generate economic activity. A wealthy taxpayer, by contrast, has the luxury of taking the money from a tax cut and putting it in his or her pocket a luxury they are likely to exercise, meaning that tax cut for the wealthy does little to stimulate the economy.

The legislation we will soon vote on includes other important provisions that would fulfill the Republican leaders' self-proclaimed goal of working together to stimulate job growth. It would permanently reduce capital gains tax rates, and permanently extend the expanded child tax credit for working families. It makes relief from the marriage tax penalty permanent. It makes permanent provisions that reduce taxes for small businesses, freeing up capital for those businesses to generate new jobs, and extends temporary provisions to help small businesses such as exclusions for small business capital gains and increased deductions for start-up ventures. It continues initiatives to boost investment in advanced energy technologies that are increasing employment in my state and others. It extends the research and development tax credit. It repeals a provision of the Affordable Care Act that added to small business reporting requirements, a provision that I would think our Republican colleagues can support.

In short, if you say you "want both parties to work together on policies that will help create the conditions for private sector job growth," and if you say you want to rein in the deficit, you should support this legislation. And if you say you support more jobs and less deficit, and then vote against this legislation, you are guilty, at best, of a real inconsistency.

So I will vote in favor of the cloture motion on the Baucus amendment. And I should add that, if Senator BAUCUS's amendment fails, I will vote in favor of Senator SCHUMER's amendment. If we cannot agree that those making over \$250,000 a year can endure a slightly higher tax burden at this time of great concern over deficits, surely we all can agree that those enjoying incomes over \$1 million a year are able. We should not, and I hope we would not, reject tax cuts for the vast majority of middle-income Americans, and even most high-income Americans, in order to pursue tax cuts for those who are least in need.

I urge my colleagues to support cloture so that we can get this much needed tax relief to middle-class families and small businesses and contribute to private sector job growth and a growing economy. It is time for our Republican colleagues to back up their rhetoric with their votes.

Mr. LEAHY. Madam President, with the Bush-era tax cuts from 2001 set to expire at the end of the year, the whole debate about what to do next needs to be based on fairness and honesty. Any

additional tax relief we provide now must be targeted to those who need it most like those Vermont businesses looking to grow and expand their workforces and those Vermonters struggling to pay their bills, heat their homes, and put food on the table this winter. We must recognize the enormous cost of making these tax cuts permanent as even a short, 2-year extension of all tax cuts would cost us over \$400,000,000,000 and the cost of extending tax cuts to those making more than \$250,000 annually balloons to \$700,000,000,000 over the next decade. We also must acknowledge that with a finite amount of Federal resources we will be forced to shortchange important government services for millions of Americans if we provide extravagant tax cuts to a handful of millionaires and large corporations.

Like it or not, taxes are an essential way for Federal, State, and local governments pay for important services and projects that we access and use daily. Taxes pay for our schools and teachers; they maintain our roads and bridges; they support our military and veterans; and they sustain a host of other programs from food assistance to unemployment benefits to and medical care that help all Americans. It is the responsibility of Congress to make sure that the federal tax rates are fair and justified. Our tax system must strike an appropriate balance that allows hard-working Americans to keep much of their income to spend as they choose while still providing the government with enough revenue to pay for the important programs we rely upon.

Unfortunately, over the past decade the U.S. Government has increasingly spent more money than it has received from taxes, causing our national debt to grow to unsustainable levels. Under the previous administration, for instance, we saw our Federal debt triple as President Bush pushed for trillions in tax cuts and two wars without offering a way to pay for them. I opposed these policies because I was concerned then, as I am now, that our soaring Federal debt will have devastating repercussions.

I have serious concerns that fully extending all of the Bush-era tax cuts would be a major mistake if we are truly committed to helping our economy recover from the Great Recession and to putting our country back on the glide path to fiscal responsibility. The Bush tax cuts of 2001 and 2003 have led to record Federal deficits, contributed to the government's current financial woes, and have not helped many Americans who face the greatest financial burdens. Most disappointingly, the Bush tax cuts failed to "trickle down" to help those Americans most in need, while the wealthiest 2 percent of Americans benefited substantially. Unfortunately, many of these wealthy beneficiaries of the Bush tax cuts have not injected that money directly into the economy to hire new workers or create new jobs. Why do we think that extend-

ing the income tax cuts to the top wage earners now will produce a different result now?

