

I urge my colleagues to support this legislation and extend tax cuts for the families who need them most.

I yield the floor.

RECOGNITION OF THE MINORITY LEADER

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

PAYROLL TAX EXTENSION

Mr. McCONNELL. Mr. President, yesterday, Republicans, led by Senator HELLER, introduced what we believe is a much smarter approach to extending the temporary payroll tax cut than the one proposed by Democrats involving permanent tax hikes on job creators.

Similar to Democrats, we think struggling American workers should continue to get this temporary relief for another year. There is no reason folks should suffer even more than they already are from the President's failure to turn this jobs crisis around. But there is also no reason we should pay for that relief by raising taxes on the very employers we are counting on to help jolt this economy back to life. We would not be helping anybody by making it less likely that small businesses actually start hiring people again. Senator HELLER's proposal would achieve the same result, the same relief, without a gratuitous hit on job creators. Even better, our plan protects Social Security and reduces the Federal deficit by more than \$11 billion.

How do we do it? Consistent with the recommendations of the bipartisan Simpson-Bowles Commission, our payroll tax plan would institute a 3-year pay freeze on Federal civilian employees, including Members of Congress. It would also reduce the Federal workforce gradually by 10 percent, not by firing anybody but by only hiring one replacement for every three Federal employees who leave Federal service until a 10-percent reduction that the Simpson-Bowles Commission recommended is reached. So over this period, only hire one worker for every three who leave until it achieved a 10-percent reduction in the Federal workforce. This is a recommendation in the Simpson-Bowles Commission.

Our bill would also save money by means testing Medicare benefits for millionaires and billionaires. What does that mean? One of the things the economic downturn of the past few years has revealed is that a lot of people out there are getting a pretty good deal from the government at every level, all on the taxpayers' dime. Let me give you an example. Yesterday, a CBS affiliate in Philadelphia reported that a former Philadelphia school superintendent who got a nearly \$1 million buyout in August is now putting in for unemployment benefits. The lady was shown the door, given \$905,000 not to finish her 5-year contract with the

school district, and on top of that she now wants the taxpayers to subsidize her unemployment benefits to the tune of about \$30,000 a year. Our proposal helps minimize this kind of thing.

What we are saying is, anybody who makes more than \$1 million a year should not get an unemployment check on top of it, paid for with tax dollars of folks struggling just to make ends meet. No more unemployment checks or food stamps for millionaires. No more unemployment checks or food stamps for millionaires. We don't think these folks would mind having to pay the full freight on their Medicare premiums either. Millions of seniors need help covering their monthly Medicare premiums; Warren Buffett is not one of them.

Here is another way we think folks such as Warren Buffett can offset the relief we are giving working Americans through our proposal of a temporary extension of payroll tax cuts, which would also incorporate legislation from Senator THUNE, that would allow people who want to voluntarily help pay down the Federal debt to do so on their tax return. There would actually be a new line right on Warren Buffett's tax returns enabling him or anybody else, for that matter, to give as much as they want. That way those who want to go that route can feel they are contributing in a way they want to contribute, and small business owners who want to help our economic and fiscal situation by growing their businesses and creating jobs can do that too without Washington dictating one way or the other.

This is the kind of balanced plan Americans are looking for. It is focused on helping middle-class Americans without asking them to fund benefits for the wealthiest among us, and it does so without hamstringing the economy—as the Democrats would—with a permanent tax on job creators. Bear in mind what they are doing here is “paying for a temporary payroll tax relief with a permanent tax increase on job creators.” It also helps rein in the bureaucracy in Washington.

Millions of Americans have had to go without or to live with less over the past few years. Yet all they see here is that Washington just keeps getting bigger and bigger and richer. It is about time Washington took the hit for a change. We think this is a plan that those who are fed up with Washington and Wall Street can embrace but, as I have said before, we are never going to turn this economy around as long as we are focused on these temporary measures.

Yesterday, I outlined our vision for a tax-reform plan that restores basic fairness, helps put businesses on a level playing field, and puts our tax rates in line with our competitors overseas. That is the kind of thing that will get this economy charging again and we will continue to press for it. Meanwhile, we will also continue to point out what this administration is doing to prevent job creation right now.

