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Senate

The Senate met at 10 a.m. and was called to order by the Honorable KIRSTEN E. GILLIBRAND, a Senator from the State of New York.

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

Holy, holy, holy, Lord God of Hosts, Heaven and Earth are filled with Your glory. Lord, You have given us the hope that Your kingdom shall come on Earth. Help us to see the signs of its dawning as we labor for liberty.

May the work and deliberations of our lawmakers so reflect the nature of Your coming kingdom that people will be filled with faith.

Increase our hunger and thirst for righteousness, and feed us with the bread of Heaven. Lord, empower us all to work for that perfect day when Your will shall be done on Earth as it is in Heaven.

We pray in Your sacred Name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable KIRSTEN E. GILLIBRAND led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. INOUE).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, November 30, 2011.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby

appoint the Honorable KIRSTEN E. GILLIBRAND, a Senator from the State of New York, to perform the duties of the Chair.

DANIEL K. INOUE,
President pro tempore.

Mrs. GILLIBRAND thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

SCHEDULE

Mr. REID. Madam President, following leader remarks, the Senate will be in morning business until 10:30 a.m. Following morning business, the Senate will resume consideration of S. 1867. The filing deadline for second-degree amendments to the Defense bill is 10:30 a.m. today. At about 11 o'clock, there will be a cloture vote on S. 1867.

It is my understanding the vote will be at 11 o'clock. Is that right, Madam President? It is not about 11, it will be at 11.

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. REID. We will continue working through the pending amendments. Senators LEVIN and McCAIN are managers of this bill, and Senators will be notified when votes are scheduled. There was a little void here from 10:30 until the vote. That will be debate time on the motion to invoke cloture on the Defense bill.

PAYROLL TAX CUTS

Mr. REID. Madam President, Republicans love to talk about taxes. They like them low, we like them high—or so they would have you believe. By that logic, Republicans ought to be lining up to support our payroll tax legislation. Democrats propose we cut taxes

for 160 million Americans and every single business in our country. The average American family would save about \$1,500. Yet Republicans appeared out of the woodwork to oppose our plan. They do not like these particular tax cuts because they are paid for with a small, 3.25-percent surtax on people making more than \$1 million a year. But we have learned that Republicans only care about keeping taxes low for a very small group of people. This small group is the richest of the rich.

Here is the contrast. One side has Democrats fighting to cut taxes for 160 million Americans who make an average of less than \$30,000 a year. On the other side, we have Republicans fighting to keep taxes low for fewer than 350,000 people who take home more than \$3 million every year. The contrast: 160 million Americans who make an average of less than \$30,000 a year; on the other side, Republicans are fighting to keep taxes low for the richest of the rich—350,000 people who make more than \$3 million a year.

What is worse, if Republicans get their way, if they are able to give the richest of the rich a pay increase, in effect, taxes will actually increase by about \$1,000 a year for 120 million American families. Every American family will have \$1,000 less to spend on food, clothing, and diapers next year—except those 350,000 people.

Republicans can continue to try to protect people who earn an average of \$3 million apiece. We are not going to do that, not in today's economy. In other words, Republicans are increasing taxes on nearly every American family to protect people who make an average of \$37,500 a week—far more than most Americans make in a year. You can take Nevada, you can take Kentucky—take Kentucky, the home of my friend the Republican leader. There, 2.1 million middle-class workers will be hit with a tax increase if the Republicans block our proposal. In Nevada, we have fewer people than Kentucky, but the same basically applies

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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in Nevada. But in Kentucky specifically, 1,345 Kentuckians earn an average of \$3.5 million each, each year, and that will be protected thanks to the efforts of Senate Republicans.

Why would Republicans throw 92 percent of American families under the bus, whacking them with a tax increase beginning January 1, to protect the richest of the rich? Why would they do that? It certainly sounds like political suicide, not to mention shockingly callous policy. One might assume there is a compelling reason for Republicans to stake out this seemingly indefensible ground, to take the side of the top two-tenths of 1 percent of American earners while raising taxes on 160 million others.

Here is their reason. They say they want to protect job creators. Of course that claim is laughable on its face. Our bill would cut taxes for literally every business in America, and for 98 percent of these companies, these firms, including virtually every small business, it would cut payroll taxes in half, from 6.2 percent to 3.1 percent.

I could quote virtually every member of the Republican caucus, all 47 of them, singing the praises of small businesses that create jobs because they have come at various times during this year and previous years to talk about small businesses, what good they do for America. And I agree with that. You will not get disagreement from Democrats. That is why our bill cuts taxes for every small business in America, including 50,000 firms in Nevada. Yet legislation that will cut taxes for 92 percent of American families and every single business in the Nation without adding a penny to the deficit may not get a single Republican vote because it would cost a few incredibly prosperous, rich Americans about 2 weeks of pay.

