creditors, and our largest creditor is China, which today happens to be our largest global competitor for emerging markets around the world.

That is why this deficit commission is so important. The commission set out not only to eliminate $4 trillion in spending over 10 years but to engage America in a conversation long overdue.

Think about this for a moment: If you ever happen to see the Tax Code of the United States of America and open it, you will understand why most people don't. It is unintelligible. Unless you are an accountant or a lawyer or practiced in the art, it is hard to understand what is going on, with sections and articles and subparagraphs. But that book, that Tax Code of America, is one of the most important books when it comes to this deficit debate because each year in America we spend, on that Tax Code, $1.1 trillion. We spend $1.1 trillion in deductions, credits, exclusions, and tax earmarks. That sum, as huge as it is—$1.1 trillion—is more than we collect each year from all of the personal income taxes paid across America. That sum is more than we spend each year for all of the domestic discretionary nondefense programs. It is huge, and people don't know what is in it. Some do. There are a lot of special interest groups, businesses, groups, organizations, and associations that have protected themselves and taken care of themselves in that Tax Code.

This deficit commission, the Bowles and Simpson commission President Obama put together, has finally opened the door and taken a look inside of that Tax Code. I think they did the right thing. What they said to America is, if we eliminated all of these deductions and all of these credits, how could we reduce the rates, the income tax rates paid by Americans at every level and by corporations. And the answer is, they could be reduced dramatically—dramatically. That, to me, would be a step forward. I am not calling for the elimination of all of the deductions and credits. Some of them are important—the deduction for health insurance, mortgage interest, charitable donations, and the like—but we should take a look at each one of them, and we virtually never do.

Tax reform needs to be part of deficit reform. That was the message I took away from this deficit commission report.

Some people ask me how a person such as myself, coming from my end of the political spectrum, could vote for a deficit commission report. Well, it is basically this: I don't think that borrowing 40 cents out of every dollar we spend for either a nuclear missile or a food stamp is sustainable, and I don't believe that being indebted for generations to China and OPEC makes America a more fair and just nation.

When we engage in the critical decisions about our Nation's future budgets, I want progressive voices at the table arguing that we must protect the most vulnerable in America and demand fairness in budget cuts, in spending, and in revenues. My vote today for the deficit commission report is my claim for a seat at that table. I don't view this vote as a vote on final passage of a bill. That is not how I looked at the commission report. I view it, as we say in the Senate, as a vote for a motion to proceed, to begin an important budget debate on the floor.

After the commission meeting, reporters came up to me and said: What is next? Well, I will tell you what is next. What is next is President Obama's State of the Union Address in which I am sure he will allude to this challenge. What is next is the President's budget, which we should receive in February, and following that, a budget proposal from the House, then one from the Senate, and a debate on our debt ceiling in America. Each of these will create an opportunity for us to take the message of this deficit commission and move forward. Some parts of it I will definitely want to change. Some parts I don't agree with. Other parts I think are essential.

Let me say a word about Social Security. There is no more important social program in America, and there never has been. It is more important today than it has ever been because people understand that your pension and work may not be around when you need it. A lot of them have lost it. People understand that the little nest egg, the savings you have, may get beaten up by Wall Street tomorrow. But Social Security is the bedrock. It is what we count on.

We have to make sure this program, which is destined to be solvent for another 20 years, is destined to be solvent for more years. This deficit commission has come up with a proposal which will add 75 years of solvency to Social Security.

Although it is the deficit commission, the Social Security Program has nothing to do directly with the deficit. Making it a solvent program isn't going to help solve our deficit, but it is going to give peace of mind not only to those currently receiving Social Security but to a lot of young people who really question whether the program will be there when they need it. I don't agree with all of the proposals that came out of this deficit commission. I would change some. I think some of the benefit cuts don't have to take place, but I think this deficit commission is on the right track to give people peace of mind that Social Security is going to be there for a long time to come.

There are parts of this proposal, this deficit commission proposal, with which I do not agree. But I will tell my colleagues, getting back to my beginning point—and I see some other Senators coming to the floor—I hope those Senators who come to this floor and passionately argue for tax cuts for wealthy Americans at this moment in time will acknowledge the obvious: They are piling up deficit debt on America, they are calling for more money to be borrowed from China and other nations, and they are enslaving our children and future generations to paying off that debt before they can enjoy the prosperity most of us have enjoyed in our lives. To ignore that is to ignore the deficit. To ignore the debt is to turn their backs on the reality of what extending the tax cuts to the wealthiest people in America will mean.

I hope we can ask our Republican colleagues to take that little trip on the subway over to the Dirksen Building and go in there and read the deficit commission report before they come to the floor and make a speech that ignores the obvious: Cutting taxes on the wealthy adds to a debt that our children will have to pay.

I believe we need to continue the tax cuts for the time being for those making $250,000 a year and less. That is needed to get us through this recession and create more jobs. I hope we can get that done before we leave so that what happened in the deficit commission will be reflected in sound judgment here on the floor of the Senate.

The last point I will make is this: It is unfair, it is unjust, it is inconsistent with the history of this country for us to cut off unemployment benefits for Americans, as we did yesterday. Cutting off those benefits means that 2 million unemployed Americans will lose the helping hand they need to feed their families, to pay utility bills, to buy clothes for their kids, in the middle of this holiday season. There are 127,000 unemployed Illinois families that will lose their unemployment benefits this week. That weekly check of $300 may not sound like that much to a Senator or a Congressman. It may be the difference between making that second trip to the food pantry and keeping the lights on in their home during the holiday season.

I urge my colleagues in both political parties to put party aside and think about the reality of this recession and unemployment in America, and whatever we do on tax cuts, I insist, I beg that we include unemployment insurance as part of that benefit.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Minnesota.

UNEMPLOYMENT INSURANCE

Mr. FRANKEN. Mr. President, I rise to speak about extending tax cuts to all Americans on income up to $250,000.

I was presiding this Monday when one of my friends on the other side of the aisle was speaking on the floor, and he said with great conviction: ''We need to do everything to see that the deficit does not increase.'' Now, less than a week later, he will vote to increase the deficit by $700 billion. That is an impressive reversal, don't you think?

Many of my colleagues on the other side ran for reelection this fall saying

that the deficit is a cancer, that we owe it to our children and grandchildren to cut the deficit. Well, to them I say: Congratulations because for one of the first votes after returning to Washington, you are going to vote to put over $9,300 more debt on the head of every child in America. Way to go. And what is that for? To give an average tax cut of $100,000 to Americans making over $1 million a year.

My friends, on this subject, have been saying to us: Haven't you learned the lesson of the election? I do not recall permanent tax cuts for millionaires being on any ballot. In fact, let's take a look at the exit polls conducted by Edison Research, the exclusive provider of the national election exit polls for all of the major TV networks and the Associated Press. In their poll, they found that roughly 60 percent of Americans wanted to end tax cuts for income over $250,000. More recently, a Quinnipiac poll said that only 35 percent of Americans wanted the Bush tax cuts extended for those with incomes over $250,000.

Of course the American people feel this way. They know what has been happening over the last 20 years in this country. According to the Economic Policy Institute, during the past 20 years, 56 percent of all income growth went to the top 1 percent of households. Even more unbelievably, a third of all income growth went to just the top one-tenth of 1 percent. The wealthy have done extremely well for themselves over the past 20 years. Unfortunately, this is why the middle class has done decidedly worse. When we adjust for inflation, the median household income actually declined over the last decade. During those years, while the rich were getting richer, the rest of working America was struggling to keep up. We have been growing apart. The American people know this.

Now, working Americans are forced to listen to Republicans as they demand that everyone needs to share in the pain; we are all in this together.

The IRS published a study analyzing the tax returns of the wealthiest 400 Americans. Want to take a guess at what their average effective tax rate was? Just over 16.5 percent. Is that sharing the pain? Are they sharing the pain just like everybody else?

Frankly, I am a little tired of being lectured to by my friends on the other side of the aisle on the deficit. We all know Bill Clinton inherited the largest deficit in history from George H.W. Bush and then handed George W. Bush the largest surplus in history. Then George W. Bush nearly doubled the national debt and also handed Barack Obama the largest deficit in history. Of course, my friends controlled the Congress for most of those Bush years.

Today, we are talking about how to get our economy going and keep deficits down at the same time, while what we are discussing right now is whether to restore the Clinton marginal tax rate on the very wealthiest of Americans. I remember that when he raised the tax rate on the top 2 percent, Republicans said that would kill the economy. Newt Gingrich—remember him—on August 5, 1993, said:

> I believe this will lead to a recession next year. This is the Democrat machine's recession, and each one of them will be held personally accountable.

Senator Phil Gramm—remember him—said:

> The Clinton plan is a one-way ticket to recession. This plan does not reduce the deficit . . . but it raises it and puts people out of work.

Governor-elect John Kasich said:

> This plan will not work. If it was to work, then I would have to become a Democrat.

Congratulations, Ohio, on electing a Democratic Governor.

Mr. President, 22.7 million jobs and a giant surplus later, George W. Bush waltzes into office and says: Hey, we are running a surplus. The people deserve a tax cut.

Let's recall what he said about his tax cut. He said over and over again:

> By far, the vast majority of the help goes to those at the bottom end of the economic ladder.

Wow. That sounds like the bottom got the vast majority of the tax cuts, doesn't it? They didn't. Actually, the bottom 60 percent of Americans got just 14.7 percent of the Bush tax cuts. The top 1 percent got 29.5 percent of the tax cuts, which is exactly double. Let me repeat that. The top 1 percent got double of what the bottom 60 percent got.

The results of this new policy? Massive deficits. Only 1 million new jobs over the 8 years of the Bush Presidency, compared to 22.7 million during Clinton's 8 years. My friends in the minority want to go back to that discredited economic policy.

The figleaf here is small business. They attack us and say that not cutting taxes on the richest Americans will hurt small business. Well, it seems that, to my friends, some small businesses are more important than others. Why did they block us for months on passing the Small Business Jobs Act, which gave tax cuts to small businesses and created a $30 billion line of credit for small businesses on Main Street? Why did they oppose the HIRE Act, which gave large tax cuts to small businesses to encourage them to hire unemployed workers? Well, it seems these aren't the small businesses my friends are so concerned about. When you and I think about small businesses, we picture the mom-and-pop grocer down the street somewhere in Oregon or Minnesota or maybe a hardware store or a small precision manufacturing operation—we have a lot of those in Minnesota. We probably think of them as small businesses because they are small. They probably have a few employees, one location, and make a modest but comfortable living doing it.

Republicans are trying to scare us into believing that the grocer and the hardware store owners will shutter their doors and fire people if we return the top two tax brackets to previous levels. But that is simply not the case.

In reality, only 3 percent of small businesses will be affected by this change. Yet you will hear Republicans tout that these top 3 percent of businesses make up 50 percent of the total small business income. That tells you one important thing—that those 3 percent of small businesses aren't truly small businesses. Only under the broadest, most arbitrary of definitions are these businesses small.

When many of my friends on the other side of the aisle talk about small businesses, they are including anybody who uses a flowthrough business entity—so an S corp or a partnership. They are not defining a small business by size, profits or the number of people they employ. They are defining it on a technicality.

Under their definition, Bechtel, the fifth largest company in the United States, is a small business. The Koch brothers, who run a petroleum company with nearly $100 billion in annual revenue, are considered a small business. They are worth about $16 billion each. Law firm partners and Wall Street bond traders are considered small businesses.

So Republicans are using the mom-and-pop grocery store to defend the continuation of these tax cuts. In reality, the only people they are helping are the Bechtels and the Kochs of the world and maybe Derek Jeter, Inc.—he deserves every dollar he gets—and Mel Gibson, Inc.—maybe he has had a bad year—and other likely ''small business'' beneficiaries.

At the same time that Republicans are demanding unpaid-for tax cuts for the Koch brothers, they are insisting we pay for a continuation of the emergency unemployment insurance program. They want to pay for it, even though unemployment benefits have been shown to be an extremely effective stimulus—in fact, one of the most effective stimulus measures. Why? Because when unemployed workers get their checks for a couple hundred dollars, they go to their local mom-and-pop grocery store and buy food. They spend that money right away in their communities in real small businesses.

