

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

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

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

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

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

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

RECOGNITION OF THE MINORITY LEADER

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

PAYROLL TAX CUTS

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

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

The Wall Street Journal says:

GOP Set to Back Payroll Tax Cut.

IBD says:

GOP Open to Payroll Tax Cut.

U.S. News:

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

CBS says:

GOP working on alternative proposal for payroll tax cut extension.

Washington Post:

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

And Fox News:

Republicans Back Payroll Tax Cut Extension.

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

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

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

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

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

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

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

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

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

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

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

Let's be very clear about this. The Democrats' quick-fix approach has failed. Nearly 3 years have passed since Democrats passed the mother of all stimulus bills, and we have 1.3 million fewer jobs in this country than we had when the President signed it into law. Yet they are still at it. Republicans in the House have passed an avalanche of legislation aimed at liberating the private sector and getting the economy growing again. It all dies at the Senate door. Democrats are not interested. With Democrats in control of two-thirds of the government in Washington, all we get is more temporary stimulus and calls to raise taxes on the very people we are counting on to jolt this economy back to life. That is why we are standing here 3 years into this administration still talking about temporary stimulus measures paid for by permanent tax hikes—temporary stimulus measures paid for by permanent tax hikes.

Democrats don't seem interested in doing anything that will lead to economic growth. They are stuck on stimulus. They are stuck on government. They are stuck on economic policies that have already failed. So we are not arguing against extending the payroll tax cut. We just think it should not be punishing job creators to pay for it. We think that if this kind of temporary relief engineered at some lawmakers' whim is the sum and substance of Democrats' plan for getting this economy going again, we are in trouble.

The American people don't want a temporary allowance from Democrats in Washington. They want us to get out of the way, to lift the burdens to growth so they can get this economy going. That is why Republicans are proposing a very different approach to paying for this extension. We can maintain this tax relief without raising taxes on job creators. If past experience shows us anything, it is that Washington will only spend every dime it gets and then some anyway, when we need to find a solution that doesn't give more power to Washington. We will never get this economy going or help people create the wealth and jobs America needs if we continue to allow Washington to dictate all the rules of the game when it comes to our economy. At the end of the day, the real question in this debate isn't whether lawmakers in Washington should or should not extend some temporary stimulus but whether the American people should continue to allow Washington to have so much power over their lives. That is what this debate is about.

Mr. REID. Will the Chair announce the business for the day.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now be in a period of morning business until 10:30 a.m., with Senators permitted to speak therein for up to 10 minutes, with the time equally divided and controlled between the two leaders or their designees.

CREATING JOBS BY PROVIDING PAYROLL TAX RELIEF FOR MIDDLE CLASS FAMILIES AND BUSINESSES—MOTION TO PROCEED

Mr. REID. Madam President, I now move to proceed to Calendar No. 238, S. 1917.

The ACTING PRESIDENT pro tempore. The clerk will report the motion.

The legislative clerk read as follows:

Motion to proceed to S. 1917, a bill to create jobs by providing payroll tax relief for middle class families and businesses, and for other purposes.

CLOTURE MOTION

Mr. REID. Madam President, I have a cloture motion at the desk.

The ACTING PRESIDENT pro tempore. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the motion to proceed to Calendar No. 238, S. 1917, a bill to create jobs by providing payroll tax relief for middle class families and businesses, and for other purposes:

Harry Reid, Robert P. Casey, Jr., Jack Reed, Richard J. Durbin, Dianne Feinstein, Carl Levin, Jeff Bingaman, Patty Murray, Patrick J. Leahy, Kent Conrad, Sheldon Whitehouse, Benjamin L. Cardin, Barbara Boxer, Al Franken, Max Baucus, Robert Menendez, Joseph I. Lieberman.

Mr. REID. Madam President, I ask unanimous consent that the mandatory quorum under rule XXII be waived.

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

Mr. REID. I now withdraw my motion to proceed.

The ACTING PRESIDENT pro tempore. The motion is withdrawn.

Mr. REID. Madam President, on one of the Sunday shows, the assistant leader, the Republican whip, my friend, the junior Senator from Arizona, indicated that Republicans would not support the withholding tax proposal we had made. On Monday, that was what the Senate leadership said. So I am very happy there has been a conversion and now they agree to support it but be careful. Remember, they are very clever and unclear on how they want this paid for. One Republican Senator said he didn't want it paid for, and that, in fact, has been the standard mantra of the Republicans: Tax cuts should not have to be paid for. The Bush tax cuts, amounting to trillions of dollars, were

not paid for. That is, of course, one reason we have this huge problem with the deficit.

I think we also have to recognize that one thing our country lacks is confidence. There are a lot of reasons, but one reason the country lacks confidence is people out here are talking about how bad the economy is doing. It is doing very poorly, and I recognize that. But we have had growth over the last many months. Is it as significant and as robust as we want? Of course not, but we have a growing economy; that is to say about my friend, the prior President, President Bush, we had no growth there. That was downhill. When he came into office, there was a surplus of trillions of dollars. That was taken away with not paying for all these tax cuts, the unpaid war in Iraq, the unpaid war in Afghanistan, and at least 8 million jobs were lost. We are trying to work our way out of that, and we have worked very hard.

My friend talks about the stimulus bill, the Economic Recovery Act. Let's just talk about something I know a lot about, the State of Nevada. But for that bill, in the State of Nevada, which is very hard hit with the economic recovery, a State that for two decades had been the No. 1 place in America to come to start a business, to get a job, to buy property, that is no longer the case. That is no longer the case. But the stimulus bill has kept the schools open, has allowed people on Medicaid to continue getting some help, and we have had—because of that bill—thousands and thousands of jobs created with solar projects, geothermal projects all over the State of Nevada. Is it enough? Of course not. But let's start building some confidence and allowing people with these companies that have trillions of dollars, let's have them start spending some of it and creating jobs.

We are for tax reform. I agree with my friend the Republican leader, we should have tax reform. It is important because the Tax Code is not working. It is helping the wrong people, and we look forward to doing what we can to work that out. I was hoping in the supercommittee that one of the things they would have given was instructions to the Ways and Means Committee and the Finance Committee to come up with some tax reform that would be meaningful and build the economy even more than we could have ever dreamed, and a lot of that can be done with tax reform. So I acknowledge that.

We look forward to working with my friends on the other side of the aisle. They say they are in favor of now extending withholding and we know that has created lots of jobs and we are glad they are going to do that. But, I repeat, let's be very careful of how it is paid for. The American people believe we should pay for it the way we have suggested. The only people in the world who don't think it should be paid for in the way we suggested are the Republicans in the Senate. All the polls show

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.