I do think that Congress should make directed tax relief to help working families and to improve the economy. For instance, there are some Bush-era tax cuts that I support keeping on the books such as the increase in the child tax credit, the elimination of the marriage penalty, and the 10-percent tax bracket. In addition, I think we should retain many of the hiring incentives championed by President Obama that are providing needed assistance to small businesses in Vermont that looking to create job opportunities. These tax breaks have allowed Vermont companies to hire new workers and purchase new equipment for their business, thus creating demand for other new jobs to produce that equipment.

But now is not the time to extend tax breaks to the wealthiest Americans and to companies that are sending American jobs overseas. I am greatly concerned that if we maintain these policies, our soaring federal debt will have devastating repercussions. We will become increasingly vulnerable to the foreign nationals who are collecting our debt. Our ability to provide promised Social Security and Medicare benefits will be jeopardized severely. And, our children and grandchildren will be left with an enormous debt that they cannot possibly be able to afford.

That is why I will support the two cloture motions we are voting on today. While I prefer capping the tax cuts at \$250,000, in the spirit of compromise I am willing to extend the relief to those with incomes under \$1,000,000. These are both more fiscally responsible ways of moving forward than a blanket extension for a small group of millionaires. If the last election was a public outcry to restore fiscal sanity to Washington, then the last, major accomplishment of this Congress should not be putting billions more in debt on the American credit card.

• Mr. INHOFE. Madam President, allowing any of the Bush tax cuts to expire would be a dramatic failure of economic policy. These tax cuts, enacted during President Bush's first term in office, delivered major relief to all taxpayers. The nonpartisan Tax Foundation estimates that tax cuts have been worth \$2,200 annually for a family of four. They reduced the marginal rates in every tax bracket and created a new 10 percent marginal rate for Americans with the lowest incomes. These individual tax cuts, in addition to giving people additional spending power, had a positive impact on small businesses. The tax cuts also lowered the cost of business expansion for all firms through reduced tax rates on dividends and long term capital gains. Unfortunately, legislative procedures kept these tax cuts from being made permanent when they were created, and unless a new law prevents it, all of them will expire at the end of this year. If

this happens, it will reduce Americans' spending power and the capacity of small businesses to grow. With our economy in the middle of a very fragile recovery, proposals to take more money out of the economy run the risk of pushing the Nation back into recession.

In the meantime, the Democrat leadership of Congress insists on scheduling votes solely for the purpose of political messaging. For example, the House voted to permanently extend the lower rates on the first \$200,000 of an individual's income and the first \$250,000 for married couples. In the Senate, we are scheduled to vote on two similar proposals drawing lines at the first \$250,000 of a married couple's annual income and the first \$1 million of a couple's income. The purpose of these arbitrary income lines is to create political theater. Only earlier today, we understand that the Senate amendments will also include other provisions such as keeping the death tax, albeit at a lower rate and a higher exemption. The amendments will also include important provisions such as another patch on the alternative minimum tax and an extension of a variety of important tax provisions which have, in fact, already expired because the Democrat leadership is a year behind in moving the annual tax extenders package. I am simply not going to participate in political games. We have a responsibility to offer serious proposals. We must extend all the Bush tax cuts. The Heritage Foundation reports that in Oklahoma alone, no extension would cost over 8,000 jobs annually, decrease per household disposable income on average by \$2,800, and increase individual income taxes by \$4.4 million.

Any vote to not extend all the Bush tax cuts is simply a tax on small business. Small businesses are the engine of economic growth in this country, and they have historically been responsible for creating more than 70 percent of all new jobs. According to the Joint Committee on Taxation, the 750,000 Americans in the highest tax bracket report roughly half of the \$1 trillion in total net business income on their personal returns. This is mainly income earned from small business operations. By saddling the cost of a growing government on these Americans, the President is putting the survival of small firms, new job creation, and economic growth at risk. Small businesses are also particularly vulnerable to increases in individual tax rates. Because their businesses are often structured as partnerships, their tax obligations pass directly to their owners, so any tax increases on a small business owner is a tax increase on the small business itself. With small businesses across our nation hanging on by a thread and having difficulty finding the money they need, now is no time to raise their taxes.