It is the holidays. Can they afford to buy a small Christmas present for their kids? I am worried that there are those among us who would say: No, no presents.

The Republicans say these unemployment benefits are too expensive. They demand that these benefits must be paid for. But tax cuts for the richest people in America—no need to pay for those. Adding $700 billion to the deficit—or actually $830 billion when factoring in extra interest payments—that is no problem. I hear my friends on the other side say we are going to have to make some hard choices. I agree. The deficit is a problem. Getting it under control will take shared sacrifice.

There are a lot of Minnesotans who have to make hard choices now. Maybe it means giving up a second car or no summer camp for the kids. Some communities in Minnesota have had to go to a 4-day school week because there just isn't the money there.

Some Minnesotans have been even harder hit. Their unemployment insurance was cut off earlier this week because of us. They have a lot of hard choices right now. Where are they going to live if they can't pay their mortgage or their rent? Choices: food or medicine or heat. How do I give my kids anything resembling a Christmas?

These are people who lost their jobs and desperately want to find work, but we can't pass unemployment insurance for them unless it is paid for. But for the owners of Bechtel or PricewaterhouseCoopers—yes, PricewaterhouseCoopers is a small business too—the sky is the limit.

I am Jewish. I don't know the New Testament all that well, but I do know Matthew, which says:

> Truly I tell you, whatever you did for one of the least of my brethren, you did for me.

I went to a union hall not long ago for the building trades. A carpenter came up to me—a big, strong guy with rough hands, big calloused hands—with tears in his eyes. He had just a little bit of work here and there over the last 18 months. He said to me: I never took unemployment insurance before. I hate it. But if it weren't for my unemployment insurance, I wouldn't be in my house.

Making tough choices means doing one thing and not another. Right now, we are faced with that choice. If we can't agree to help people such as that carpenter and his family by continuing emergency unemployment benefits, how can we live with ourselves? How can we think we are doing our jobs?

The choice before us is clear this holiday season: Lend a hand to those who simply can't get by without the help or give $100,000 in average tax cuts to people making over $1 million.

Where are our values? What are we doing here? It is almost Christmas. We will be leaving to spend time with our families. We have jobs; we have great jobs. I think this is the greatest job—trying to make people's lives better back in Minnesota. That is my job.

I ask my colleagues this: What are we doing here?

I yield the floor.

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

Mr. SCHUMER. Mr. President, I ask unanimous consent that immediately upon my finishing, the Senator from Utah be recognized.

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

Mr. SCHUMER. Mr. President, I rise as well to speak about the single most important issue facing the American people today, and that is the state of the economy.

Let's consider three facts and lay them side by side. First, over the last decade, even though the economy was growing modestly, middle-class incomes declined for the first time since World War II. The average middle-class family, which had always seen things get better and better, did not from 2001 to 2010.

By the way, this did not just occur during the recession which began in 2008. It was constant throughout this decade. The great American dream, what is it? I submit it is very simple. Not everyone wants to try to become rich, and everyone knows they are not going to become rich, but they certainly know one thing: In America, the odds are very high you will be doing better 10 years from now than you are doing today. And the odds are even higher your kids will do even better than you. When incomes decline over a decade, that American dream burns a little less brightly for people and the whole tenor of America changes and we see the kind of anger we have seen, which is not typical of this great land of ours with its amazing people. That is unusual.

So, first of all, middle-class incomes have gone down.

Secondly, in the last decade, one group did very, very well—the highest in income among us, the millionaires and billionaires. God bless them. Their taxes went down, down, down over the last decade because of the Bush era tax cuts, but their incomes went up, up, up. They did great.

Thirdly, over the last decade, while all of this was happening, our deficit got out of control. When we began this decade in 2001 there was a $250 billion surplus. We hadn't had that in decades. It was wonderful and it helped fuel the economy because small businesspeople and large businesspeople would borrow knowing that interest rates would stay low. Interest rates are often a greater cost to them than taxes. But when President Bush departed 1600 Pennsylvania Avenue at the end of 2008, he left behind a deficit of $1 trillion. Some of that was due to the war in Iraq, where our brave soldiers defended us, and Afghanistan as well, and a little more of it was due to new programs the President authored, including a prescription drug benefit for senior citizens. But most of it was due to the fact that he cut taxes on the wealthy.

Our colleagues on the other side of the aisle say we have to keep the Bush tax cuts, particularly those for the wealthy. Well, was the last decade a great success? Not for the middle class. No. Their incomes went down. Not for job growth because that was smaller than before. So when we had the Clinton era level of taxes in the 1990s, all of America and job creation and the middle class, in terms of income, did better than with these tax cuts which began in 2001. So this cry that we need these tax cuts for prosperity doesn't fit with history. It may fit with a particular ideology, but it doesn't fit with history.

Who on Earth would want to extend a failed economic program that didn't help the middle class—the backbone of America, the place I come from and always fight for? Who would want to extend this failed economic program? I will tell you who. Every single 1 of my 42 colleagues on the other side of the aisle is marching in lockstep saying please extend this failed economic program. Why? It seems to me what they hold out for is tax cuts for the millionaires. In fact, they are so committed to extending the failed economic program of the Bush years, they are willing to hold hostage the middle-class tax cuts, which we all agree we should have, until they can give a giant tax break to millionaires and billionaires.

That defies economic logic. The well-off—the people for whom my colleagues in the minority are fighting—aren't going to spend their tax break and get the economy moving. They are not going to rush to JCPenney and buy that warm winter coat they have been waiting to buy. They are not going to go out to the Barnside Diner and buy a nice prime rib dinner. They can afford all that already. They can afford it 7 days a week, 52 weeks a year.

I want to say something about these millionaires and billionaires. God bless them. We are not mad at them for having done well. We admire them. We all wish we were like them, as successful as they were. God bless them. All we are saying is they do not need another $400,000 or $4 million at this time when there are so many other more important needs.

I want to reiterate that. I have nothing against the wealthy. I don't like it when we knock them. I think they are great. I respect them. I admire their achievements. There are lots of them in New York who started with nothing and worked their way up. I think it is great. Some of them inherited their wealth, that is true, and they seem to have even more a sense of entitlement than the ones who made it themselves, oftentimes, but many more live the American Dream through their own great ingenuity. They pulled themselves up the economic ladder by their bootstraps. But I have to tell you something. When I talk to them, at least those who are wealthy in my home State of New York—even many Republicans—they say: You know what. For the good of the country, I don't need this kind of tax break. If we put it to deficit reduction, most of them say: I would be for it. Not all of them say that. Certainly not the hard right people who seem to have the party on the other side in the palm of their hands, who say: I made my $10 million and don't you dare touch a nickel of it. But most—most—say: Chuck, I can afford to pay a bit more. I have nothing against returning to the Clinton rates, as long as, they say—and this is a reasonable caveat—the money goes to a good purpose: making our schools better, improving our infrastructure and, above all, they say, decreasing the deficit.

That is what the amendment I will offer tomorrow would do. The other

side of the aisle wants you to believe the average American overwhelmingly supports tax breaks for millionaires. I have heard it. They say: The election—haven't you Democrats heard about the election? Well, I was running this year. I happened to get 65, 66 percent of the vote. I got a lot of votes from Republicans, a lot of votes from Independents, and I talked to a lot of angry people. I saw a lot of tea party people. None of them said to me: Make sure you keep tax breaks for the millionaires. They may have said shrink the government; they may have said repeal health care. That is true. But none, none said: Keep the tax breaks for millionaires and billionaires.

Here is a poll that reflects that, and it is not by some Democratic Party organization or some Republican Party organization but by CBS, a nonpartisan poll. The poll yesterday said only 26 percent of Americans support millionaire tax breaks—26 percent. Now you may say: Well, that is just the Democrats. Oh, no. Only 25 percent of Independents say keep the tax breaks for millionaires—those swing voters who are the ones who created a lot of new Republican seats and caused us to lose a lot of Democratic seats. Even on the Republican side, 46 percent—only 46 percent—supported millionaire tax breaks.

So this idea that the election was a mandate to cut taxes on millionaires and billionaires—you know, I didn't only run in New York, but I worked closely with many of my colleagues in many parts of the country—the Northeast, Midwest, Southwest—and none of them reported any hue and cry to keep tax breaks for millionaires—none. That is not what the election said.

Now maybe the money of some of those millionaires helped create ads on other issues that helped win the election for these folks but not the issue itself. So we need to get our economy humming on all cylinders again, and it is true we need to stimulate demand.

Mark Zandi, an economist who is as well-respected on the right, as well as the left—I believe he was Senator MCCAIN's chief economic adviser when he ran his campaign—said every dollar spent on tax breaks for the millionaires generates 32 cents of economic activity. Those of us who believe in economic efficiency, which I do, know that doesn't work. Let me give a contrast. Every dollar spent on unemployment benefits generates $1.61 in economic activity.

So if you care about getting the economy going, you are going to be for increasing unemployment benefits quicker than tax breaks for millionaires. According to Mark Zandi, most every economist—even those on the right—doesn't believe that is false. UI benefits are 400 percent more stimulative than tax breaks for the wealthy according to Mr. Zandi.

Yet on Wednesday, when my esteemed and effective colleague from Ohio, Senator SHERROD BROWN, came to the floor and asked unanimous consent for just a 1-year reauthorization for unemployment benefits, the other side objected. As the Senator from Minnesota said when he was speaking on the Senate floor a few minutes ago, the anomaly is that the Republican Party is saying we don't have to pay for tax breaks for the millionaires but we have to pay for an increase in unemployment benefits. What kind of logic is that?

The middle class is worried. They are worried about how they are going to stretch that paycheck. They are worried about how they are going to make that mortgage payment. They are worried about how they are going to keep that job. In this recession, middle-class people are more unemployed than ever before. Most recessions in the past had two differences: One, they mainly affected the poorest people and the working-class people who made the lowest salaries. This one has gone way up into the middle class and the upper middle class. I have met hundreds of these people as I have traveled through my State, and they are out of work for a lot longer. It is no longer 3 weeks or even 3 months but 6 months, 9 months, a year. We just heard the unemployment rate went up, under these Bush tax cuts, to 9.8 percent.

We are trying to offer solutions that bring the unemployment rate down. We are trying to offer solutions that focus on the middle class, while our Republican colleagues are busy defending the wonderful people who made a lot of money but don't need the help.

After Senator BROWN offered his bill to reauthorize unemployment insurance, Senator UDALL of New Mexico asked for consent to take up and pass a bill to extend the highly successful Building Start Program. That gave tax incentives so construction workers could build buildings that were energy efficient—150,000 good-paying jobs. They objected.

Next came Senator STABENOW from Michigan, a real leader in the fight for job creation. She came to the floor with a bill to give tax breaks to manufacturers. We need manufacturing, not only in her State of Michigan but in my State of New York—particularly upstate. Conservative estimates said the bill would create 40,000 private sector jobs. Again, the Republicans objected.

Then I offered a bill myself—and I am glad my colleague from Utah is here because this was a bipartisan bill. It was a tax cut for business called the HIRE Act. It said if you hire somebody who is unemployed 60 days, you don't have to pay the payroll tax for this year. It is expiring. I wanted to extend it. Objection.

The bill had passed with bipartisan support. But the point is to get tax breaks for the millionaires they would even object to a bipartisan bill that gave a tax break to businesses that would employ people. What kind of logic is that?

One final point as I conclude, and that is about the deficit. The deficit, as I mentioned, is huge. But let me just say the Bush tax cuts and particularly those for the millionaires and billionaires add a huge amount to the deficit, and we do not hear a peep about it from the other side. They care about the deficit, but $300 billion that it would cost to give these tax breaks to millionaires and billionaires, that is OK. Please.