KEYSTONE XL PIPELINE

Mr. McCONNELL. Yesterday, Republicans drew attention to one of the greatest fumbles of this administration yet, and this is astonishing. I don't know how many Americans are familiar with the proposed Keystone XL Pipeline, but this is an issue every single American is soon going to learn a lot about. The Keystone XL Pipeline is the single largest shovel-ready project in our entire country—the single largest shovel-ready project in our entire country. It would transport oil from Canada—our friendly neighbor to the north—to the gulf coast. It is privately funded, so it would not cost the taxpayer a dime, and we are told that its approval would lead to the creation of 20,000 jobs, not some other time but immediately, right now.

This project is enormous. It is a huge job creator, and it is ready to go. Labor unions love this project. Folks in the Heartland love this project. The Chamber of Commerce loves this project. But here is the problem: President Obama is getting heat from his base over this project, especially from the very young and very liberal voters he will need knocking on doors before November. So the State Department now says they are going to delay the approval—even though previously they were seemingly ready to approve it after a 3-year review that has already occurred, including two exhaustive environmental evaluations.

Here is the bottom line. The President has said time and time again that his top priority is jobs. Yet here we have the single largest shovel-ready project in the country ready to go, and he is delaying its approval—interestingly enough—until after the election next year. He is saying he doesn't care so much about jobs in States such as Nebraska—that he doesn't think he will carry next year—so he can keep the enthusiasm up in States he hopes to carry. So I think it is pretty clear the President cares less about this particular boon for job creation than his own job preservation, and it is wrong.

There is no reason whatsoever to delay this project and these jobs by another day. As the President recently put it, we have to decide what our priorities are. We have to ask ourselves what is not just best for me but what is best for us. What is the best way to grow the economy and create jobs? It was President Obama who said that. That is why Republicans are proposing legislation today that would require the President either to approve this massive job-creating project within 60 days or to explain clearly why he doesn't think it is in the national interest to do so. We will give the President 60 days—not after next year's election but 60 days—to decide why this should not be approved and explain it to us. We think the people who want to start hiring deserve action or a straightforward explanation from the President himself as to why he opposes it.

Get this pipeline going right now or get out of the way.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania.

MIDDLE CLASS TAX CUT ACT

Mr. CASEY. Mr. President, I rise to speak about the issue of job creation and also supporting our small businesses and strengthening our economic recovery.

One of the fundamental questions I have been asked in Pennsylvania—and I think most Senators on both sides of the aisle have been asked repeatedly, not just in the last couple of days or weeks but for many months now—is a very fundamental question: What are you doing as a Member of the Senate to create jobs or to at least create the conditions under which jobs will be created? What are you doing in your votes, in your advocacy, in your fight in Washington for jobs? What does that mean? Sometimes we have a better answer than other times. Today, and certainly in the last couple days—and I think we will be debating this for a number of days moving forward and that is a good thing—we will have a better answer to that fundamental question: What are you doing as a public official to create jobs in America?

One of the ways we can kick-start the economy and get job creation moving in the right direction again is by passing legislation such as the legislation that I have introduced, the Middle Class Tax Cut Act. It is now before the Senate, as the Presiding Officer knows, and we have been talking about it already, but we have more work to do on this today and some voting to do today on this legislation.

The legislation is fully paid for and will accomplish two important objectives. No. 1, it will strengthen the economy to support middle-income families, and specifically the way we do that is by providing middle-income families with a cut in the payroll tax, which means take-home pay that will help make ends meet for that worker and that family, but it will also have an impact by boosting demand throughout our economy. No. 2, we will cut payroll taxes for small businesses to help them grow and create jobs.

Here is what most people are confronting, and it is not just the big numbers. There are more than 14 million people out of work across America. In Pennsylvania, the latest number for October was more than 500,000 people out of work. To be exact, it is 513,000 people out of work. That number has fluctuated. Thank goodness it started to go below half a million, but then it bumped again to almost 525,000 so it is at least is moving away from that number.

When half a million people are out of work in a State, you can imagine the hurt the families are feeling, the lives of struggle and sacrifice in our midst, and that is why we have to do some-

thing to jump-start the economy and create jobs.

I think the American people also want us to do this in a bipartisan way and we can and we should. We came together at the end of 2010 and passed a tax bill which was bipartisan. There are elements of that bill that one side or the other did not like, and vehemently so, but we came together in a bipartisan way to pass a tax bill at the end of last year. We need to do the same thing on a payroll tax cut.

