

will be standing with her as we try to make sure that the good work done in committee and on the floor of the Senate for fiscal responsibility, for fairness to farmers, for fairness to those who have suffered disasters, for fairness to those who are in the organic or the inorganic world or nonorganic world—that these mistakes, these three strikes-plus, do not carry forth through this Chamber.

I thank the Senator for her leadership.

Ms. STABENOW. Again, I thank the Senator from Oregon for his leadership on disaster assistance, on support for the organic agriculture community, and for others that benefit from his leadership, forestry and other areas. The Senator from Oregon has been a very, very strong leader, and I thank him for his words and for his actions in standing and fighting for the people we are supposed to be fighting for. I mean, the farmers and ranchers across the country, like every other American right now, are shaking their heads: What is going on?

I know there is a lot of work going on to come up with a larger agreement, but for those of us who care about many things but want to make sure agriculture is not lost in this, I am deeply concerned. This is the second largest industry in Michigan. It is the largest industry for many places in the country. Yet I don't see agriculture being the priority it needs to be either on disaster assistance or help for those who have been hit so hard by drought or by an early warmth and then a freeze in the orchards. Where is the willingness to stand and support farmers and ranchers across the country?

Well, I used to be able to say and I have said up to this point: Well, the support was in the Senate, where we passed a bipartisan farm bill and we worked together very closely to do that. But tonight I find that rather than proceeding in a bipartisan way, which has been what we have done, rather than consulting with myself as chair in the Senate and Chairman LUCAS in the House, we see that a proposal which neither one of us has put forward or supported and which is adamantly opposed by many people is now being offered as the approach to extend part of the farm bill, picking and choosing arbitrarily what should be extended and not, not doing disaster assistance, and not being willing to shave off even 2.5 percent of these government subsidies in order to be able to fully fund an extension for the next 9 months—2.5 percent. Mr. President, 2.5 percent is directing us, is what we are talking about in order to be able to extend critical, important priorities for people across the country. This is for consumers, for farmers, for ranchers, for people in this Chamber. I can only assume, based on what I see, that this is the effort of the group that has been trying very hard to make sure that their subsidies continue and that they continue unabated 100 percent, and this is their opportunity.

When we are trying to do deficit reduction, which I find amazing this is in the context of a deficit reduction package—and I am still going to be looking to see where the deficit reduction is. But the deficit reduction package—it will not accept \$24 billion in savings in agriculture. Now, instead, it puts in place policies that will take us in the exact opposite direction. It is very, very unfortunate.

I have been spending the day expressing grave concerns. I will continue to do that. There is absolutely no reason this can't be fixed before the proposal comes to this body. It absolutely can be fixed. People of good will in agriculture have worked together every step of the way, certainly in this Chamber. We can continue to do that if there is a desire to do it. I hope there is because there is a tremendous amount at stake.

Let me say again that 16 million people across our country pay their bills because of income they receive through agriculture or the food industry. Small farmers and large farmers want the certainty of a 5-year farm bill, and they also want to know we are working together with their interests in mind. I hope we can still see that happen.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MERKLEY). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The Senator from Illinois.

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

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

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. DURBIN. Mr. President, I ask unanimous consent that the Senate stand in recess subject to the call of the Chair.

There being no objection, the Senate, at 8:15 p.m., recessed subject to the call of the Chair and reassembled at 1:22 a.m. when called to order by the President pro tempore.

The PRESIDENT pro tempore. The Senator from Nevada.

EXTENSION OF MORNING BUSINESS

Mr. REID. I ask unanimous consent that the period of morning business for debate only be extended until 1:35 a.m. today, with Senator HARKIN being the person who will be speaking. When he finishes his speech, I ask that I then be recognized.

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

The Senator from Iowa.

THE FISCAL CLIFF

Mr. HARKIN. Mr. President, over the last few decades, the real middle-class

families in America—and when I say “real middle class” I mean those who are making \$40,000, \$50,000, \$70,000, not \$400,000 a year—have seen their jobs become more insecure and their wages stagnate. In fact, their income adjusted for inflation is less now than it was in the late 1990s. Their savings and pensions have shrunk or disappeared.