Over the next year, I am going to be up here reminding my colleagues when they say we cannot pay for help to our schools so they can hire a science teacher who might create the genius that would create a new industry that would create new jobs, when they say we cannot have money to repair a road or a sewer project that would create good-paying jobs because it would increase the deficit, I am going to remind each and every one of them that they said, when they gave tax breaks to millionaires, the deficit didn't count. Just remember that.

And, of course, they say these tax breaks for millionaires and billionaires are tax breaks for small business. My good colleague—someone who looks very much like the Presiding Officer, the Senator from Minnesota, who was seated over there a few minutes ago—talked about that.

My dad was a small businessman. He had a little exterminating business. It wasn't very successful. I know how he suffered through it. He knows these tax breaks are not for a business like his—or the dry cleaner or the restaurant or any of these other businesses. They are not for any at all because we are not talking about corporate tax cuts. They are for very wealthy people, some of whom you have mentioned.

I know my colleague from Utah has been patiently waiting, so I am not going to talk about all the small business stuff, but I just want to remind people about this plan. Under the President Bush tax breaks for millionaires, here is what would happen. Under the plan my colleagues across the aisle are supporting, people who make $1 million would get a $43,000 break per year; people who make $10 million would get a $400,000 break per year; people who make $100 million would get a $3,800,000 break per year. The average middle-class family making $60,000 would get $2,500. We want to get that middle-class family its break. We will give the same amount to these folks, they will get a break, no more and no less, than the middle-class family. But we don't believe these breaks, where we have so many other needs and a huge deficit to boot, are called for.

We will be debating that all day today, all tomorrow morning until 10:30—but also for the rest of the next 2 years.

Again, I repeat, don't talk to us about deficit reduction, folks, if you are willing to put this whopping hole for deficits for tax breaks for the millionaires and billionaires. Don't come

to us and say this program for this school or this road or this small business incentive should not be passed because of the deficit but it is OK to give the breaks to these folks.

More people last night tuned in to watch the reruns of ''Matlock'' on TV Land than would benefit from the Republican proposal. I haven't seen ''Matlock'' in a long time. I am sure those people who watched it had a good time, but it wasn't many of them. But it was more of them than the millionaires and billionaires who would get this break. They are a powerful group. God bless them. They should not have the kind of power they have, to have good people on the other side of the aisle tie themselves in a knot to prevent all kinds of important things from happening until they get their break.

I yield the floor.

Mr. REID. Mr. President, I have been in touch with Senator MCCONNELL, and he knows I am asking this consent agreement. I ask unanimous consent that at 10:30 a.m. tomorrow morning, December 4, the Senate proceed to vote on the motion to invoke cloture on the Reid motion to concur with the House amendment to the Senate amendment to H.R. 4853 with the Baucus amendment No. 4727, with the time from 8:30 a.m. to 10:30 a.m. equally divided between the leaders or their designees.

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

Mr. REID. Mr. President, this is a time that virtually no one is happy with. Someone wanted it late, someone wanted it early. As I indicated to Lula Davis, we just split the baby in half. This is the best we can do. Make as many people happy as we can. We are coming in at 8:30, which is unusual on a Saturday morning, but people who live certainly east of the Mississippi, they can go some ways—it is difficult for those of us who live west of the Mississippi to go anyplace, but at least some people will be able to have an afternoon at home or in their States with this agreement that has just been approved.

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

Mr. HATCH. Mr. President, I always enjoy listening to my colleague from New York. He is one of the brightest people in this body, he is one of the toughest, and he has been a very dear friend all these years.

I might mention that the Schumer-Hatch bill is now law, a bipartisan bill we did put through. That was a good step in the right direction as far as gaining jobs.

I would also like to point out that 56 percent of all capital gains that create jobs are paid for by people who earn over $500,000 a year.

I also would care to point out that I absolutely guarantee to everybody watching us today what would happen if there were these tax increases. I think the distinguished Senator knows his suggestion polls very well. Is that the reason we should do it? No. But I guarantee, and I do not think anybody could doubt this guarantee, that if his approach wins, the Democrats will take every dime of that and spend it. In fact, the President's budget spends more toward the end than it does now—I mean a lot more. That is one of the problems.

We know a good 50 percent of small businesses would be affected. They are the ones who create jobs—25 percent of the employees and about 50 percent of small businesses would be affected if we do what the Democrats would like to do.

Be that as it may, those are some of the differences. But I am going to explain why at the last minute this Congress—after the upheaval that happened during the election—this Congress cannot seem to get together during a time of economic distress and put over these tax reliefs that were started in 2001–2003—that we cannot do that and at the last minute to come in and want to change the game again and do that at a time when we have the economic difficulty and problems we have. It is more of the same.

Over the last few days Americans watching C–SPAN would have seen a lot of speeches about widespread tax hikes that will arrive with the new year. Many of my friends on the other side deployed several attacks. C–SPAN viewers probably were not surprised the attacks were exclusively aimed at those on this side.

I will not get into correcting the record any more than I have on all of that misinformation right now. I would like to focus on two themes we heard. We heard them over and over. The first theme was repeated many times. It was this: Republicans are accused of holding hostage tax relief for middle-income taxpayers. The second theme took some creativity. If you listen to our friends on the other side you would think they had hired a psychic or mind reader, that somehow this mind reader had successfully read the minds of 42 Republican Senators.

Our friends spoke as if they had determined the motives of 42 Republican Senators. Perhaps not surprisingly, the motive ascribed was not very favorable. Republicans' alleged hostage taking was described as solely motivated by a desire to cut taxes for high-income people.

If our friends in the Democratic leadership hired a mind reader, I advise them to seek a refund because it did not work. You have been had, my friends. You didn't need a mind reader. You need not come to the floor and spend all day ascribing motives to your colleagues on this side.

The record is clear today. It has been clear for a decade that the tax relief program has been in effect. Actions speak louder than words. Votes speak louder than talking points or press releases.

When first passed over 9½ years ago, nearly all of the Republican conference supported the bipartisan tax relief plan. Roughly one-fourth of the Democratic caucus supported the plan.

Because of the opposition of the Democratic leadership, efforts to make these policies permanent law were rebuffed. Check the record. During the years of the Republican majority, the Democratic leadership opposed efforts to make the widely applicable tax relief measures permanent. Those efforts were also opposed by the other side.

What is even more revealing is the record since the Democratic leadership assumed control of the Congress almost 4 years ago. A few moments ago, I said actions speak louder than words. Votes speak louder than speeches. After obstructing permanent tax relief in the minority, what did our friends in the Democratic leadership do when they gained power? Let's take a look.

I have a series of charts. The Democrats have taken power. These charts chronicle the record of the Democratic leadership on this time-sensitive matter. The first chart chronicles the first year of the new Democratic Party majority. The year is 2007. The Democrats took power on January 4, 2007. You will see it circled on the chart right here. That is January 4. Look at the rest of the year in 2007. Think about it. No action was taken on the tax hikes that come down in less than 1 month. No action, none, nothing, zilch.

Let's take a look at 2008. This chart is pretty simple. Take a look. It is completely blank other than the calendar on there. No action, nothing, none, zilch.

Here is a chart for 2009. It is an important chart as well. There were big changes in Washington. Democrats gained a large majority, 60 votes in the Senate. It was basically a filibuster-proof body. That is circled here on January 6.

President Obama takes office on January 20, right here. It is circled right there. You can see it. A little over 3 months later an event occurred that many on our side of the aisle will not forget. The senior Senator from Pennsylvania crossed the aisle to give Democrats a filibuster-proof majority. Let me just point to that third circle right here.

Nothing happens for the rest of the year, not a doggone thing happened for the rest of the year. We had a larger Democratic majority sworn in; President Obama was sworn in.

Then my dear colleague Senator SPECTER decided he wanted to be a Democrat, and he switched parties. That got 60 votes in the Senate. Nothing happens for the rest of the year, nothing else happens.

On December 3, 2009, 1 year ago, the House Democratic leadership passes a long-term death tax reform. That is right here on December 3. This represents a milestone. Almost 3 years into their majority, one portion of the congressional Democratic leadership took comprehensive action on one piece of the 2001 tax relief expiring provisions.

Let's take a look at 2010. It is the fourth year congressional Democrats have controlled both bodies, abjectly controlled them, in this decade. The House-passed death tax reform was placed on the Senate calendar on January 20, 2010. When Senator SCOTT BROWN was sworn in on February 4, the Democratic majority fell, if that word is appropriate, to 59 majority votes. What has happened for the balance of this year? What action has the Democratic leadership taken as the big tax hikes approached? With the economy slumbering and a big tax hike coming, what actions has the Democratic leadership in both Houses taken? With the Nation's job creators, America's small businesses, expressing pessimism about the business environment and a looming tax hike on the horizon, what actions has the Democratic Party leadership taken? With unemployment announced today at 9.8 percent and a big tax hike coming, what action has the Democratic Party leadership taken over these last 4 years?

By the way, this latest data indicates that the unemployment rate is going the wrong way; that is, upward. It is going up again. More Americans are out of work. I remind my friends in the Democratic leadership to pay close attention to this data. It should concentrate the mind on policies to counter the problems at hand rather than politics.

With a big tax hike less than 1 month away and this horrible economic data arriving this morning, what action has the Democratic Party leadership taken and the Democratic leadership in the Senate? Let's take a look. Over the past several months, Republican Senators have come to the floor to urge our friends in the Democratic leadership to address a time-sensitive topic. I am referring to a package of unfinished tax legislative business.

I am on the Finance Committee. I sit right next to our ranking member, Senator GRASSLEY. I expect to take over as ranking member in January. Ranking Member GRASSLEY and I used this chart in a colloquy a couple of weeks ago. Here is our checklist chart. The only piece of legislation the Senate has considered is one small but important piece of unfinished tax legislative business. It is what we call tax extenders—something we almost automatically have passed in the past.

Unfortunately, the Democratic Party leadership in the Senate and House scuttled a bipartisan agreement between Chairman BAUCUS and Ranking Member GRASSLEY about 10 months ago. After we put it right out of the Democratic-controlled Finance Committee, they basically canceled it. That includes the research and development tax credit that helps our high-tech world to remain competitive, to mention one.

The reason I mention that is because it is something almost everybody wants. It is one of the glues that bind everything together. Over this whole year after we put that tax extender bill out, look where we are.

Unfortunately, the Democratic leadership scuttled the bipartisan agreement between Chairman BAUCUS and Ranking Member GRASSLEY about 10 months ago. After that, a partisan strategy was pursued by our friends on the other side. Not surprisingly, it failed several times. I will give them a checkmark on the chart for doing the minimum. My friends in the Democratic leadership did at least bring up a bill.

As the chart shows, the tax extenders—right here—which are overdue by almost 1 year, are not alone. There are three other major areas of unfinished business, and there are others as well. But I decided to talk about these.

One area Senator GRASSLEY and I discussed at length a couple weeks ago applies to millions of middle-income families this year. It is the 2010 alternative minimum tax. Another area is the death tax. In less than 1 month from now, the number of States to be hit by the death tax will shoot dramatically upward. Small businesses and family farms are going to be lost unless we do something about it. But here we are in the last few weeks of this session. They haven't done a doggone thing on the AMT patch. The House did something on death tax reform, but we have done nothing. Both bodies have done nothing. And they have done absolutely nothing on these tax hikes. When compared with the Lincoln-Kyl compromise on death tax reform, the number of taxable estates will be 10 times higher. In the case of family farms, it will be 13 times as high.

The third area is the 2001 and 2003 tax rate cuts. As important as extenders, the AMT patch, and the death tax are, the impact of this tax package down here is monolithic in comparison. I am referring to the marginal income tax rate reductions that are current law until the end of this month. I am also referring to family tax relief. Both pieces were the core of the bipartisan tax relief enacted in 2001 and 2003.

For an example of the importance of this package, we need look no further than a typical family of four. For a family of four earning $50,000 of income, the tax hike they face will be $2,136. In this slow-growth environment, who among us thinks it makes sense to hike this family's taxes by almost $200 a month? That is where we are. Unless we can get this all done by the other side cooperating, it seems to me, a family earning $50,000 is going to be socked an extra $2,136.