It is frustrating that the President and Democrats in Congress continue to not hear the American people. If the

President is truly interested in the long term economic prosperity of the nation, he will begin adopting and pursuing policies that encourage small business growth and development. Extending all the Bush tax cuts is a promising and necessary start. Unfortunately, until we cease this political theater, we cannot seriously work to ensure the growth of our economy to create jobs for more Americans. I am simply not going to participate in political games this weekend. I will be absent from the political posturing votes tomorrow because I would have simply opposed them. I trust that in this next week, we can get past theater and turn to serious proposals extending all the Bush tax cuts, ensuring that middle-class Americans are not hit with the alternative minimum tax, and extending the annual tax extender package.●

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Madam President, I would like to know how much time I have.

The PRESIDING OFFICER. Seven minutes forty seconds.

Mr. GRASSLEY. Madam President, there are a lot of issues that have been brought up in the last hour that need to be responded to. I probably will not get to all of them, but I would like to start with a recent one that was just stated.

It is not a case that tax cuts are more important than any other issue for those of us on this side of the aisle, not at all; growth of the economy, because growing this economy is the only way we are going to get people employed, bringing in more revenue, and getting the deficit down.

We are not going to get the deficit down by increasing taxes, and I will explain that in just a minute. It is going to take economic growth. You have to get the economic engine started again. We have to get the unemployment down. It is the economy we are talking about.

I heard several of my colleagues this morning say if we do not go along with big tax increases, we are giving a bonus to a lot of people in this country who maybe do not need any more money. Well, if you accept the idea that if Congress acts or does not act, we are giving people a bonus, you are starting with a proposition that for all the income people make in this country, Congress is going to decide where that income ought to go and that somehow we are going to give people a bonus if we do not take some sort of action in the Congress. Well, that is ludicrous. That is the ultimate of the lack of economic freedom in this country. Because every penny anybody makes, whether it is through the work of their hands or their brain, is money that belongs to the people of this country; otherwise, they have no economic freedom.

The Constitution gives the power to tax for the legitimate purposes of gov-

ernment. But it does not give us the opportunity to tax to give bonuses to people because the money is theirs in the first place. It is only a question of how much we are going to take away from people for the legitimate constitutional purposes of government.

Then, where do you get the idea that we are going to give a tax break if we do not do something in Congress? The issue is not tax breaks to anybody. The issue is the tax policy of the last 10 years passed in 2001 that will sunset December 31 of this year. Should we continue that tax policy or should we increase taxes on some or all people? That is the issue. We are not talking about a tax break for anybody. In other words, there is not going to be any tax policy different than what we have right now. That is what we feel is the best for the economy. We should not increase taxes on anybody.

You get the impression from the other side that if we start taxing certain people in this country more that somehow the deficit is going to go down. Well, I heard the President recently on some news program discussing this issue, and I do not have an exact quote, but, in effect, he said that as far as he is concerned, rather than not raising taxes on people and bringing that money in to reduce the deficit, he said: I have better ways to spend the money.

I spoke earlier this morning about the fact that people do have a better way of spending the money, not only the increase in taxes that might come in but even beyond that.

I have quoted some individuals so many times, but I brought the exact quotes with me now because I was paraphrasing them before. But Peter Ferrara wrote an article in the Wall Street Journal entitled: "Beware the Balanced Budget Deal." He said:

Washington's traditional approach to balancing the budget is to negotiate an agreement on a package of benefit cuts and tax increases.

Then he went on to say:

What happens [if you do this] is the tax increases get permanently adopted into law. But the spending cuts are almost never fully adopted and, even if they are, they are soon swept away in the next spendthrift budget. Then—because taxes weaken incentives to produce—the tax increases don't raise the revenue that Congress initially projected and budgeted to spend. So the deficit reappears.

Then he talked about Reagan making such a deal with Democrats in the Congress to have \$3 in spending cuts for every \$1 in tax increases. Then he has this sentence:

Reagan went to his grave waiting for those spending cuts.

