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Senate

The Senate met at 9:32 a.m. and was called to order by the Honorable TOM UDALL, a Senator from the State of New Mexico.

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

Almighty God, by whose providence our forebears brought forth this country, hallowed be Your Name. We thank You for a new day of service to You and our Nation.

Lord, forgive us when our lives contribute to the problems and not the solutions. Keep us from obstructing the doing of Your will. Make us better that we may do better.

Today, attune the will of our lawmakers to Your purposes, providing for them the stamina that comes from above. Lord, give them the strength to be productive in service, to live above daily trifles, and to surrender to Your will and love.

We pray in Your great Name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable TOM UDALL led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. INOUYE).

The bill clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, July 12, 2012.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable TOM UDALL, a Senator from the State of New Mexico, to perform the duties of the Chair.

DANIEL K. INOUYE,
President pro tempore.

Mr. UDALL of New Mexico thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

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

DISCLOSE ACT OF 2012—MOTION TO PROCEED

Mr. REID. Mr. President, I move to proceed to Calendar No. 446, S. 3369, the DISCLOSE Act.

The ACTING PRESIDENT pro tempore. The clerk will state the bill by title.

The bill clerk read as follows:

Motion to proceed to S. 3369, a bill to amend the Federal Election Campaign Act of 1971 to provide for additional disclosure requirements of corporations, labor organizations, Super PACs, and other entities, and for other purposes.

SCHEDULE

Mr. REID. Mr. President, the next hour will be equally divided between the two leaders or their designees, with the majority controlling the first half and the Republicans controlling the final half.

Last evening I filed cloture on the Landrieu substitute amendment to S. 2237, the Small Business Jobs and Tax Relief Act. Under the rule the cloture votes would be on Friday. I will work on that with the Republican leader—we already have a general agreement—and we will try to schedule the vote sometime today.

TAX RATES

Mr. REID. Mr. President, this week Republicans continued to make the case that millionaires and billionaires cannot afford to pay even a penny more in taxes. Meanwhile, a new report shows average tax rates are at the lowest level in decades.

The nonpartisan Congressional Budget Office reported this week that in 2009 rates fell to their lowest level in more than three decades, 30 years. Much of that decline is thanks to President Obama, who has consistently fought to lower taxes for middle-class families over the last 2½ years.

The average tax rate in this country fell to the lowest rate since 1979—17.4 percent. Of course, that is still higher than what Mitt Romney paid in the only year for which he has been willing to disclose his tax return. I am confident the reason he hasn't disclosed his tax returns in the years people want to know—remember, he disclosed 1 year. His father George Romney set the precedent that people running for President would file their tax returns and let everybody look at them. But Mitt Romney cannot do that because he has basically paid no taxes in the prior 12 years.

Again, the average tax rate in this country is the lowest it has been since 1979—17.4 percent. But I repeat, that is still much higher than what Mitt Romney pays.

Most Americans don't have the benefit of Swiss bank accounts or tax shelters in the Cayman Islands or Bermuda and who knows what else. We cannot see those tax returns.

As our economy continues to recover, it is critical we keep tax rates low for the middle class people who are struggling to pay their mortgage, send their kids to college, and save for retirement.

That is why President Obama and Democrats in Congress want to extend tax cuts for 98 percent of American families.

But there is one group that is not struggling: Mitt Romney and the rest of the top 2 percent of Americans.

My Republican friends can come out and talk and say it is terrible and all we are trying to do is raise taxes on small businesses. The President's legislation raises taxes on 2 percent of wealthy people and about 2.5 percent of businesses. This is no crush for small

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

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businesses. It seems to me the 2 percent at the top can contribute a little bit more to deficit control.

Yet Republicans are prepared to block tax cuts for 98 percent of families, unless Democrats agree to even more giveaways for the richest of the rich.