Contrast the record I have laid out with the two attacks directed at Republicans over the last 2 days. Just tell me, how could we possibly have held hostage any bill with the votes the Democrats have had over the last 4 years? The folks taking these partisan shots have had almost 4 years with an overwhelming majority in both the House and the Senate to deal with a massive tax hike set to kick in in less than a month now. Republicans have not controlled the House for 4 solid years. For almost 2 years, the other side has ruled with one of the most robust majorities in modern times. The motives of the minority in the House hardly ever solely determine the fate of any bill there. It is likewise in the Senate. A filibuster-proof majority has a lot of power. A majority that is slightly less than filibuster proof needs to work with the other side. That is the way the Senate has always worked.

Even if we Republicans were to decide to filibuster, how could we have filibustered something that doesn't exist? Look at all those prior charts. Not one doggone thing done. It is something that has not existed for almost 4 years of Democratic Party control of both Houses of Congress. Go back through the record. In the 4 years of majority rule, show me the Senate Democratic leadership bill that Republicans could obstruct. There hasn't been any.

Yesterday, finally the dam of inaction broke, but it broke on the House side. House Democratic leadership sent a bill late in the second week of this lameduck session. The bill does not prevent a tax hike on virtually every American taxpayer. But what kind of action is the House bill? It is political action, pure and simple. It is political. Look no further than the statements of the bill's authors, the House Democratic leadership. We can view that bill as an expression of partisan sentiment in the House Democratic caucus. It will not become law, and we all know it.

It is up to the Obama administration and Senate Democratic leadership to work with Republicans. The aim should be a bipartisan transaction or deal, if you want to call it that. Real legislating on these time-sensitive tax hike prevention issues is long past due.

What kind of actions are the American people receiving from the Senate Democratic leadership? The majority leader has used his procedural power to jam Republicans. He has a right to do that. But it has been consistent. Call a bill up, fill up the parliamentary tree, prevent any and all amendments in the greatest deliberative body in the world, and then try to ram it through. I have to say that these tactics also jam any Democrats who might differ with the Democratic leadership's scheme. And there are some who do. The sum and substance of the Democratic leadership procedural jam is to guarantee that we will waste yet more procedural and more precious time. If Members don't believe me, ask the congressional press corps outside the Chamber.

Taking a bet on a successful legislative outcome of the two jammed votes would not be a good wager. It could be akin to accepting an offer to sell the Brooklyn Bridge from a fast-talking New Yorker. No one is fooled by this move by the Senate Democratic leadership. I challenge any of my friends on the other side to show me the votes.

How will the actions of the Democratic leadership advance the ball if

the two votes are designed to fail? Sure, maybe from their perspective there is some cheap political benefit to the Democratic leadership and Democratic Party staging these jammed votes. As one member of the Democratic leadership implied yesterday, maybe there will be some campaign material produced. Is that what this is all about? Is that what the greatest deliberative body in the world is all about in the last few weeks of this session when this country is in the fiscal problem it is in?

I ask my friends to step back and take another look at the political calculation they may be making. The American people are angry. I have held seven townhall meetings in the last few months, plus two tele-townhall meetings. The American people are very angry. The American people know it has taken almost 4 years for our friends in the Democratic leadership in both the House and Senate to address this looming tax hike. They have had monumental majorities that would have enabled them to put just about anything through that they wanted, such as the looming tax hike they all knew about when they took power long ago. Is it really worth running through this political charade with a couple of partisan votes and campaign commercials that may be used 2 years from now? Is it really that important?

I ask my friends in the Democratic leadership and the Democratic side to consider the political calculation further. Especially consider it when these two partisan jam votes fail. If they want to keep playing politics with a big tax hike on virtually every American, what will they say when we hit the last day of this calendar right here? Will they say: Too bad, American families. Will they say: Too bad, small business folks. Will they say: Jamming the other side with partisan votes was our foremost goal. What will they say after wasting the hard-working taxpayers' time and money on these jam votes?

Let's go to the partisan allegation that it is not helpful to the goal of a bipartisan deal. It is the second theme to which I referred. Many on the other side ascribed to Republicans a motive to take whatever action necessary solely to provide tax relief for high-income taxpayers. Now, let's be clear. Senate Republicans and Democrats both want to prevent tax hikes on middle-income families. The only difference is Senate Republicans want to do more.

On this side, in this slow-growth environment, we do not want to raise taxes on anyone right now. Yesterday, I discussed some of the reasons for preventing any tax hikes, even preventing the so-called millionaires' tax hike. It is a hit on small businesses, and we all know it. It is a hit on the after-tax rate of return on investment. This so-called millionaires' tax hike will slow the flow of the lifeblood of business—capital.

Let's be clear. On our side, we want, just as much as the Democrats want, to protect middle-income taxpayers from a tax hike. Nearly every Republican in 2001 supported it then, tried to make it permanent, and we support it now.

You need look no further than our leader's bill. It is right there in the bill. On our side, we want more of these middle-income taxpayers to keep their jobs. We want a business and investment environment that reduces the punishingly high unemployment rate of close to 10 percent now. That does not even talk about the underemployment rate which is a little more than 18 percent when you include people who do not even want to look for a job anymore and those who have given up.

Almost 4 years ago, in the 2006 election, the American people provided the Democratic Party leadership with control of the Congress. In the 2008 election, almost 2 years ago, the American people provided the Democratic leadership with the largest majorities in more than a generation. They also provided the Democratic leadership with a President of their party.

The Democratic leadership spent the period of 2001 to 2006 thwarting efforts to make the bipartisan tax relief of 2001 and 2003 permanent. Upon assuming control, they spent almost 4 years with no legislation, as you can see on this chart, to make permanent or even extend the marginal rate cuts and family tax relief packages. No Senate legislative action, no Senate committee and floor action, no Senate action until this late lameduck session partisan jam vote.

The Senate Democratic leadership needs to engage. Engagement is defined as a constructive activity with the goal of changing the law. Engagement is not defined as repeating a dead-end partisan process like we have seen with the extenders bill—something we should have passed long ago and we were willing to. Time-sensitive tax legislative business should go through the regular order process. It is too late for that now, as you all know, as we all know.

It is too late for partisan stunts. The American people need action. Actions speak louder than words. It is too risky for all of our constituents to aim for partisan stunts. The clock is ticking, and soon this calendar, in this year right here—this whole calendar—will be history.

Well, the Americans deserve real legislative action. As I have said, it is one thing to come on the Senate floor now and try to raise the thresholds and so forth at this late date. But the fact is, small businesses are mainly partnerships, sub S corporations, entities where the income comes to the small businessperson who, in most cases, if they want their business to grow, puts a lot of that income back into creating jobs and opportunities.

I have even heard the phony argument over the years that, well, it is only 3 percent of small businesses. Well, that 3 percent is 750,000 businesses that create 70 percent of the jobs in this society.

I would like to see jobs recreated. I would like to see us do the things we are here to do. I would like to have the White House—they have brilliant people in the White House, brilliant people, not one of whom, to my knowledge, has been constructive in his or her lifetime in creating private sector jobs. They are great at creating public sector jobs, as we have all seen over the last couple years, as Federal jobs have jumped dramatically. But hardly anybody down there even knows how to create a private sector job.

I do not want to be mean to the President or anybody else. These are brilliant people. Maybe there is something there that they can come up with. But they sure as heck are not helping us get through this end of session in a way that will create jobs.

I hope our negotiators on both sides will wake up and realize we have to do what is right for this country, and we have to do some things that will help small businesses in this country create jobs. At a time when unemployment has now jumped to 9.8 percent, with the underemployment rate over 18 percent the last time I checked, it seems to me the worst thing we could possibly do is mess it all up with tax increases against anybody.

I personally have suggested that since Republicans want this tax relief of 2001 and 2003 to be permanent, since we have wanted that, and the Democrats have wanted only those at $200,000 and $250,000—below those figures—to have the tax relief, and they want their so-called middle-class tax rates to be permanent—which we would keep going because we believe as much in middle-class tax relief as they do—in fact, I think actually more—it seems to me we ought to get together and we ought to at least give this economy a chance over the next 2 or 3 years, as much as I would like to make this statute permanent, and give us a chance to be able to regenerate jobs in this society in ways that make sense.

Keep in mind, when we start talking about the so-called millionaires' tax, we are talking about 56 percent of all capital gains rates paid by people, many of whom are small businesspeople who will create jobs if we can get rid of the uncertainty that, I have to say, has been continuous over the last 4 years, and certainly over the last 2 years.

I just hope we can get together. I hope nobody will construe my remarks as trying to pick on anybody. I do not want to do that. I just want to make these points because I think they are relevant, they are truthful, and, frankly, it is time we get together and get these problems solved.

I yield the floor.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. REED. Mr. President, first, let me thank my colleague from South Dakota, Senator THUNE, for allowing me to precede him.

Mr. President, I come to the Senate floor this morning to urge my colleagues—all of us—to move very quickly to pass tax relief for middle-income Americans. We have a crisis in this country: a crisis of jobs, a crisis of income for middle-class families. One of the ironies is I was here in 2001 when the Bush tax cuts were proposed. One of the major premises of those tax cuts was, well, this is going to free up the engine of job creation. It is going to result in such economic growth that our surplus—and at that time we had a surplus—is going to be sustained, if not increased.

The record is that we have seen the worst private sector job creation in this decade since pre-World War II. We have seen the incomes of middle-class Americans stagnate, while we have seen the incomes of the very richest expand dramatically.

One of the phenomena that was taking place at the end of the 1990s and in 2000 and was a function of several things—first, tough tax votes by Democrats alone in 1993 to begin to balance the budget; second, Federal Reserve policy that recognized those tough votes and was appropriate in terms of providing an adequate interest rate level; and the third was something, frankly, we did not even recognize: the explosion of information technology in terms of how it made us more productive—but those three factors together led us to the year 2000, to a situation where we had a surplus. We had unemployment rates that were very low, particularly relative to today.

Then the Bush administration came in and decided tax cuts, particularly tax cuts for the upper income Americans—because that was the implicit argument, that they create the jobs—if you give those tax cuts to the wealthy, they will create the jobs. Well, we have had 10 years of real experience, and that has not worked.

There are other factors that intervened. We have had two wars we chose not to pay for, increasing the deficit; we vastly expanded entitlements—not reforming them really but expanding them—through Part D of the Medicare Program, which was also unpaid for.

Now we are looking at the worst economic performance we have seen since the 1930s. We need to do two hugely challenging missions: First, we have to grow jobs. We have to continue to sustain demand. That is why in that context a tax cut for middle-income Americans makes some sense now. I did not think the package of tax cuts made any sense in 2001. I voted against it. I think we should have stuck with the hard-won surplus, investing in the country. Or if we were going to provide tax relief, give it to the middle class, give it through a reduction in payroll taxes that will encourage more employment, give it in a way where it is targeted to those people who are struggling with jobs, with college tuition. That was not the choice that was made though. I think that choice back in 2001 was the incorrect choice.

But now we have another choice, and this choice—again, mission 1: How do we keep this demand going? How do we sustain it? There is a strong argument to provide a continuation of the middle-class tax cuts.

But the next mission is, how do we rein in this deficit? That requires tough choices. To me, the idea of withholding further income tax breaks for the wealthiest Americans, that is something that in terms of deficit reduction is probably a lot easier to do—and, frankly, there is nothing easy to do around here these days—but a lot easier to do than some of the glib discussion or claims that we will just reform Medicare, or we will reform this entitlement, or we will cut this defense program, et cetera. All of that may have to be done, but ask yourselves: If we cannot do this, how likely will we be able to take on even tougher issues that confront us?

So I think this is a defining moment in terms of our continuation of supporting working families, expanding the economy, growing jobs in America, and also taking at least a small step to begin to deal with the deficit. We know the addition of these tax breaks for the wealthiest—and let me put the tax issue in context. We have a progressive tax system. People who make a lot of money will enjoy all the tax reductions that stay in place for middle Americans. They will not enjoy the tax cuts that were imposed by the Bush administration for the wealthiest. That cost to the Nation over 10 years will be $700 billion of additional deficit.