To top it all off, Republicans know the tax increase they are foisting on middle-class families would be devastating for our economy. The Economic Policy Institute has stated that this Republican tax hike will reduce GDP by \$128 billion and cost almost 1 million jobs—972,000 to be exact. That would send our economy back into a tailspin, and it is impossible to tell how long would be our recovery.

Republicans often say we cannot afford to raise taxes on the top two-tenths of 1 percent of American taxpayers, so I ask, how can we afford a tax increase on 92 percent of American families?

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Republican leader is recognized.

PAYROLL TAX CUTS

Mr. MCCONNELL. Madam President, I know my good friend the majority leader may have been a little busy during the last 24 hours. Maybe he missed the news. Reuters said:

U.S. Senate Republicans Back Payroll Tax Cut Extension.

The Wall Street Journal says:

GOP Set to Back Payroll Tax Cut.

IBD says:

GOP Open to Payroll Tax Cut.

U.S. News:

Mitch McConnell Says Congress Will Likely Extend Tax Cut One More Year.

CBS says:

GOP working on alternative proposal for payroll tax cut extension.

Washington Post:

“Majority” of Republicans likely to back payroll tax cut extension.

And Fox News:

Republicans Back Payroll Tax Cut Extension.

Madam President, this is not an argument about whether we ought to extend the payroll tax cut that was enacted last year for 1 year. The issue is how do you pay for that, and we have differences of opinion about that.

This week, as we all know, the Senate is debating the extension of a temporary payroll tax cut that the two parties agreed to last year to help those struggling in a bad economy. But before getting into any detail about the various proposals that are being considered for extending this temporary tax cut, I think it is important to establish a couple of things right here at the outset.

First, the debate we are having this week is not about whether to extend this temporary relief for millions of working Americans out there who are struggling as a result of the ongoing jobs crisis; it is about whether we should help those who are struggling in a bad economy by punishing the private sector businesses the American people are counting on to help turn this economy around.

The President and Democrats here in Congress are saying we ought to recoup the revenue we will not get from one group of taxpayers by socking it to another group, a significant number of whom happen to be employers. What this really means is that one way or another they want the money coming back to Washington so that the President and his allies in Congress can divvy it up how they want, protecting and aiding the politically favored few. This really sums up the whole story of this President and the economic policies he has promoted over the past few years—send your money to Washington so the President and his allies in Congress can spend it their way, on things such as turtle tunnels or bailing out politically connected investors of failing solar companies.

The Democrats can say they just want some people to pay a little bit more to cover this or that dubious proposal, but what they do not tell you is that 80 percent of the people they want to tax are business owners—in other words, the very people we are counting on to create the jobs we need in this country. Think about that. The Demo-

crats' response to the jobs crisis we are in right now is to raise taxes on those who create the jobs. This is not just counterproductive, it is absolutely absurd.

That brings me to my second point, which is this: The only reason we are talking about extending a temporary cut in the payroll tax right now, the only reason we are even talking about extending unemployment insurance right now is because President Obama's economic policies have failed working Americans.

Democrats and liberal pundits are fond of saying that Republicans are rooting against the economy, but it is easy to refute that one. If Republicans wanted the economy to stall, we would just stand on the side lines and wave through everything the President and his Democratic allies in Congress propose. That is what the Democrats did for the first 2 years of the President's term, and now we are living with the results. Unemployment is still stuck at around 9 percent, 14 million Americans are looking for work and can't find it, millions more are underemployed or have given up on finding a job altogether, and here we are, 3 years into this Presidency, still talking about temporary stimulus measures.

Republicans will put aside their misgivings and support this extension not because we believe, as the President does, that another short-term stimulus will turn this economy around but because we know it will give some relief to struggling workers out there who continue to need it nearly 3 years into this Presidency. Americans should not have to suffer any more than they already are for the Democrats' failed economic policies.

Republicans reject the idea that the way to help people is for the government to write them a check every once in a while or adjust their pay stub at a time of our choosing. We think it is time to get past the idea that government should be the sole arbiter of people's futures and livelihoods. We need to get government out of the business of picking winners and losers, and that is why Republicans think the real answer is broad-based tax reform that clears out the deductions and the loopholes and the special carve-outs for those who are rich enough or politically connected enough to benefit from it.

If one is a small business owner, we don't think they should have to have an army of tax lawyers on staff to figure out how to keep their business profitable and their employees on the payroll. If one is an individual, they should not have to hire an accountant to keep from getting ripped off by the IRS. We think Americans are ready for tax reform that makes the system fair for everybody, that levels the playing field so people in small businesses can compete without having to beg for favors or beg for loopholes. We are going to keep pressing for it, and part of that is looking beyond these temporary stimulus measures.