

New York will still experience an exodus of taxpayers, which will drain local resources and impact services. For those House Republicans, voting for the conference report is a poisonous vote, substantively and politically, not to mention that home values will fall in those districts of those House Republicans. If they are voting to decrease home values by 10 or 8 percent for every homeowner in their districts, that is political suicide. Why would they do it? That is what will happen, and the homeowners will start seeing that right away.

Another problem: The last-minute inclusion of a corporate AMT has Republicans and corporate leaders scrambling to figure out if it will have the unintended consequence of functionally eliminating the value of the R&D tax credit. Remember, the corporate AMT was added at the last minute because Republicans needed more revenue to offset a generous rate on passthroughs.

That is what Republicans were working on in the waning hours of last week, not trying to figure out how we could help middle-class families with kids in college, with kids who have serious medical expenses, and not reducing the impact that it would have on our deficit. Oh, no. They were busy figuring out how to make tax cuts for the wealthy even more generous as 70 percent of our passthrough income already flows to the top 1 percent, not the top 20 percent, not the top 10 percent—the top 1 percent. There is 70 percent of passthrough income that goes to the top 1 percent of earners. The Republican tax bill already slashed the rate on passthroughs, but several Republican Senators withheld their votes until that loophole was widened further.

I understand that they wanted to help smaller businesses, but take the time and figure out how to help the small businesses without helping the hedge funds, corporate law firms, the big lobbying firms, and other wealthy individuals. Take the time to figure it out—but no. In the rush to get a crumb for small business owners, they are giving a whole, big, nice chocolate layer cake to the wealthy. It is wrong, very wrong.

The inclusion of the corporate AMT is another reminder that Republicans cannot have it both ways. You cannot cut every conceivable tax on big corporations and the wealthy without blowing up the deficit. If Republicans are forced to go back and look at the corporate AMT, they will have to find revenue elsewhere. Will they slightly lessen another corporate tax break or will they ask working Americans to pay more, which they have done in previous iterations on this bill?

Yesterday, we learned the Republican leadership circulated talking points that questioned the legitimacy of the Joint Committee on Taxation—the nonpartisan, independent scorekeepers of tax legislation. Rather than con-

front the awful truth that their bill will not pay for itself as it, instead, costs about \$1 trillion even with dynamic growth estimates, the Republican leadership asked its Members to shoot the messenger. The JCT, which is widely respected and always accepted by both parties, is, all of a sudden, a pariah in Republican circles because it told the truth—that this bill would not cause the growth they projected, that this bill will increase the deficit far more than the Republicans had hoped.

The Republican leadership tried to discredit the nonpartisan umpire it had long praised and had appointed. What a disgrace. It brings up that what has happened in the last week or two here has been one of the most disgraceful episodes in the history of the Senate—a major bill done behind closed doors, rushed through. Then, adding insult to injury, the truth-tellers—the independent, appointed-by-Republican monitors—were discredited because our Republican colleagues didn't like hearing the answer.

There is still time to avert this awful bill. If my Republican friends vote no on the conference bill, we can do a bipartisan tax reform bill. We can pursue a much better process and get a much better product and go so far as to heal a Senate that has been wounded by partisanship and strife, greatly aggravated by the majority's actions on this tax bill.

#### ISSUES BEFORE THE SENATE

Mr. SCHUMER. Mr. President, instead of rushing a bad tax bill through the conference, the Senate should focus on the bevy of year-end issues confronting us. First and foremost, we must reach a spending bill that would have us meet our commitments to support the military and also urgent priorities here at home, such as combating the opioid crisis, shoring up pension plans, supporting veterans' healthcare, relieving student loan debt, and building rural infrastructure.

In previous budget agreements, Democrats have always strived to achieve parity between our investments in defense and jobs and economic development here at home. It has continually been a sticking point with Republicans as we go through these negotiations. They want to increase the spending for defense, the military, but shortchange important domestic programs such as infrastructure, education, scientific research—measures that create jobs and help the middle class. We Democrats support an increase for our military, but we want to make sure other crucial programs don't get left behind. So we will fight just as hard in this budget agreement to ensure that for each dollar we add for defense, a dollar is added for domestic economic development, 50-50.