We are already in a hole, and we are going to dig ourselves much deeper. We can decide—and I hope we do—to continue to try to provide support to middle-income Americans, and at the same time achieve that other objective which must be dealt with: somehow trying to get a handle on the deficit—a deficit that the President inherited, along with an unemployment rate that was unacceptable. Progress has been made, not enough progress in terms of employment, and we have to keep up the effort.

So this is an issue of providing support for working Americans and beginning the long-term difficult task of getting the deficit under control. It is a difficult task. I was here in 1992 and 1993 and 1994 when it was done—and it was a difficult, arduous task.

The bill that Chairman BAUCUS is offering today will also extend the Making Work Pay tax credit that gives all working Americans a $400 tax cut in their paycheck through 2011—again, to encourage work in the United States. It will make the child tax credit permanent. It cuts taxes for families paying college tuition, State and local sales tax, and property taxes. All of that is aimed at working families, our constituents. It also cuts taxes for business research and development, other programs that are going to help, we believe, stimulate job creation. These are very important.

At the crux of it, though, is this decision to support working Americans, middle-income Americans. Again, there is a tendency in these kinds of debates to be stereotypical and to misunderstand. People who have been very successful in the country and make a lot of money work awfully hard, but I use the term to refer to those middle-income Americans who are working very hard, facing real challenges, and don't have the same kind of support they just had, if you will, 2 or 3 or 4 or 5 years ago to fall back on.

There is another aspect of this legislation that is pending before us. One point I wish to make is that there is a national housing trust fund that was discussed being included. That is not included, and I hope we can include it. That is another program that is going to help put people to work, and I hope we can do that.

Then, of course, there is the other aspect of the Baucus bill; that is, the emergency unemployment compensation. We just received a report from the Council of Economic Advisers, and they have pointed out that this program has helped 14 million unemployed workers as of October 2010, and at that time, there were nearly 5 million unemployed workers benefitting from these programs each week—5 million Americans. These people were working. They got caught up in this recession. This is, for many of them, the only constant source of support they have now as they look for work.

We have seen this benefit not just the recipients but their families. In fact, there has been an estimate of about 40 million people—spouses and 10.5 million children—who have depended in part on getting these unemployment benefits.

It has also been able to maintain employment. There is an estimate that 800,000 jobs have been maintained and created because of this unemployment compensation. That is because when someone gets their check, they do not usually toss it aside; they cash it. They go to the grocery store. They go to the gas station. They go to places they have to go. They put a little tuition down if they have to pay tuition on a child's education because they desperately need these funds. So in that regard, it creates and sustains jobs.

We are in danger, frankly, of seeing this UI program terminated. I think we have to continue it. I think it will add immensely to the efforts under way to help middle-income Americans. The average benefit is about $300 a week. That is certainly not an inducement to say: I don't need to look for work; I want to spend the rest of my life making $300 a week. The program provides up to 99 weeks of benefits. There is no attempt to extend it, but it would be the same 99 weeks people were able to benefit from 2 years ago. So I think we have to do that. That is part of this debate also. I would hate to see that the only thing we do at the end of this day is pass tax cuts and not also include unemployment compensation.

I think we have to have a middle-class tax cut, but we also have to have unemployment compensation benefits extended. I don't have to tell anyone in this room that the unemployment rate is too high everywhere. In my State, it seems to hover between 10 and 12 percent. We have never withheld emergency unemployment benefits nationally as long as the unemployment rate was above 7.2 percent. Republican administrations, Democratic Congresses; Democratic administrations, Republican Congresses—in every combination, we have always understood that this program needs to be renewed.

So I have heard other proposals such as, let's do this, but let's offset it by unobligated funds. But these unobligated funds could include many things. For example, they could include a border fence in Arizona and California because there are funds there that are unobligated. Now, I ask some of my colleagues on both sides of the aisle, is that what they intend? Border Patrol stations in Texas, Arizona, California, and Washington. Construction of Coast Guard ships and planes and the National Security Cutter built in Mississippi. Then there are cyber security investments to secure Federal information systems. We have just been briefed on the profound and deleterious impact of the WikiLeaks. We have a lot of work to do to improve our security systems. Are those unobligated funds coming out of that program? Homelessness assistance grants that go to help people who, in many respects, are homeless because of a combination of factors: They have lost their jobs; they have different problems. So, literally, are we borrowing from Peter to pay Paul? Are we telling someone they can't get Section 8 housing because we paid someone else's unemployment benefits?

So the proposal to pay for this by unobligated expenditures might have some rhetorical appeal, but I ask, what are these expenditures? If we are so committed to being clean and transparent about what we are doing here, then list them out: We are going to cut funds for border fence, Border Patrol stations, the Coast Guard. This is how we are paying for it. Otherwise, I think, frankly, we should go ahead and pass this as we have always done—as emergency spending—because it has a stimulative effect. For every dollar of unemployment compensation, there is estimated to be $1.90 of economic activity. It goes right back to the obvious, simple point we all grasp: When that check comes in, it is not tossed aside. It is cashed immediately for grocery store visits—all of those things are done. It gets the economy moving.

We are at a crisis, at a critical point. We have 10 years of experience that, despite all the rhetoric, tax cuts that go to the wealthiest Americans probably don't contribute directly and immediately to jobs in the United States. We can save not only working Americans by giving them a little help in their tax check, but we can begin the long, difficult struggle of going from a deficit to a surplus. I have done it once. It is not easy.

Frankly, I think the choice before us in the next 6 or 7 months will look a lot clearer and more graphically in favor of the position we are advancing than some of the proposals that are floating around in terms of programs such as Medicare and defense spending, et cetera. All of them have to be looked at. But if we can't do this, I think a lot of Americans and people around the globe are going to start asking the question: Do they have the political capacity to make the difficult choices that are necessary?

A final point. Many of my colleagues say, and I think with great insight, that the real judge of some of our economic policies is the marketplace, the people who buy our Treasury securities. I wonder if they see us as literally unable to make this choice between stimulus for the middle-income Americans through tax cuts but saving $700 billion. We can't make that choice? I wonder what that is going to do to their confidence in our ability to make tough choices down the road, the confidence that keeps them buying Treasury securities. We should think about that.

I urge passage of the proposals we have before us that would provide a middle-income tax credit while saving money and preserving further deficit spending under the Republican proposal.

I yield the floor.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. THUNE. Mr. President, I wish to acknowledge the remarks made earlier by my colleague from Utah whom I thought did a nice job of providing a history lesson for Members of the Senate about the past several years of tax policy and why we are where we are today. I don't think there is anybody here in this Chamber or any Senator from any State who doesn't acknowledge that we have a big problem right now with 9.8 percent unemployment.

We have a lot of things on which we agree in the Senate. We have a lot of things on which we disagree. I think the one thing we agree on is that 9.8 percent unemployment is unacceptable. I think the thing we disagree on is how we get that unemployment rate down. How do we create jobs? How do we get people in this country back to work?

There has been a lot of discussion about various issues that might be dealt with here in the Senate before the end of the year, most of which don't deal with this fundamental issue. The fundamental issue that is important to most Americans—and I have heard many of my colleagues get up and talk about people who are hurting. They are hurting.

We are going into a holiday season with a lot of people unemployed, and with the numbers that came out this morning, that number got worse. We have more people unemployed, more people hurting economically. Yet in the waning days of this legislative session before the holiday break and before a new Congress gets seated next year, we have had discussion and motions about the DREAM Act. We had motions about don't ask, don't tell. We talked a lot about getting the START treaty done before next year. There has been discussion about this Public Safety Unionization Act. I think all of these things are probably important to certain Members of the Senate but none of which are as important to the American people as the point I just mentioned; that is, 9.8 percent unemployment.

People are hurting. People have lost jobs in this country. That is the fundamental point that I think drove voters out to the polls in November. They want the Congress to focus exclusively on fixing this economy and getting people back to work. Yet we came back here in December and spent 7 days here in the Senate on a food safety bill—not that that is not an important issue. It is an important issue, but is it as important as dealing with this number I just mentioned—9.8 percent unemployment?

The irony about the food safety bill is that after we spent 7 days on it, we had a little snafu. It went over to the House of Representatives and somebody blue-slipped it, which is something they have the prerogative to do, because it turns out there were revenue increases in that bill, and revenue measures have to originate in the House of Representatives. So that bill, for all intents and purposes, is dead for the rest of this Congress.

So we spent 7 days here in the Senate on the food safety bill. Now we are talking about doing something on unemployment, which is something we should have been talking about. We all knew that the deadline was coming and that it was ahead of us. We have these tax rate increases that occur on January 1 of this year, which is something we should have been focused on. It is not any secret that, as the Senator from Utah pointed out, the tax laws we have today have been the tax laws now for the better part of a decade. So if we knew they were going to expire on December 31 of this year, that wasn't a secret. Many of us here have been advocating for some time for a permanent extension of those tax rates, but that wasn't acted on. There weren't opportunities—or at least the Democratic leadership, since they have been in charge here, has had no appetite to deal with doing something about a permanent extension of those tax policies. We have had tax extenders we have been talking about for the last year, but nothing has happened. We had tax policies that expired on December 31 of last year which haven't been extended yet. We have a whole bunch more in addition to the 2001 and 2003 tax laws that expire at the end of this year, all of

which impact some sector of our economy and most of which are very important to job creation. Yet for the better part of this year, what we talked about were issues that arguably the other side wanted to put before the Senate.

We had a stimulus bill which borrowed $1 trillion from our children and grandchildren which supposedly was going to keep unemployment under 8 percent. We all know that obviously didn't work. We had a massive expansion of health care, which is going to spend, when it is fully implemented, $2.5 trillion. We have had debate about financial services reform. I am not saying that any of these are unimportant issues. All of them involve new spending, creation of new government, new bureaucracies, and at the same time ignored what I think is the fundamental issue, which is jobs and the economy. That is what we have heard repeatedly.

Now, the reason I think so many people turned out at the polls in November was because they were very concerned about what has been happening in Washington, and they wanted to come out and protest the policies that were coming out of Washington, DC, because they thought they were counterproductive in terms of the ultimate goal of creating jobs and expanding the economy and getting people back to work. Yet we didn't have a discussion during the entire lead-up, runup to the elections about getting these, with the exception of efforts on our side to get amendments on the floor, about these expiring tax rates.

We do have taxes going up on January 1 on income, on capital gains, on dividends, on estates. You can go right down the list. There isn't anything in any sector of our economy that isn't going to experience higher taxes on January 1.

In fact, it was interesting. This was a U.S. News and World Report article from yesterday, a story in there that said:

> Failure by Congress to extend the Bush tax cuts, especially locking in the 15 percent capital gains tax rate, will spark a stock market sell off starting December 15 as investors move to lock in gains at a lower rate than the 20 percent it would jump to next year, warn analysts.

It goes on to say:

> ''Capital gains tax rate will increase from 15 to 20 percent if the tax cuts are not extended. The last time the capital gains tax rate increased—on January 1, 1987, from 20 to 28 percent—investors realized their gains at the lower tax rate,'' said Daniel Clifton, a Washington partner at Strategas Research Partners. ''We would expect a similar effect this time around as investors see the tax rate going up and choose to realize gains and incur the [lower] 15 percent tax.
>
> In a memo to clients, [this particular firm] says that the date most clients are focused on is December 15 for a deal in Congress before beginning to sell. One reason: Many stock options expire that day and investors have to act.
>
> . . . Fixing this issue next year will not negate these negative impacts.

If they say we are going to put this off until next year, a lot of folks will say: I don't trust these guys; they haven't done anything with this yet. They are going to sell off, and that could have a very destructive impact on the market and on many people's gains and things that have been acquired this year, stocks and investments. It is unclear how bad the selloff would be, it says. But it could wipe out all of this year's gains.