Then, recently, there was an article by Stephen Moore and Richard Vedder that talks about raising taxes to reduce the deficit. There are a few sentences I am going to read:

Instead, Congress will simply spend the money.

He uses the figures they have studied:

... we found that over the entire post World War II era through 2009 each dollar of new tax revenue was associated with \$1.17 of new spending.

They refer to some other studies; that it is somewhere between \$1.05 and \$1.81.

But no matter how we configured the data and no matter what variables we examined, higher tax collections never resulted in less spending.

Madam President, do I have time left?

The PRESIDING OFFICER. The Senator has 25 seconds.

Mr. GRASSLEY. I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Madam President, I think it is important to lay a few facts on the table.

The Senator from Oregon did a good job making this point clear, but I think, frankly, very few people in the country understand this point, this debate. To be honest, I think there are a good number of Members of the Senate who do not understand this point; the point being that under my amendment, for those individuals who earn \$200,000 or less, their tax cut is permanent. Under that amendment, it is important to remind all of us that every individual will get a tax break regardless of their income; that is, every individual who has more than \$200,000 of taxable income will receive a cut of at least \$5,400. So if you are above \$200,000, you still get a tax cut; you get a tax cut as an individual of about \$5,400; and if you are a couple, it is probably close to double that. That is under my amendment.

The same is also true under the Schumer amendment. Under the Schumer amendment, for those who make \$1 million, their tax cut is going to be about \$40,000. Even though the cutoff is \$1 million, those who earn more than \$1 million will get a tax cut. You get a tax cut under my amendment and you get a tax cut under the Schumer amendment. The tax cut you will receive under my amendment is about \$5,400, if you make over \$200,000; and the tax cut you will receive under the Schumer amendment, if you earn over \$1 million, about \$40,000. If you are a couple, it is probably almost double that, most likely.

Add to that, in my amendment—and I think it is also in the Schumer amendment—the dividends rates are lower from ordinary income to 20 percent. So those folks who rely on dividends are going to get an additional tax break.

So the point I am making very clearly is, everybody gets a tax cut under our amendments. It is not fair for the other side to characterize it that only some people are getting a tax cut. It is true those under \$200,000 will get a bigger break on a percentage basis, but in dollar terms, they are going to get less of a break than those who earn \$200,000 and above and under the Schumer amendment \$1 million and above.

The second point I wish to make is that we have to make choices. We often hear the expression: There is no free lunch. Nothing is free. Life is choices.

We make choices in this Senate. Sometimes the choices we make are quite difficult, but they are also significant.

I am a little bit bemused—I was bemused, and I still am bemused—because I heard the Senator from South Carolina praise the President's deficit commission report, which recommends cutting the national deficit through various mechanisms, revenue increases, and spending cuts, cutting the national debt by about \$4 trillion over 8, 9 years. The Senator was praising that. I say "bemused" because the basic view of the Senators on the other side is to increase the national debt by about \$4 trillion; that is, the amendment offered by the Senator from Kentucky will, over the next 10 years, add \$4 trillion to the deficit—not subtracting \$4 trillion from the deficit but adding \$4 trillion to the deficit, for a swing of about \$8 trillion over 8, 9, 10 years. That is fairly important.

It is important because many commentators are concerned about the debt we have as a country. They point out the problems Greece has, Ireland, Portugal, and Spain. There are even articles that maybe countries in Europe should break away from the euro and have a separate currency.

The main point is, we live in somewhat precarious times, and we have to not add to the deficit. The amendment I offer does add to the deficit, I might say, in all candor. It adds about \$2 trillion over 10 years because we cut taxes in the manner in which I explained. The Schumer amendment adds a little bit more to the deficit. But that is only about \$2 trillion, \$2.3 trillion, \$2.4 trillion; whereas, the other side would like to add \$4 trillion.

I am just saying, everybody gets a tax cut under the amendment I am offering, and those who make more than \$200,000 get more in dollar terms than do people below \$200,000. That is a statistical, mathematical fact. Again, it is about \$5,400 for those whose income is \$200,000 or above. Under the Schumer amendment, it is about \$40,000 for those whose income is \$1 million or above; whereas, those below that get a tax cut as well but not as many dollars.