We need to work together, Democrats and Republicans, and get a result for the American people. This is something we can do right now—not 6 months from now, not a year from now but right now—to help our families and to create jobs. There is broad agreement that more needs to be done to support the economic recovery. We have to create more jobs, and we have to kick-start the engine of economic growth.

While the economy has added nearly 2.8 million private sector jobs in the past 20 months, we continue to face significant economic challenges. Unemployment across the country, as we all know, is still at about 9 percent, and long-term unemployment remains at record levels, with 4 out of every 10 unemployed workers having been jobless for 6 months or more. We know that gross domestic product—so-called GDP—grew at less than 1 percent, the annual rate, for the first half of the year. So for the first 6 months of 2011, we had less than 1 percent growth. The third quarter of gross domestic product growth was recently revised downward. Initially 2.5 percent, it was revised downward to just a 2 percent annual rate. So it is self-evident that we have to do something right now about jobs. With a weak labor market and only modest economic growth this year, it is clear we have to act right now.

Payroll tax cuts and credits are powerful tools to increase job creation and provide economic relief for middle-income families. The current 2 percent payroll tax cut for working Americans that is in place now has played an important role in sustaining the economic recovery. By the end of this year, 121 million families will have received an average tax cut of more than \$930 based upon last year's action we took to cut the payroll tax. That was a good decision, but, if anything, we need to continue that as well as expand it, and I will explain that as I go forward.

The number of families benefiting from this current payroll tax cut is very large because anyone who receives a paycheck benefits from a cut in payroll tax. Anyone who receives a paycheck gets this cut. Cutting payroll taxes immediately increases the take-home pay of everyone who gets a paycheck.

Compared to reducing the tax rates for the top 1 percent of the American people, more money goes to middle and lower income Americans, who are likely to spend it, if we keep the payroll tax cut in place, and, of course, we

want to expand it as well. Because take-home pay is greater, people have more money in their pockets—as I said, more than 930 bucks this year. This additional take-home pay will result in more spending. When we spend at that level—and a lot of families are spending more, especially during the holiday season—that boosts demands for goods and services and that leads to job creation. This is not theory. This is not some untested theory or hope. We know this works. We did it in 2011, and we have to do more of it in 2012.

The employee side of this—and I will divide this into employee and employer for a second—the employee tax cut expires at the end of this year, as I mentioned. Without congressional action, employees' share of the payroll tax will return to 6.2 percent of earnings, up from the current 4.2-percent level. So we have a payroll tax that has been cut from 6.2 to 4.2. That is in place. But if we do nothing, if we don't act, if we don't pass an extension, that 4.2 percent will go up to 6.2 percent, and it will be a tax increase for families across the board. If we fail to act, these middle-income families will see their payroll tax cut disappear at the end of this year. Let me say that again. If we don't act by the end of December, middle-income families will lose this payroll tax cut that is in place now.

What does this mean? Well, it means basically losing between 900 bucks and 1,000 bucks. And this is take-home pay for workers and their families.

This is a very tough time for families, as I mentioned before, with high unemployment and so many stresses, economic stresses and pressures on their lives. Families who are already facing both declining wages and stubbornly high unemployment, families who are struggling to pay for housing, make car payments, pay the food bill, pay for college tuition, whatever it is in their lives that means making ends meet, are still having a terribly difficult time.

Losing this tax cut would also undermine the recovery by reducing consumer spending. Numerous economists and forecasters have highlighted the dangers to the economy of allowing this payroll tax cut to expire. Independent analysts estimate that letting a 2-percent employee tax cut expire would reduce gross domestic product growth by up to two-thirds of 1 percent in 2012. Mark Zandi, from Moody's, in an article from September 9 of 2011 entitled "An Analysis of the Obama Jobs Plan," made that same point. If we don't continue the payroll tax cut, we will have an adverse impact on economic growth. Goldman Sachs Global ECS Research had a similar conclusion. So this isn't just about individuals losing a payroll tax cut that is in place now, this is about harming in a very adverse way our economy's ability to grow in a substantial way.

Let me talk for a moment about the legislation before us, the Middle Class Tax Cut Act which I introduced.