That is one reason out of many that we need to act to address this important issue before the end of the year. It is fair to say, as well, that contrary to what has been espoused by the other side about people getting tax cuts, a lot of people are going to get tax increases. This has been tax law for the better part of a decade. A lot of it was put into effect in 2001 and some in 2003. So these tax cuts we have in effect today on capital gains dividends, marginal income tax rates have been in effect for many years now. What we are going to experience on January 1 is not a tax cut but a tax increase on a lot of people in our economy.

The argument was made throughout the course of the year that we need to allow the tax cuts to expire for people above $250,000. Of course, we pointed out that half of all small business income would be taxed at a higher rate if we allow those to expire for people above $250,000, and 25 percent of the workforce would be impacted. I think that was a view that was shared by the American public.

There was a CNN poll that I have here that was done in September, where 60 percent of Americans said all the tax cuts put in effect many years ago ought to be extended for everybody. I think that was a view shared by people when they voted during the election.

I remember campaigning for people across this country—Senate candidates and House candidates—and this was a landslide election, a watershed election, by American standards. If we look at the number of new Members in the House, I think Republicans have 83 or 87 new Members, and there are a number of new Senators. In all of those campaigns, and in all of the advertising I saw, in all of the speeches I heard from candidates in traveling around the country, I didn't hear any of them say: I want you guys to go back, when you get to Washington, and deal with this food safety issue or we want you to pass the DREAM Act. I didn't hear anybody say: We want you to go back and address this issue of don't ask, don't tell. I didn't hear anybody say: We want you to go back and pass the START treaty.

These are all important issues. But, remember, that is not what the American people are concerned about. Certainly, these are important, but not the most important we should concern ourselves with, which is the 9.8 percent unemployment rate and the fact that a lot of people are hurting and don't have jobs in this country. I think the issue of extending unemployment benefits, which will be dealt with—and for how long, I am not sure—is, is it paid for? I believe it should be; some don't. In any case, I think that will be dealt with.

That is a symptom; that is not the cause. The cause for people hurting in this country is that we have policies in place that are making it more difficult for small businesses to create jobs.

The best solution for the American people is a job, to get people back to work. Raising taxes has never been a way of creating jobs. Now, the $250,000 threshold I think the other side concluded was not good politics. So it has been tested and polled, and that is a losing issue. It does impact so many small businesses.

So the latest version is to raise that to $1 million, and that is a vote we are going to have sometime tomorrow.

The fundamental point I am making is, I think the American people understand that to grow the economy, expand the economy, and create jobs, we have to incentivize the job creators to create jobs. We can't do that by raising their taxes. We can't do it by passing new regulations and making it more difficult and costly for them to do business. That is basically what this whole past year has been about. My counterparts on the other side have attacked Republicans on the floor for the situation we are in, saying: Republicans are blocking us from dealing with all these important issues.

We did send a letter this week, signed by all 42 Republicans, and the letter was simple. The message was this: Yes, we think there are a few days left in this legislative session, and we ought to use those days to focus on the things the American people care about. Notwithstanding any of the polls we are taking today, the best poll was election day. What people voted on on election day was jobs, the economy, reducing spending, and debt. The letter we put forward said let's focus on the tax issue and get that resolved. It is so important to our economy and it provides certainty for job creators to create jobs. Let's focus on funding the government and dealing with this issue of spending.

Those are the two most important issues, as I think was expressed at the ballot box by people across this country this year. Then, if you want to move to other issues, fine. We had 42 Republicans who said that. I think that is perfectly appropriate and in accordance with what the American people want us to do.

As I said earlier, we spent 7 days on food safety, which is arguably an important issue. I am not discounting that. That was 7 days spent on a piece of legislation that went to the House, was blue-slipped, and is not going to become law this year. We lost 7 days that we could have been talking about getting tax rates down for middle-income taxpayers and investors. We could have dealt with the issue of the death tax because on January 1 the exemption for the death tax comes down

to $1 million, and the top rate goes up to 55 percent.

I have heard repeatedly from farmers, ranchers, and small businesses in my State the concerns they have about that. What are they going to be able to do if they want to pass on their business or their operation to the next generation, and if they have a $1 million threshold and anything above that, that would be taxed at 55 percent, that means many of them will be forced to liquidate their holdings in order to pay the IRS. That doesn't seem like a very good way to run a government or create jobs in the economy.

Again, I simply point that out as the reason I think in these waning days of this session that Congress should focus on this 9.8-percent unemployment rate. The unemployment debate, the debate about unemployment benefits which will occur here is a symptom of the high unemployment rate. But the cause of the high unemployment rate is the fact that the policies coming out of Washington, DC, are not conducive to job creation in this country. It doesn't have anything to do with these Bush tax rates because, frankly, we saw a lot of economic growth in the early part of this decade.

Since 2008, we have been in a recession. Since 2008 we have had a President in the White House and a huge Democratic majority in both Houses of Congress which have attempted to address this issue in the form of a stimulus bill which added trillions of dollars to the debt but didn't reduce unemployment. It created 250,000 new jobs in Washington, DC. The food safety bill, according to estimates, would create another 17,000 jobs in Washington, DC. So almost anything that has been done hasn't created private sector jobs but has created a lot of government jobs.

That is not what people want. They want jobs in the economy. They want the small businesses on their Main Streets and in towns and communities to be able to invest, be able to hire that new employee, or buy that new piece of equipment, add to the productivity of their operation in a way that will expand the economy, grow the economy, and create jobs for more Americans. I think that was the message of the election. I think that is the interest of the American people still. It is not on all these other things.

I understand there is a need sometimes for political parties to check the box to say they have done this or tried to do that for a particular constituency. That is perhaps what drives the reason we have to have votes on some of these other issues. But at the end of the day, it comes down to one simple basic fundamental fact: A lot of people are unemployed, hurting, and the policies of Washington, DC, are contributing to that. I think you can't blame Republicans in the Congress where for the last 2 years the Democrats have had huge majorities. In the Senate, they have 58 votes now, and they had 60 votes for 2009. They had 250 votes in the House of Representatives. They had the White House. Yet here we are 2 years later and unemployment has actually gone up. We have fewer people finding jobs in this country and an economy that continues to struggle and Washington, DC, that seems more intent on dealing with all these issues that are unrelated to the fundamental issue, which is creating jobs and getting people back to work.

Mr. President, I urge my colleagues, as we head into the end of the year to stay focused on the issues the American people care about—jobs, the economy, their ability to pay their bills, and to hopefully save a little money for their children's college education. As we head into the holiday season, they want to have a good holiday season with their families. But this idea that somehow the way we help the American people in this country is by focusing on these unrelated issues, and talking about things that they at this particular point in time are not particularly concerned about, strikes me as missing the point and not having gotten the message the voters sent in November of this year.

Again, I urge my colleagues in these last few days to work on keeping taxes low on all Americans, extending the tax relief. It is not a tax cut. It will be a tax increase starting January 1 for people across this country, including the job creators. We cannot allow that to happen for the best interests of the American people.

I yield the floor.

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

Mrs. SHAHEEN. Mr. President, I am here, like so many of my colleagues today, to talk about the situation in which we find ourselves, where millions of American families and small businesses, on January 1, are going to see a tax increase because the Bush tax cuts are set to expire.

Before I talk on that issue, I heard my colleague from South Dakota speaking. I think it is important to point out the differences of opinion in some of his remarks because he talked about how great things were in the previous decade, in the early years of this decade. But he neglected to point out why we are in the situation with this recession: because of the financial meltdown, the recession that began in 2007 and 2008 as the result of so many of the policies of the previous Bush administration.

Unfortunately, if those tax cuts that everybody is talking about were going to create so many jobs, we have had them for 10 years, and I want to know where the jobs are. I have a lot of people in New Hampshire who are unemployed, and they are not benefiting from those tax cuts because they haven't created the kinds of jobs my colleague from South Dakota is talking about.

I appreciate the frustration that is there because this recession has gone on way too long and been way too deep, and too many people have suffered. But the efforts of this Congress, through the American Recovery Act to try to stimulate our economy and keep people working has been successful. There are construction workers, there are teachers, and there are small businesspeople in New Hampshire who are working because of the dollars spent under that Recovery Act. The estimates are that 3 million people are working now or have been kept working because of the dollars in the Recovery Act.

I just think it is important for us to correct the record a little about why we are where we are today and how best we can get this economy moving again.

Like everybody else here, I think tax increases on struggling small businesses and on families who are just getting by would be devastating to them and to our economy. I understand we have to do something about that. But at the same time, we face another growing problem, and I don't think we can talk about how we are going to deal with these tax cuts without recognizing that we have to look at a long-term plan for how we are going to deal with this other growing problem—the problem of our national debt.

Our national debt is now approaching $14 trillion. It is approaching that number quickly. In an effort to address the growing debt, I joined 12 Democrats and 15 Republicans, including my New Hampshire colleague, Senator JUDD GREGG, in cosponsoring legislation earlier in this Congress to establish the National Commission on Fiscal Responsibility and Reform. Now, although that legislation failed, earlier this week a similar debt reduction commission, one appointed by President Obama, issued its report. The findings are very sobering. The report indicates that we need to take dramatic action to reduce our debt. We need to develop a plan for how we are going to do that and we need to do that sooner rather than later. This is not a problem we can keep kicking down the road and expect it is going to solve itself. But while we are developing that plan, we need to look at how we can do everything possible to get the economy moving again.

We need to confront an economy that is still recovering from a deep recession. I appreciate, as all my colleagues do, that now is not the time to raise taxes on middle-class Americans. Senator BAUCUS has proposed a plan that makes sense. It keeps taxes low on middle-class Americans, so it essentially extends middle-class tax cuts, and it also makes some smart, targeted tax cuts—tax cuts that can help us lay a foundation to create good jobs and grow the economy.

For example, I am a strong supporter of the research and development tax credit. When companies invest in developing new technologies, as the R&D tax credit helps them do, they generate

high-paying jobs and solutions that change our world for the better. Investment in R&D plants seeds that will grow our economy and create jobs for decades to come. I believe we should make the tax credit permanent myself, but I am pleased Senator BAUCUS's plan extends it for at least 2 years.

The Baucus plan also reauthorizes Federal unemployment benefits, and the extension of unemployment benefits is one of the best things we can do to help average Americans and stimulate our economy. This money will not sit quietly in the accounts of millionaires and billionaires. It will get spent immediately at the local grocery store, at the pharmacy, at the gas station, and at other small businesses that need that spending the most. In fact, economist Mark Zandi, who was a former adviser to Senator MCCAIN, has cited unemployment insurance as one of the three most effective uses of Federal funding. According to his analysis, every dollar we invest today will create $1.61 cents in economic growth. That is a good investment in today's economy.

I think it would be great if we could give everybody a tax cut and not worry about the consequences. I would love to do that, but we don't have that luxury. Tax cuts for the wealthiest 2 percent in this country will cost America $700 billion over the next decade. Let me be clear: I don't think we should heap another $700 billion onto our national debt. That would be irresponsible. It isn't fair to our children and it isn't wise for the economy.

I think we need to move forward and provide certainty for taxpayers—everybody agrees with that—and to do that we will have to compromise. It takes working together, Democrats and Republicans. So I am also willing to vote for Senator SCHUMER's plan to extend tax cuts for everyone except those who make over $1 million a year. I think this is important to ensure that we include small businesses that might get hit at some level.

I hope my colleagues on both sides of the aisle will come together; that we can negotiate a package that is responsible with taxpayer dollars, that stimulates our economy, and that protects middle-class Americans. That is what I am hoping to do, and I look forward to working with my colleagues on both sides of the aisle as we try and develop a compromise that can allow us to move forward.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, earlier today, I was listening to the Senator from Illinois, Mr. DURBIN, and he talked about coming over to the Senate floor from a meeting over in the Dirksen Building, which he said is about a block away, but he said it was like going from the real world to a surreal world here in the Senate. As I have listened to some of these Senators on the Republican side speak since then, I think Senator DURBIN is right on the mark.