Just to remind everybody, we do have to make choices. We have to keep an eye on the debt. We should not increase the debt more. These various provisions do a bit. Let's not increase the debt more than we have to.

I might add to that, too, and it is something I think we should be concerned with, over the last quarter century, the top 5 percent wealthiest Americans received an aftertax break of about 150 percent; that is, the aftertax income of the top 5 percent of the American people, over the last quarter of a century, grew by about 150 percent. Compare that with middle-in-

come Americans. Over the last quarter century, the aftertax income of middle-income Americans grew only 28 percent. So it is a huge difference.

So our policies cause those most wealthy to have much greater aftertax benefits than for middle-income Americans. Add it all together, I think it makes sense. We have to have balance. We have to make choices. Everybody gets a tax cut under our two amendments, and I strongly urge my colleagues to support the two amendments. I think it is not perfect, but it is a good, fair, balanced policy. It is the right thing to do.

I yield the floor.

Madam President, I ask that all time be yielded back on both sides and that we proceed to the vote.

The PRESIDING OFFICER. All time is yielded back.

Under the previous order, pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will report.

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the motion to concur in the House amendment to H.R. 4853, the Airport and Airway Extension Act of 2010, with an amendment No. 4727.

Harry Reid, Charles E. Schumer, Benjamin L. Cardin, Barbara Boxer, Al Franken, Jeanne Shaheen, Mark R. Warner, Debbie Stabenow, Sheldon Whitehouse, Mark Udall, Tom Udall, Byron L. Dorgan, Patty Murray, Robert P. Casey, Jr., Patrick J. Leahy, Tom Harkin, Jeff Merkley.

The PRESIDING OFFICER. By unanimous consent, the mandatory quorum call has been waived.

The question is, Is it the sense of the Senate that debate on the motion to concur in the House amendment to the Senate amendment to H.R. 4853, the Federal Aviation Administration Extension Act of 2010, with an amendment No. 4727, shall be brought to a close?

The yeas and nays are mandatory under the rule.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. KYL. The following Senators are necessarily absent: the Senator from Kentucky (Mr. BUNNING), the Senator from North Carolina (Mr. BURR), the Senator from Georgia (Mr. CHAMBLISS), the Senator from Texas (Mr. CORNYN), the Senator from New Hampshire (Mr. GREGG), the Senator from Texas (Mrs. HUTCHISON), the Senator from Oklahoma (Mr. INHOFE), the Senator from Georgia (Mr. ISAKSON), the Senator from Alabama (Mr. SESSIONS), the Senator from Louisiana (Mr. VITTER), and the Senator from Ohio (Mr. VOINOVICH).

Further, if present and voting, the Senator from Texas (Mr. CORNYN) would have voted "nay," and the Senator from Kentucky (Mr. BUNNING) would have voted "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 53, nays 36, as follows:

[Rollcall Vote No. 258 Leg.]

YEAS—53

Akaka	Franken	Murray
Baucus	Gillibrand	Nelson (FL)
Bayh	Hagan	Pryor
Begich	Harkin	Reed
Bennet	Inouye	Reid
Bingaman	Johnson	Rockefeller
Boxer	Kerry	Sanders
Brown (OH)	Klobuchar	Schumer
Cantwell	Kohl	Shaheen
Cardin	Landrieu	Specter
Carper	Lautenberg	Stabenow
Casey	Leahy	Tester
Conrad	Levin	Udall (CO)
Coons	Lincoln	Udall (NM)
Dodd	McCaskill	Warner
Dorgan	Menendez	Whitehouse
Durbin	Merkley	Wyden
Feinstein	Mikulski	

NAYS—36

Alexander	Ensign	Manchin
Barrasso	Enzi	McCain
Bennett	Feingold	McConnell
Bond	Graham	Murkowski
Brown (MA)	Grassley	Nelson (NE)
Brownback	Hatch	Risch
Coburn	Johanns	Roberts
Cochran	Kirk	Shelby
Collins	Kyl	Snowe
Corker	LeMieux	Thune
Crapo	Lieberman	Webb
DeMint	Lugar	Wicker

NOT VOTING—11

Bunning	Gregg	Sessions
Burr	Hutchison	Vitter
Chambliss	Inhofe	Voinovich
Cornyn	Isakson	

The PRESIDING OFFICER. On this vote, the yeas are 53, the nays are 36. Three-fifths of the Senate duly chosen and sworn not having voted in the affirmative, the motion is rejected.