The cost of education has soared at the same time as the wealthiest Americans and large corporations grow ever richer and pay less and less in taxes. For example, just take dividends. Prior to 2003, dividends were always taxed as ordinary income. Now they are taxed at a less rate than the capital gains rate. Income of hedge fund managers is taxed at a lower rate than middle-class families—the so-called carried interest rule.

The share of our Nation's wealth going to corporate profits has been rising as the share going to wages and salaries is declining. This has led bit by bit, Tax Code change by Tax Code change, pension cuts by pension cuts, job outsourcing by job outsourcing to an economy that is out of balance, that threatens the very fabric of our society. That is because the gap between the rich and the real middle class grows ever wider. That is because our economy is driven from the middle out and not from the top down.

Our economy is driven by middle-class families with good jobs and money in their pockets to spend. So our first goal must be to put Americans back to work and to get our economy moving, to rebuild the real middle class now.

The average American across our land tonight—today—probably thinks what we are about here is just that, to solve our country's most pressing problem—creating new jobs, laying the foundation for future economic growth and, thus, reducing our deficits in the long term. But instead we are here tied in knots to avert a manufactured fiscal cliff which could have been avoided 6 months ago by the House passing S. 3412 to avert the tax hikes on 98 percent of Americans.

As I have said repeatedly, I will evaluate any such fiscal cliff legislation on how these proposed policies affect working families and the real middle class—again, the real middle class being those making \$30,000, \$50,000, \$60,000, \$70,000 a year. So I am disappointed to say, in my opinion, this legislation we are about to vote on falls short.

First, it does not address the No. 1 priority: creating good middle-class jobs now. Unemployment remains way too high. This bill should include direct assistance on job creation makers; for example, our infrastructure, education, and job retraining. How many jobs we see out there going wanting because people aren't trained for those jobs; yet we don't have enough money to put into job retraining. The legislation before us neglects our most pressing concern at the present time, and that is

the lack of jobs and the lack of qualified people to fill those jobs.

Secondly, this proposal does not generate the revenue necessary for the country to meet its needs for everything from education to job training, infrastructure, and research and development. The idea that people earning \$300,000 to \$400,000 a year could not pay the taxes they paid in the 1990s when the economy was booming is just plain absurd. But that is what we are being told; that people who make \$300,000 or \$400,000 simply cannot pay the same taxes they would have been paying in the Clinton years.

Furthermore, these wealthiest Americans made a lot of money in the last decade. So what do we do? Now we are raising the estate tax exemption to \$5 million. It was \$1 million under the Clinton tax years. Now the few who are really wealthy, who made a lot of money, and who have accumulated this wealth, we now have raised the estate tax so they can pass it on without any of that gain ever being taxed because the heirs now get it with what they call a stepped-up basis. So none of that is taxed.

So what we see, then, are the few who are wealthy getting more and more wealthy. So wealth becomes even more concentrated under this system.

Now, some will say: What is the problem? You want to protect the middle class. They are in this bill. How can you object if some higher income individuals are protected as well? Well, I point out these are not unrelated matters. With government investments and government spending dropping, being squeezed every year by my conservative friends on the other side of the aisle, and with deficits remaining high, every dollar of sacrifice the wealthy forego is a sacrifice we will later be asking of real middle-class, modest-income Americans. Every dollar the top 2 percent of taxpayers do not pay under this deal, we will eventually ask folks of modest means to forego—to forego on Social Security or Medicare or Medicaid or Head Start benefits or other items that benefit the real middle class.

I believe it is gravely shortsighted to look at these issues in isolation from each other, especially since the Republicans have made crystal clear that they intend to seek mandatory spending cuts just 2 months from now using the debt limit as leverage.

No. 3. Why in this deal do we make the tax benefits for the rich permanent while the progressive tax benefits we put in place in 2009 to help people of modest means—why are those temporary? For example, the estate taxes that benefit the wealthiest are made permanent. The earned-income tax credit that affects the lower income, that is temporary. The income tax rates that are set now are going to be made permanent to benefit higher income individuals, but the child tax credit is made temporary. The AMT fix is made permanent, but the American

opportunity tax credit for modest families to be able to afford to send their kids to college is made temporary.