What is going on here? Sometimes you have to stop and say: What truly is going on here? We have lost touch with what is happening in America—to ordinary Americans, to the real middle class. What do we have here? We have Republicans who will not do anything until we have a tax break for the richest Americans—continue these tax breaks.

I listened to my friend from South Dakota recently who was just on the floor talking about creating jobs and all that kind of stuff. Well, we just had the new unemployment figures come out this morning from the Labor Department—the Bureau of Labor Statistics, which says unemployment rose to 9.8 percent. But that is just the official unemployment figure. Actually, if you do a full accounting of payroll data, if you take into account the 14.8 million workers who are part time, of necessity, because they can't get a full-time job or they are discouraged and have left the workforce because they have been looking and they are out of work and they have gone past their 99 weeks of unemployment compensation, according to Leo Hindery, who is the chairman of the Smart Globalization Initiative at the New America Foundation, the real unemployment rate is now 18.7 percent—18.7 percent—and the job gap is not just 7.3 million, it is actually 21.9 million in real terms—21.9 million people in this country—who are either unemployed, underemployed, left the workplace because they are discouraged, their unemployment benefits have run out or they basically have shifted around and they are not any longer in the workforce. You take all that into account and you have 21.9 million people out there out of work.

Mr. President, I ask unanimous consent to have printed in the RECORD the study from the Smart Globalization Initiative project.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Friends, In a very disappointing announcement, the Bureau of Labor Statistics (BLS), using its Current Population Survey of non-farm jobs [attachment 2], announced this morning that in November 2010 "U.S. employers increased (non-farm) payrolls by only 39,000 jobs, with 50,000 private sector jobs added in the month, versus a revised 172,000 overall payroll increase in October. The "official" unemployment rate rose from 9.6 percent to 9.8 percent."

The BLS also noted that there are now 15.1 million unemployed workers and that since the Great Recession began (in December 2007) employment has decreased by 7.3 million.

The monthly BLS announcement regarding unemployment, however, as we note each month:

1. Uses only a survey of households rather than much more accurate payroll data;

2. Excludes changes in employment among the Nation's 11.0 million farm and self-employed workers; and, most important,

3. Does not take into account the 14.8 million workers who are either: (i) "part-time-of-necessity" because their hours have been cut back or they are unable to find a full-time job (9.0 million); (ii) "marginally attached" because while wanting work, they have not searched for it in the past four weeks (2.5 million); or (iii) "discouraged" and out of the labor force because they believe no jobs are available (3.3 million).

Our Summary of U.S. Real Unemployment [attachment 1] makes these three adjustments. It also identifies average weeks unemployed, job openings, and the "Jobs Gap" that needs to be filled in order to be at full employment in real terms. With the three adjustments made, in November:

The number of real unemployed workers in all four categories—BLS "official", part-time-of-necessity, marginally attached, and discouraged—increased by 59,000 workers to 29.9 million, compared to BLS's November figure of 15.1 million. Significant changes this past month in overall real employment included: private sector employment increasing by 50,000 jobs, which included 53,000 more professional and business services jobs; manufacturers shedding 13,000 jobs after shedding a revised 11,000 in October; total government employment declining by 11,000 jobs. The continuing loss of manufacturing jobs, for the fourth consecutive month, is of particular concern.

The real unemployment rate is now 18.7 percent, the same as October's real unemployment rate, compared BLS's dramatically lower "official" rate for November of 9.8%.

The number of real unemployed workers has increased by 13.2 million since the start of the recession, and since December 2008 it has increased by 5.3 million. By contrast, the economy needs to add around 150,000 new private sector jobs each month simply to keep up with population growth—in November, the increase was only 50,000.

The Jobs Gap is 21.9 million in real terms.

(I must note again that some in the national press, notably the New York Times, when commenting on real unemployment, still leave out "discouraged workers" despite the fact that this is a huge category and arguably the most effectively unemployed of the four categories. The all-in real unemployment rate of 18.7 percent drops to 17.0 percent if discouraged workers are not included.)

The average number of weeks unemployed is now at least 33.8 and the number of workers unemployed a half year or longer is at least 9.6 million (i.e., BLS's figure of 6.3 mm plus the 3.3 mm discouraged workers). When considered together, these two figures—average number of weeks unemployed and number of workers unemployed a half year or longer—are a much better measure of the real employment condition than the more commonly used "initial jobless claims" number. Each figure is now unprecedented in modern times.

Kindest regards,

LEO HINDERY,
Chairman, US Economy/Smart Globalization Initiative at the New America Foundation.

Mr. HARKIN. So we have a high unemployment rate, we keep losing jobs, and Republicans keep saying we have to extend the tax breaks for the wealthy. I hear that in terms of jobs—jobs, jobs, jobs. Well, that is interesting, because in 2007, the top 1 percent of all income earners in America took home 23½ percent of all the income in America. So let us get that straight. The top 1 percent took home 23½ percent of all the income. In fact, they took home more money than the bottom 50 percent of income earners

total in America. Eighty percent of all the increase in income earned from 1980 to 2005 has gone to the top 1 percent. In the wake of the 2008 Wall Street bailout, executives from Goldman Sachs received bonuses totaling $13 billion—$13 billion for Goldman Sachs.

So Republicans keep talking about we have to do more tax breaks for the wealthy. Well, after 10 years of tax cuts for the wealthy, where are the jobs? We have had this for 10 years—what they are trying to extend, the Bush tax cuts, which I never voted for in 2001. So we have had them for almost 10 years. If cutting taxes were so good for creating jobs, I ask my colleagues: Where are the jobs? Where are they?

It is that same old trickle-down theory. If only we would give more to the top, it will trickle down on everybody else. Well, as one worker told me the other day—talking about trickle down—who has been out of a job for 2 years: I haven't had a drop. He said: I would settle for a heavy dew. One person told me one time—and I will never forget this about trickle down—he said: If you have been raised on the farm, you understand something very simple. You don't fertilize a crop from the top down. You don't fertilize a tree from the top down. You fertilize it by putting it at the roots. You want to create jobs in America, you don't give it to the wealthiest in America, you start putting things down at the bottom.

If we want to get to the jobs issue in America, we have to start talking about what our trade laws are doing and how we are shipping more jobs overseas. Let's talk about our educational system and educating people into job retraining or rebuilding the manufacturing base in America so we can actually manufacture and make things here one more time—and I mean new things, not the old things but new things: rebuilding our infrastructure, our high-speed networks of communications, and make sure we have an infrastructure that is second to none in the world. There are a lot of things we can do to spur economic growth and jobs, but the worst possible one of all is giving tax breaks to the wealthy.

I haven't even touched on the moral implications of that or the justice or fairness issue, and I will, but just on pure economic grounds we know tax breaks for the wealthy don't do it. They never have and they never will. Yet Republicans keep wanting to do the same thing over and over and over again. Someone attributed this to Albert Einstein—I don't know if it is true—but whoever it was said: The definition of ''insanity '' is doing the same thing over and over and over again and expecting a different result. Republicans keep wanting to give more tax breaks to the wealthy and expecting that somehow, magically, we will have jobs created. Well, we gave all this money to Wall Street and to Goldman Sachs and I don't see any jobs out there anywhere.

My friend from South Dakota was talking about the election; that we have to listen to the American people. Well, here is a poll that came out this morning. Senator SCHUMER showed this earlier. This is a CBS News poll out today which shows that only 26 percent of Americans support millionaire tax breaks. Guess what. N ot even a majority of Republicans support it. Only 46 percent of Republicans support the millionaire tax breaks. So who are my friends on the other side of the aisle listening to? Wall Street. They are listening to those who have made a lot of money and they do not want to pay their fair share of taxes. They are certainly not listening to, I guess, the majority of Republicans who say they don't even want the tax breaks for the wealthy.

My friend from South Dakota was talking about the election. We had a big election. Republicans got elected to office in larger numbers. That is absolutely true. We can't deny that. But what ever happened to the election of 2008? It is as if it never happened. Yet 40 million more Americans voted in 2008 than voted in 2010. Do you know for whom they voted? They voted for Barack Obama. They voted for Democrats. They voted for change. They did not vote for more tax breaks for the wealthy. They wanted to change the system. That is what we have been trying to do for the last couple of years, except that we have had intransigence on the part of Republicans in the Senate in the form of one filibuster after another. So 40 million more people voted in the election of 2008 than voted in 2010. Again, what we need to do is change things. We don't need to change things to do more of the same, which is what the Republicans want to do.

I hear my friend—again, I cannot help but refer to this. He said that the tax increases never created jobs. That is kind of the way I heard it said. I wrote it down here—can't create jobs by raising taxes; never happens.

Frankly, I remember 1993. I was here then, and we had the Clinton bill here from President Clinton. It was sometimes called the Clinton recovery bill. We had all worked on it here. Did it increase taxes? Yes, it did. It increased taxes. Boy, did the Republicans howl. I was here. I remember. And all the economists on the other side were saying: Oh my gosh, if we pass this, it is going to be terrible.

I went back and got some of the quotes. My friend from Utah, Senator HATCH, said:

> Make no mistake, these higher taxes will cost jobs.

Senator Burns from Montana said:

> So we are still going to pile up more debt. Most of all, we are going to cost jobs in this country.

Senator Phil Gramm. This is August 5, 1993:

> I want to predict tonight that if we adopt this bill, the American economy is going to get weaker and not stronger. The deficit 4 years from today will be higher than it is today, and not lower. When all is said and done, people will pay more taxes, the economy will create fewer jobs, the government will spend more money, and the American people will be worse off.

That is what he said in 1993.

Do you want me to go on? My friend from Iowa, Senator GRASSLEY, said:

> I really do not think it takes a rocket scientist to know that this bill will cost jobs.

August 6, 1993.

Here they were all predicting this. I had a couple more I wanted to get in the RECORD here just to put an emphasis on it.

Representative Newt Gingrich—oh, yes—Republican of Georgia. On August 5, 1993, he said:

> I believe this will lead to a recession next year. This is the Democrat machine's recession, and each of them will be held personally responsible.

I like this one. Representative John Kasich from Ohio said:

> This plan will not work. If it was to work, then I'd have to become a Democrat.

If I am not mistaken, former Representative John Kasich was just elected Governor of Ohio. I didn't know he ran on the Democratic ticket.

History—read the history of it. You cannot deny it. As we often say around here, everyone is entitled to their own beliefs, but not everyone is entitled to their own facts, and the facts are very clear. After we passed the Clinton bill—with not one Republican vote—the economy started to get better, we started to create jobs, we started to reduce the deficit. In just 7 years—actually 6 years, a little over 6 years—we actually got a surplus in our budget—a surplus and a huge number of jobs were created with the higher taxes. The last time we had a surplus was then. We were on the path of reducing our debt, our national debt. We had more jobs. People were working.

Then George Bush came to office in 2001, and the Republicans looked at all this money that was coming in which we were going to use to pay down the national debt so our kids would not have a big debt hanging over their heads—they looked at all that and said: Oh my gosh, let's have a tax cut. And they rammed through a tax cut—they sure did—in 2001. They rammed through a huge tax cut that to a large extent benefitted the wealthiest people in this country. By 2007, the top 1 percent took home 23.5 percent of all the income and were not paying their fair share. But that is what they want to extend. That is what the Republicans want to do. They want to continue the Bush tax cut they put in 2001 for the wealthy.

So they took all that money that was coming in that we were going to use to pay down the debt so our kids would have a better future, they gave it all to the wealthy—not all but a fair amount of it—about 80 percent to the wealthiest in our country and a few crumbs and stuff to others. What did it do? It raised the deficit and put us in deeper debt than ever before—all so the wealthy could have a little bit more money. This is what they want to continue.

As I said, I think the evidence is clear that what they did in 2001 did not give us jobs, it hurt the economy, and widened the gap in America between the top and the bottom even more. It widened the gap even more in our country. Now they want to continue that same policy, and they say it is going to create jobs. It did not create jobs. We have lost jobs because of this.