Mr. REID. Madam President, I would like to tell the Senate what the schedule is going to be, but we can't do that unless we are able to hear each other.

The Republican leader and I had a conversation this morning, and here is how we are going to move forward. We are obligated to complete an impeachment that Democrats and Republicans who were appointed to a committee worked very hard on, spending days and days on their own away from all the cameras, doing the tedious work that has to be done. We have tried to find a place to do this that would be convenient, and there is no place. So we are going to start Tuesday morning the impeachment of a judge.

I will file cloture on a number of measures on Monday night for a Wednesday cloture vote.

Mr. MCCONNELL. Will the leader yield on the question of the impeachment?

Mr. REID. Yes.

Mr. MCCONNELL. Is it not correct that we need Senators to be here Tuesday morning in that regard?

Mr. REID. That is true. We are going to have to start early Tuesday morning. We need to complete the impeachment as quickly as we can to make sure everything is fair, and we will make sure that is the case. We expect some work to be done on Tuesday, with votes required in the Senate. Most of the proceedings will be closed. We will have to be here. We hope we can com-

plete this on Wednesday. I am confident, having spoken to the managers, that we should be able to do that.

On Wednesday we hope to be able to complete the impeachment. If not, we will complete it whenever we can. We will have the cloture votes on Wednesday I have just indicated we will have. Then that leaves a pretty clear path to what we need to do.

We hope we can have some arrangements made on the tax issues by then. We have tried to work to that point, and we have not yet done it. We have to take care of spending for the rest of the year. I have had a number of conversations with the Republican leader on that.

We also hope there is time to do the START treaty, but we need to move to that either with some kind of general agreement or we can just move to it. That should give us ample time to do those things before we leave.

We want to leave the Friday before Christmas Eve. That would be 8 days before Christmas. We hope we can do that. That is the plan. We all know where we were last Christmas Eve, and we don't want to be in the same place this Christmas Eve.

Any questions from the Republican leader?

Mr. MCCONNELL. Did the Senator also reference filing cloture on some items?

Mr. REID. Yes. I will file cloture on the 9/11 situation in New York, the firefighters negotiation matter. The third would be the DREAM Act, and the fourth would be giving seniors a \$250 COLA.

Mr. MCCONNELL. And those votes would occur on Wednesday?

Mrs. FEINSTEIN. What was the fourth one?

Mr. REID. Yes. The fourth is the \$250 COLA. Madam President, we would do the votes an hour after we come in. We will try to work something out to do it after we complete the impeachment. The other thing I have indicated—in fact, we had a number of bipartisan conversations yesterday—is, we are trying to figure out a time to move forward on the Defense authorization bill. The issue on that is what we do with amendments.

Without belaboring the point, I would be happy to consider doing a number of amendments if we had time agreements on them. Just to have an open process at this stage, I don't see how we can do that. I will continue to work with my friends, the chairman of the committee, and others who are interested, both Democrats and Republicans, recognizing how important that legislation is.

The PRESIDING OFFICER. Pursuant to rule XXII, the clerk will report the motion to invoke cloture.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the second-degree amendment No. 4728.

Harry Reid, Charles E. Schumer, Benjamin L. Cardin, Barbara Boxer, Al Franken, Jeanne Shaheen, Mark R. Warner, Debbie Stabenow, Sheldon Whitehouse, Mark Udall, Tom Udall, Robert P. Casey, Jr., Frank R. Lautenberg, Dianne Feinstein, Mark L. Pryor, Richard J. Durbin.

The PRESIDING OFFICER. By unanimous consent, the mandatory quorum call has been waived.

The question is, Is it the sense of the Senate that debate on amendment No. 4728 on the motion to concur in the House amendment to the Senate amendment to H.R. 4853, the Federal Aviation Administration Act of 2010, with amendment No. 4727 shall be brought to a close?

The yeas and nays are mandatory under the rule. The clerk will call the roll.

The legislative clerk called the roll.