We care about our soldiers. They are the greatest. They are risking their lives for us, but we also care about a pensioner who spent his whole life

working in the steel mills, working driving a truck, working building buildings. They religiously put money away every month so they would have something when they retire, and if it is not there—they are important too.

General Mattis came to see me and told me how badly our Defense Department needs help. I agree, but I told him to go back to the White House and tell the White House the domestic side of the ledger needs help as well. Spending on the domestic side of the ledger is lower than it was in 2010, despite increased costs.

We also need to provide funding for Community Health Centers, the Children's Health Insurance Program, relief for millions of Americans still recovering from national disasters, and we must come together on a bipartisan bill to support the Dream Act along with tougher border security measures. So it is a lengthy to-do list. It will require hard work, steady cooperation, and compromise on both sides.

Last night, however, there was a concerning spectacle on the House floor. The freedom caucus held up an unrelated vote on the tax bill—who could figure—because they were unsatisfied with the Republican leadership's plan to keep the government open. If we are going to solve all the problems that confront us before the end of the year, House leaders cannot let the Freedom Caucus—a small band of hard-right reactionary conservatives—run the show. If they cooperate with Democrats, they can accomplish something. To just let the Freedom Caucus dictate is a recipe for chaos.

Once again, negotiations broke off because we were at an impasse on the 50-50 parity for defense and nondefense. That has been very important to Democrats for years. We have settled our budget agreements, our spending policy, omnibus agreements always with 50-50, and we believe it is still important today—parity, parity, parity.

As we continue to negotiate with our Republican counterparts, we hope the Republican leadership can avert more of this unnecessary hostage-taking like we saw on the House floor last night that can only impede a serious, ongoing bipartisan negotiation.

I yield the floor.

#### CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. STRANGE). Morning business is closed.

#### EXECUTIVE SESSION

#### EXECUTIVE CALENDAR

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to executive session and resume consideration of the Nielsen nomination, which the clerk will report.

The senior assistant legislative clerk read the nomination of Kirstjen

Nielsen, of Virginia, to be Secretary of Homeland Security.

The majority whip.

#### TAX REFORM BILL

Mr. CORNYN. Mr. President, we know last Friday night, into the wee hours of Saturday morning, this body did something remarkable, something people said would never happen. We actually got some very important work done and passed a very important piece of legislation—the first overhaul of our Nation's Tax Code in over 30 years.

People said it couldn't be done. It is too hard. With Democrats opposing us at every step on the committee and on the floor, people said there were just too many obstacles in our way, and it was impossible to accomplish. People said there were too many special interests down on K Street that would make it impossible for us to figure out this Rubik's Cube of a tax code, there were too many moving pieces in this giant tome of our tax law. People warned us, if we did this, we would take political flak from all sides.

Well, to the cynics and skeptics and doubters, I will say: You were wrong. We did get it done. Families and job creators woke up the next day after the final vote feeling a little bit more confident about our Nation's fiscal future. Now that the bill has passed the Senate, they will be less weighed down by the yoke of government. They can breathe a little sigh of relief knowing we are doing our job. We are doing what we said we would do when they gave us control of the government.

Of course, it took no time for our major victory to be mocked, denigrated, or simply misrepresented. Sometimes the false rumor spreading was done deliberately by our friends on the other side of the aisle, which is ironic because Democrats used to support many aspects of this plan, such as lowering taxes for the middle class and eliminating incentives for corporations to ship jobs overseas. I guess we must conclude that they were happy with the status quo, a slow-growing economy, stagnant wages, jobs being shipped overseas because of our self-destructive Tax Code. I guess we would have to conclude they thought that was a good thing. Well, they know it was not a good thing, but they just couldn't stand the possibility that we were going to be able to make this major accomplishment on behalf of the American people. Because they were so mired down in the politics of the day, they lost sight of the forest for the trees.

We all know it is easier to criticize than to contribute, such as when many on the other side feigned outrage about small tweaks that needed to be made to the bill. It is interesting. Back in 2010, there was an amendment called the Durbin amendment No. 3989 where, during the course of the debate, it was necessary to make some changes in the bill by handwriting those changes in the bill text. No one thought that was an outrage. Everyone understood this

is sometimes what happens when you are making last-minute changes to legislation. Yet our Democratic colleagues acted like this was the first time this had ever been done, and 46 Senate Democrats voted for Senator DURBIN's amendment, which included these handwritten changes in the text.