In this deal we are about to vote on, logic is turned on its head. We provide permanent benefits to those who need it the least, and yet this deal sunsets the modest assistance to middle-class families—again, I repeat, middle class, real middle class; not \$400,000-a-year middle class, I mean the real middle class.

I think it is quite telling that earlier this last evening, Grover Norquist said he is for this bill, but our former Secretary of Labor Bob Reich is opposed.

So maybe now I guess we are all believers in trickle-down economics. Not I. I guess we now redefine the middle class as those making \$400,000 a year when, in fact, that represents the top 1 percent of income earners in America, not the middle class. So I guess that we now accept as normal practice in reaching bipartisan deals that the most vulnerable in our country, such as those who are out of work and who depend on unemployment benefits, can be held hostage as a bargaining tool for more tax breaks for the richest among us.

I am not saying that everything in this deal is bad. There are some good parts. But I repeat, I am concerned about this constant drift, bit by bit, deal by deal, toward more deficits, less job creation, more unfairness, less economic justice—a society where the gap grows wider between the few who have much and the many who have too little.

Mr. President, for these reasons, I must in conscience vote no on this bill.

The PRESIDENT pro tempore. The majority leader.

JOB PROTECTION AND RECESSION PREVENTION ACT OF 2012

Mr. REID. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of H.R. 8; that the substitute amendment, the text of which is at the desk, be agreed to; that there be 10 minutes of debate equally divided between the two leaders prior to a vote on passage of the bill, as amended; that there be no other amendments in order prior to the vote; that there be no points of order in order to the substitute amendment or the bill; finally, that the vote on passage be subject to a 60-vote affirmative vote threshold.

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

The Senate proceeded to consider the bill.

Mr. REID. Mr. President, very quickly, we have worked really hard this week. We Senators had to be here and are happy to be here, but there are four individuals who didn't have to work this week, but they volunteered to do so. These four pages have kept this place operating by helping floor staff and us. They could be home with their families and friends enjoying the holiday. Instead, they are here.

We have 18-year-old Jarrod Nagurka, of Arlington. He gave up his winter break to be here; Twenty-two-year-old Priscilla Pelli of Washington, DC, is a staff assistant in my office. She has devoted her time here. Twenty-two-year-old Erin Shields of Takoma Park, MD, is an intern in my office. And 16-year-old Gwendilyn Liu of Kaneohe, HI, the only remaining current page, skipped her winter vacation to help here. I want the record to reflect our deep appreciation for them, and I wish them the very best in their future endeavors.

Mr. President, working through the night and throughout today, we have reached an agreement with Senator MCCONNELL to avert tax increases on middle-class Americans.

I have said all along that our most important priority was to protect middle-class families. This legislation does that. Middle-class families will wake up today to the assurance that their taxes won't go up \$2,200 each. They will have the certainty to plan how they will pay for groceries, rent, and car payments all during next year. The legislation also protects 2 million Americans who have lost their jobs during the great recession from losing their unemployment insurance.

I am disappointed that we weren't able to make the grand bargain that we tried to do for so long, but we tried. If we do nothing, the threat of a recession is very real. And passing this agreement does not mean the negotiations halt—far from it. We can all agree there is more work to be done. I thank everybody for their patience today—and they have had a lot of patience.

I also thank my friend the Republican leader, Senator MCCONNELL, for his hard work to reach this bipartisan agreement. It has been difficult and very hard. As we have said before, Senator MCCONNELL and I out here do a lot of talking to each other; we kind of go over everybody's head. But he and I know that when the talk is done out here, we work hard to try to help this country. So he is my friend, and I appreciate very, very much the work he has done.

For example, this bill cuts \$4 billion in fiscal year 2013 and \$8 billion in fiscal year 2014. These are real cuts that are in this bill.

I hope the new year will bring a new willingness on the part of the House Republicans to join Democrats in the difficult but rewarding work of governing. The Speaker has said all along that he was waiting for the Senate to act. The Senate soon will act. Now, I hope for America that the Speaker will allow the full House of Representatives to vote on this bipartisan legislation.

The PRESIDENT pro tempore. The Republican leader.

Mr. MCCONNELL. Mr. President, I wish to thank my good friend the majority leader for his kind words and thank everyone for their patience and their counsel throughout this process.

I also thank the Vice President for recognizing the importance of preventing this tax hike on the American