Mr. KYL. The following Senators are necessarily absent: the Senator from Kentucky (Mr. BUNNING), the Senator from North Carolina (Mr. BURR), the Senator from Georgia (Mr. CHAMBLISS), the Senator from Texas (Mr. CORNYN), the Senator from New Hampshire (Mr. GREGG), the Senator from Texas (Mr. HUTCHISON), the Senator from Oklahoma (Mr. INHOFE), the Senator from Georgia (Mr. ISAKSON), the Senator from Alabama (Mr. SESSIONS), and the Senator from Louisiana (Mr. VITTER).

Further, if present and voting, the Senator from Kentucky (Mr. BUNNING) would have voted "nay" and the Senator from Texas (Mr. CORNYN) would have voted "nay."

The PRESIDING OFFICER (Mr. MANCHIN). Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 53, nays 37, as follows:

[Rollcall Vote No. 259 Leg.]

YEAS—53

Akaka	Gillibrand	Nelson (NE)
Baucus	Hagan	Nelson (FL)
Bayh	Inouye	Pryor
Begich	Johnson	Reed
Bennet	Kerry	Reid
Bingaman	Klobuchar	Sanders
Boxer	Kohl	Schumer
Brown (OH)	Landrieu	Shaheen
Cantwell	Lautenberg	Specter
Cardin	Leahy	Stabenow
Carper	Levin	Tester
Casey	Lincoln	Udall (CO)
Conrad	Manchin	Udall (NM)
Coons	McCaskill	Warner
Dodd	Menendez	Webb
Dorgan	Merkley	Whitehouse
Feinstein	Mikulski	Wyden
Franken	Murray	

NAYS—37

Alexander	Ensign	McCain
Barrasso	Enzi	McConnell
Bennett	Feingold	Murkowski
Bond	Graham	Risch
Brown (MA)	Grassley	Roberts
Brownback	Harkin	Rockefeller
Coburn	Hatch	Shelby
Cochran	Johanns	Snowe
Collins	Kirk	Thune
Corker	Kyl	Voinovich
Crapo	LeMieux	Wicker
DeMint	Lieberman	
Durbin	Lugar	

NOT VOTING—10

Bunning	Gregg	Sessions
Burr	Hutchison	Vitter
Chambliss	Inhofe	
Cornyn	Isakson	

The PRESIDING OFFICER. On this vote, the yeas are 53, the nays are 37. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

The PRESIDING OFFICER. The Republican leader.

Mr. MCCONNELL. Mr. President, according to the strange logic of Democratic leaders in Congress, the best way to show middle-class Americans that they care about creating jobs is to slam some of America's top job creators with a massive tax increase. Today's votes were an affront to the millions of Americans who are struggling to find work and a clear signal that Democrats in Congress still have not gotten the message of the November elections.

With unemployment over 9 percent for more consecutive months than at any time since World War II, the voters are looking for a different approach here in Washington. Two years of out-of-control spending and big government policies have led to record deficits and debts, chronic unemployment, and deep uncertainty about our Nation's fiscal future. Meaningless show-votes and antibusiness rhetoric won't do anything to make the situation better.

This Saturday's session is a total waste of the American people's time. One of the votes we held today was opposed by every single Republican and many Democrats. The other vote we held was a poll-tested plan opposed by every single Republican and the President of the United States. As you can see, nothing we did today stopped the tax hikes that are now less than a month away. As the majority leader said this morning, these theatrics need to end.

There is strong bipartisan opposition to these attempts to raise taxes on small businesses across the country. Americans do not want political posturing; they want jobs. Today's votes are the clearest signal yet that Democrats in Congress do not take our Nation's job crisis seriously.

I yield the floor.

Ms. LANDRIEU. Will the majority leader yield for a question?

The PRESIDING OFFICER. Will the majority leader yield?

Mr. BAUCUS. He is not the majority leader, I might add.

Ms. LANDRIEU. I am sorry. Will the minority leader yield for a question?

The PRESIDING OFFICER. The Republican leader?

Ms. LANDRIEU. I guess that is a no.

The PRESIDING OFFICER. The Senator from Montana.