I spoke here last evening, and after I spoke, the Senator from Texas spoke, and she was talking about who creates jobs in this country. It is the wealthy; they get this money and they create jobs. Entrepreneurs do create jobs. Most of the jobs and businesses created in this country were not created simply by the wealthy; they were created by ingenious people who had a good idea, were willing to work hard, gather some money together, get investors, and build a business. Most of the new jobs in America are not created by the DuPonts or the Rockefellers or the people like that; they are created by Steve Jobs and Bill Gates and the people like that who did not start with a lot of money, but they had a good idea and they were entrepreneurial and went to work and started these businesses.

So create more jobs, get more money to the wealthy? Here is the headline in USA Today recently. It said ''Luxury spending is back in fashion.'' Then underneath, in small print, it says, ''Jobless still aren't buying essentials.'' So I guess what we need to do is give more tax breaks to the wealthiest so they can go out—I just read about someone the other day going out and buying $2,600 cashmere scarves—$2,600 for a scarf. I suppose so.

I was just with a group of unemployed Americans the other day who came to Washington. Some have been out of work for over 2 years, all of them hoping we can extend the unemployment benefits—which the Republicans will not let us do, by the way, and I am going to get to that in a second. But I held this up. I thought, ''Luxury spending back in fashion.'' I asked those people who are unemployed if they were going to be shopping in Tiffany's this year. Maybe you are going to go down and buy a little jewel-encrusted broach for your wife or maybe, if you are a woman, you will buy one of those diamond-encrusted watches for your husband. Oh, I know, you are going to go buy a Lamborghini made in Italy or a Mercedes made in Germany. I said to these people: Maybe you would like to go down and buy one of those 3D, high-definition flat screen TVs made in Japan. That is where the money is going. The rich are not creating jobs; they are buying $2,600 cashmere scarves, and they are going to Tiffany's and buying jewels and buying wrist watches that cost $25,000, most of which are not made in America, anyway, but are made in some other country.

If you really want to give tax breaks to businesses, I am all for it if it is truly oriented towards businesses employing people in America, as long as their products are made in America, as long as they are manufactured here and they do not take the money and ship it off to some other country. If a business wants to start here and employ people here in America, manufacture something here—rebuild the steel industry in our country, rebuild manufacturing—I am all for it. I just do not believe in giving tax breaks to someone who takes that money and say: Guess what, I am going to invest it in a business in Thailand or in Germany or in Brazil. That is what they do. You give all that money to these wealthy people up on Wall Street and stuff, they can invest that money wherever they want, and out it goes, out of the country.

Since we have such high deficits and we want to get our deficits down, we want to create jobs, don't give it to the most wealthy in our country; give it to legitimate businesses that either start or expand and employ Americans and start making things here in America or put it into infrastructure spending, rebuilding the infrastructure of America—our highways, bridges, roads, schools, communication systems. That will create jobs. That will create jobs.

They say government spending cannot create jobs. I happen to disagree with those who said the stimulus bill did not create jobs. It sure did. It put a lot of people to work all over this country, not in government jobs but in rebuilding America. When you put money out there and you are rebuilding a highway or a bridge in Iowa or in Minnesota, it is done by private contractors, private businesses that employ people and spend the money here, mostly on products made in America. That is why infrastructure spending has such a good multiplier effect. It has a multiplier effect because when you build a new school or a new classroom or whatever, first of all, the work has to be done here, it cannot be shipped off to China. Second, the money is spent here. Third, most of the products that go into our infrastructure are still made in America. When you think about it, when you build a school, rebuild a school, you think about the cement, you think about the bricks, you think about the mortar, you think about all the conduits for the lighting, heating, ventilation, air-conditioning units, windows, doors, and 9 times out of 10, it is made in America. So you get a big multiplier effect from that money, and it does indeed create a lot of jobs.

I mentioned just a second go that I was with a group of unemployed who had come to Washington to petition their government for a redress of their grievances, and their grievances are that they are out of work, they are looking for work, and their unemployment benefits have just run out.

We have tried several times here on the floor of the Senate asking unanimous consent to extend the unemployment benefits for another year. The Republicans have objected every time. And the letter that was sent out by the Republican leader the other day said that they are going to object to anything passing this floor until they get their tax breaks for the wealthy. So they are holding hostage millions of Americans who have lost their jobs. Some have been out of work, as I said—I met some who have been out of work for over 2 years; some for a year or months. For $300 a week—that is about the average in unemployment benefits, about $300 a week. They say we cannot afford that. My Republican friends say we cannot afford that. But we can afford to give a $100,000 tax break to the wealthiest Americans. Think about that.

During this holiday season—I heard my friend from South Dakota say that we should wrap up our business so Senators can go home and spend our holidays with our families, have a nice holiday season. What about those millions of Americans who are out of work and have just had their unemployment benefits cut off? What about them? Are they going to have a nice Christmas?

Are they going to have a nice holiday season? The Republicans say no. Give the tax breaks to the wealthy first. Well, as I said, Wall Street executives got billions of dollars in bonuses—billions. They are probably going to have a nice holiday season. They will probably even shop at Tiffany's, Saks Fifth Avenue, Neiman Marcus. But how about the millions of Americans who are out of work who rely upon unemployment benefits, $300 a week, less than the poverty wage, and we are saying: No. No, we are not going to extend them during this holiday season.

The Republicans are holding them hostage. I am sorry. This is unconscionable. Have the Republicans lost all sense of fairness? Have they lost all sense of justice? Have the Republicans lost all sense of what is right and wrong? I mean, they can fight for their tax breaks for the wealthy. Fine, that is what they are fighting for. I understand that.

But to say we cannot extend unemployment benefits for people out of work because we have not yet given the tax breaks to the wealthy is a morale outrage. I ask: Where is our outrage at something like this? Where is the President's outrage at this? The President ought to be out there saying: This is morally outrageous, that we are going to deny unemployment benefits to people during this time of the year especially.

We can have our battles on the tax cuts. We can have those battles, but we should not hold hostage the people who are out of work today and need unemployment benefits. Some people say: Well, unemployment benefits, it makes people lazy.

Well, as I pointed out the other day in a speech on the floor, when eight people look for one job. There is one job for every eight people. So you have musical chairs going round and round.

One person gets it, and you have seven people still unemployed.

What a lot of people do not even know is that in order to even qualify for unemployment benefits, you have to be actively looking for work. You cannot sit at home. You have to be actively looking for work. A lot of the people I talked to 2 days ago who were here who were employed, you hear their stories. They have tried everything. Some have gone to different States. They have gone to different communities. They have tried everything to find another job.

I just read a letter from one the other day, a math teacher, has three college degrees. She has lost her job. She has tried to find work in different States. She has tried everything from McDonald's to everything else and cannot find a job.

By the way, the people who are truly hurting the most in this job market right now are people over the age of 50, mostly women. Women over the age of 50 who have worked hard, many of them had good jobs. Again, I spoke to one on Tuesday who had worked all her life, had a very good job. She admitted she was making $70,000 a year, good middle-class income.

She lost her job and has been out of work for over a year. She cannot find work. She has tried and beat the pavement and looked all over. But, you know what, she is in that area between 50 and 60. Very tough. Very tough. Yet we will not even extend unemployment benefits for people like her.

Well, as I said, I think it is a moral outrage, and I would hope our President would get out there and start saying that. Let the American people know how the jobless are being held hostage by the Republicans in trying to get their tax breaks for the wealthy.

So it is been said the Republicans are playing hardball. Well, if they are playing hardball for the rich, we ought to play hardball for the jobless, too, in this country. They want to play hardball, we ought to play hardball. My friend from South Dakota says he would like to get out of here and spend Christmas with his family. Would not we all?

But, I think, rather than identifying with those on Wall Street and those who wear suits and ties every day and have a comfortable life such as we do, we ought to be identifying with those middle-class Americans who are out of work.

If the Republicans want to play hardball, I think what we ought to say is: Look, we are going to stay here every day, we are going to be here every day, and every day we are going to ask consent to bring up this bill to extend unemployment benefits. If we have to be here on Christmas Eve, so be it. If we have to be here on Christmas Day, we ought to be here on Christmas Day, if necessary, so the American people will get an idea of what is going on in this Senate Chamber, the outrageousness of it.

So, yes, we would all like to spend time with family over the holidays. But unless and until we extend the unemployment benefits, at least at a minimum, we should not leave this Chamber and see how long the Republicans want to hold on to that and how much they want to deny people their benefits.

If 2 million Americans and 10,000 of my fellow Iowans are going to be suffering because they will not even be able to put food on the table or have a nice holiday season with their families because they are unemployed, the least we can do is identify with them. They are not going to have a very good holiday season unless we do something and take action. So I think we should stay as long as is necessary.

Lastly, for too long and for too many times, the Republicans have used an archaic 19th century procedure called the filibuster to thwart the will of the majority of the people in this country, to stop legislation, to stop a whole bunch of things, nominations, things they even, when we finally get them through, get 99 votes out of 100.

But they stop them because of a filibuster. Well, that may have been OK in the 19th century. It may have been OK in the early part of the 20th century. But we can no longer live with that. We cannot run a 21st century government in a 21st world with an archaic millstone around our neck called a filibuster.

When this body reconvenes in January, we finally have to break the shackles of that. We have to break the shackles of that 19th century rule, proceeding, where one or two Senators can stop everything. Stop it. I quote Vice President BIDEN who said: No democracy has ever survived that needed a supermajority. No democracy.

Ours cannot survive either if we continue with a supermajority needed in the Senate.

I hope we stay here. I hope we increase the unemployment benefits. We will continue the debate on the taxes. I will be supporting, tomorrow morning, the vote on continuing the tax benefits for those families making $250,000 and less, to extend the tax breaks for that group. I will not go higher than $250,0000. I will not vote to extend tax breaks for anybody over $250,000.

Quite frankly, if you make $250,000, you are in the top 7 percent or so of income earners in America. So is that the middle class? I think that is stretching it. Those making $40,000, $50,000, $60,000, $70,000 to $80,000 a year are clearly in the middle class. That is the broad middle class of America. What are we doing for them? What are we doing for them?

So I will vote to go up to $250,000 but not a cent more than that. Quite frankly, I have a hard time even going to $250,000. It ought to be less than that. If you want to give more tax breaks to people, extend the earned-income tax credit and increase the childcare tax credit for working families.

If you want to do that, now you are talking about helping middle-class families. Some people say: Well, we have to do something for small businesses. I am all for that. But I wish to make sure it really goes to small businesses that employ Americans, keep the jobs here, manufacture things in America, and do not ship them overseas.

You do that, I am all for a small business tax break. You bet. So that is the debate we should have. But the unemployed and those who need unemployment benefits during this holiday season should not be held hostage.

I yield the floor and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. ALEXANDER. Mr. President, it is good to see the distinguished Presiding Officer. He must have been here all day. He was here yesterday, and I am glad to see him again.

Are there limits on my speaking time at the moment?

The PRESIDING OFFICER. We have a 10-minute grant at this time.

Mr. ALEXANDER. Will the Chair please let me know when I have consumed 9 minutes.

The PRESIDING OFFICER. The Chair will so notify.

THE NEW PROMISE OF AMERICAN LIFE

Mr. ALEXANDER. Mr. President, I just returned from the Hudson Institute, a distinguished think tank downtown where I made an address called the New Promise of American Life—Less From Washington and More of Ourselves. It included a panel of the following people: Kate O'Beirne of the National Review; Christopher DeMuth, who was formerly the head of the American Enterprise Institute; Chester Finn, who runs the Fordham Foundation; Bill Kristol, the founder of the Weekly Standard; and William Schambra, who is a fellow at the Hudson Institute. They commented on what I had to say. It was one of my most enjoyable experiences because it was a reprise of something we did in 1995.

In 1995, I was a fellow at the institute and I was also touring the country trying to persuade Americans that I was the next logical choice for President of the United States. That didn't work out exactly right. In fact, when I lost, my brother-in-law, who is a preacher, said I should think of that political loss as a reverse calling. I have always tried to think of it that way. Nevertheless, during that time, Chester Finn and I edited a book called ''The New Promise of American Life.'' We selected that title because Herbert Croly,