Don't forget the tax bill was passed last week through regular order. "Regular order" is part of the jargon we use around here, but it means the normal legislative process. Unlike the Affordable Care Act that was written in Majority Leader Harry Reid's office and brought to the Senate floor without going through the Senate Finance Committee. Unlike that process, this tax bill originated in the Senate Finance Committee, was the product of multiyear studies, working groups, white papers, a lot of proposals like the Camp draft, for example, that helped inform our debate.

From the bill that had been introduced by the ranking member, Senator WYDEN, along with Senator Coats, we were able to glean some of the best elements of all of those prior efforts. Using regular order, giving Democrats and Republicans a chance to contribute to the legislation in the Finance Committee and on the Senate floor, we gave Democrats and Republicans a chance to offer amendments and to get votes on those amendments. That is what we mean by regular order, and that is what our friend from Arizona, the senior Senator from Arizona, Mr. MCCAIN, rightly called for earlier this fall.

There were hearings after hearings. Democrats went to them. Democrats had their opportunities to offer amendments during the committee markup and to offer amendments on the floor. So one simply cannot say, honestly or truthfully, as many Democrats have, that the bill was negotiated in darkness, behind their backs, without their participation. It simply is a false claim, it is not true, and the facts show that.

It is not just our Democratic colleagues who have fueled misperceptions about the tax bill we passed late last Friday night, early Saturday morning. There was a big stir raised with the scoring done by the Joint Committee on Taxation. Some of the critics of the tax bill have latched onto the Joint Taxation report, finding that the bill would increase the economy by 0.8 percent over 10 years, not enough for the cuts to pay for themselves, thus adding to the national deficit. That was the claim.

I take concerns about fiscal responsibility very seriously, but we have to acknowledge that economic modeling is notoriously difficult and can be done in a number of different ways. Each of these models has its strengths and weaknesses, each provides a range of estimates, and none is perfect. We have not yet been given the gift of perfect knowledge of the future. In the case of the Joint Committee on Taxation, the

estimate was that the tax bill would generate enough growth to offset its pricetag from \$1.4 trillion to about \$1 trillion—a net \$400 billion feedback effect. This is pretty interesting listening to our colleagues across the aisle. They make the audacious claim that tax cuts generate no economic growth—none. So when the original Budget Committee budget came out, giving the tax writers \$1.5 trillion of deficit spending on a static basis, they claimed that would result in a \$1.5 trillion deficit. Well, the Joint Committee on Taxation concluded that was not true. In fact, tax cuts can have a stimulative effect on the economy. Incentives can change human behavior, but it is notoriously difficult to estimate with any precision.

In any giant complex system like the American economy, the effect of changes is not easy to predict, but even small changes can produce large, far-reaching benefits. In our case, that means changes in our Tax Code can fuel major economic growth, which ought to be our collective goal.

Why should we have to settle for anemic economic growth? Why should we have to settle for flat wages? Why should we have to settle for jobs being created overseas because our Tax Code incentivizes that rather than incentivizing investment and job creation in the United States?

Well, the fact is, we don't have to settle for that, and we haven't. This tax bill represents our best effort to try to make sure our economy does grow, that wages do go up, and that jobs do come home to the United States because businesses are incentivized to bring that money back home and invest it in jobs and wages back here.

I am optimistic that with the reforms we have enacted, the economy could grow by as much as 3 percent, as the Heritage Foundation and the Tax Foundation have said. The President's Council of Economic Advisers and influential economists agree. I am aware of the old saying that if we were to stretch all the economists in the world end to end, we would never reach a conclusion. They call it the dismal science for a reason. It is not rocket science; it is modeling that tries to predict the future, which is notoriously difficult to do. In fact, you can't do it, but we try to come up with the best guesstimate we can.

I think it is wrong to just look at the Tax Code when you are looking at our economic future. Coupled with the regulatory relief we have seen under the new administration, along with the Congressional Review Act where we repealed back some of the onerous regulations on the economy, and with consumer confidence at a 16-year high, I think we all have the sense that America is coming back as a leading economic engine in the world, and we need to do that because we need to lead the way for the world economy. We need to make sure that the standard of living