MORNING BUSINESS

Mr. BAUCUS. Mr. President, I ask unanimous consent that the Senate

proceed to a period of morning business, with Senators permitted to speak for up to 10 minutes each.

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

The Senator from Montana.

Mr. BAUCUS. Mr. President, there are several Senators who are prepared to speak this morning but would be unable to because of limited time. In order to accommodate them, I ask unanimous consent that the order of speakers on the Democratic side by the following: Senator DORGAN, 20 minutes; Senator BOXER, 10 minutes; Senator MCCASKILL, 10 minutes; and Senator CASEY, 10 minutes. Further, if there is a Republican seeking recognition on the floor, that we alternate back and forth between the two sides.

The PRESIDING OFFICER. Is there objection?

Ms. LANDRIEU. Mr. President, may I ask consent of the first Member on that list to speak for 30 seconds? Thank you.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

NEGOTIATING WITH THE PRESIDENT

Ms. LANDRIEU. Mr. President, I was going to ask the minority leader, MITCH MCCONNELL, who just insulted many of us by saying we don't care about small business or the economy, and as the chair of the Small Business Committee, I was going to ask him this: Since President Obama has been in such good faith in the last couple of days negotiating this package with him, my question was, does he regret saying on national television that his No. 1, primary goal is to unseat the President? I was going to ask him how he felt about that. That is a tough place to start a negotiation, which is why some of us are interested in how these negotiations might be going with that as a starting point. But he ran off the floor and did not answer that question. I am going to continue to ask it. Thank you.

Let me just add that I do not agree with every policy of the President. Obviously, I am in a major fight over offshore oil and gas. But it is very interesting to us who have been in negotiations for quite some time on many important issues, how you start with saying: My goal is to defeat you, but here is the package we want you to accept. Some of us are having a hard time with that kind of negotiation.

Thank you, Mr. President.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, what is the order?

The PRESIDING OFFICER. The Senator is recognized to speak for 10 minutes.

Mr. DORGAN. Mr. President, I think I had requested 20 minutes.

The PRESIDING OFFICER. It is 20 minutes. The Chair is sorry.

TAX POLICY

Mr. DORGAN. I thank the Chair.

I was surprised to hear the minority leader suggest that today's session of the Senate—a Saturday session, which I suppose is inconvenient but nonetheless something we ought to do to work on things that are important for the American people—I was surprised to hear him say it was a waste of the taxpayers' money. I will talk a little bit about what I think is a waste of the taxpayers' money, but coming here, doing the business, trying to reduce the Federal deficit, trying to make important decisions about tax issues, is not a waste of time or money, in my judgment.

One of the things I find disheartening these days in the political debate about these issues is the increasing tendency for one side of a political debate to create their new set of realities. They just invent a new set of realities. Then, from that invention, they go ahead and make their arguments.

By the way, most of the reporting then is off of that invention. It would be nice if the reporting would say that is not a reality, that is an invention. If, for example, we said the Earth is round and there is substantial scientific evidence that the Earth is round, and the other side said, no, the Earth is flat, tomorrow there would be a story that said opinions differ on the shape of Earth. Of course, the facts do not differ, but that is the way these things exist these days—the creation of their own new reality.

Let me talk about what has happened with respect to the tax cuts, and let me give just a bit of history because I think it is important.

In 2001, taxes were cut. I did not vote for it. I voted against it. Let me tell you why. I don't want to revisit that at great length, but the proposal to cut taxes in 2001 came on the heels of the year 2000 when, for the first time in 30 years, this country had a budget surplus—a budget surplus, mind you. The economists and others expected and projected that the surpluses would exist way into the future. For the next 10 years, we would have budget surpluses, they predicted.

I did not believe that, but nonetheless President George W. Bush, new to the office, said: Well, if we are going to have budget surpluses going forward, let's make sure we give them back to the American people in the form of tax cuts.

I said: Why don't we be a bit conservative? What if we don't have these surpluses? They are only projections, after all. We don't have them; they are just projections by economists who, in many cases, can't remember their home phone number for 2 days but give us projections for 5 and 10 years. Let's be a little conservative.

No, they said, we don't want to be conservative. Let's do these tax cuts, the bulk of which go to the wealthiest because those who construct these tax cuts always believe there is a trickle-