As Republicans continue to argue that the wealthiest 2 percent cannot contribute even a little more, I urge them to talk to the three-quarters of Americans who disagree. I urge them to talk to the almost 60 percent of Republicans who believe the wealthiest Americans should shoulder their fair share of the responsibility for getting the deficit under control. Almost 60 percent of the Republicans agree with what the President is doing; that the top 2 percent should pay a little more.

I urge my Republican friends to talk to a few of the more than 135 million taxpayers who are waiting to see whether Republicans will continue holding hostage their tax cuts.

RESERVATION OF LEADER TIME

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

RECOGNITION OF THE MINORITY LEADER

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

HARD VOTES

Mr. MCCONNELL. Mr. President, yesterday, something truly remarkable happened right here in the Senate. First, Democrats blocked a vote that the President of their own party called for just 2 days earlier.

Last night, the majority leader moved to shut down a debate on taxes that hadn't even begun.

Earlier this week, President Obama issued an outrageous ultimatum to Congress: Raise taxes on about 1 million business owners and I promise not to raise taxes on anybody else.

At a moment when the American people are reeling from the slowest recovery in modern times, when the percentage of those who could work are working is at a three-decade low, and just 5 months away from the economic body blow that will result if tax rates spike, as scheduled on January 1, the President's solution is to take away more money from the very business folks we are counting on to create jobs we need, presumably so he can spend it on solar companies and stimulus bills.

This was the President's brilliant economic solution to the mess we are in.

Naturally, Republicans oppose this. The way we see it, nobody should see an income tax hike right now, not small businesses, not individuals, nobody. Nobody should get a tax hike right now. The problem isn't that Washington taxes too little but that it spends too much. Rather than just talk about it, we thought we should actually take a vote on it.

After all, the President himself boasted Monday that he would sign a bill to raise taxes on small businesses right away if we pass it. So we suggested two votes, one on the President's plan—once it is actually written—and one on ours. But the majority leader in the Senate blocked it from happening. Why? Because, as usual, Democrats want to have it both ways.

Two years ago, when the economy was growing faster than it is now, 40 Democrats in the Senate voted to do precisely what Republicans are proposing right now: keep everybody's taxes right where they are and do no harm. The President apparently doesn't want any of them to vote that way now.

In other words, he doesn't want to do what is right for the economy and jobs. He wants to do what he thinks is good for his reelection campaign. For some reason, his advisers think it helps him to take more money away from small, already-struggling businesses and spend it on more government. That is the plan anyway, and he wants to stick with it.

Yesterday, the Democratic majority leader did what the President told him to. He made sure there wasn't a vote on a proposal the President of his own party demanded 2 days earlier. My friend, the majority leader, made sure there wasn't a vote on the plan the President asked for just 2 days ago. Then he offered a vote on a bill today that isn't even written and only if Democrats and Republicans give up their ability to offer amendments to the bill we haven't seen yet.

This is the kind of absurdity we get when we have a governing party that is more concerned with winning an election than facing the consequences of the President's failed economic policies. But it actually gets even more absurd because the majority leader didn't just block us yesterday from having votes on whether to raise taxes, he wouldn't even let us have a debate about it—don't have the vote and don't have the debate.

Senators on both sides of the aisle have proposals that would help the American people weather the economic crisis we are in. Senator HUTCHISON has an amendment that would extend the relief from the blow of the marriage penalty. Senator HELLER has a plan to extend the deduction of sales tax in Nevada. Senator SCOTT BROWN and a whole host of other Republicans have a proposal to repeal the potentially devastating tax on medical devices that is being used to help fund ObamaCare. Senators CORNYN and CRAPO have amendments that would lessen the blow of the tax hikes on investments—tax hikes that will directly affect job creation and harm those, such as our seniors, who are living on fixed incomes.

As for the Democrats, well, even they have some ideas that might do some good for the country. Senator BROWN of Ohio has an amendment to extend the research and development credit, which I know has bipartisan support even if Republicans might differ in his approach. Senator BEGICH has an amendment that would extend the popular tax breaks for investments by small businesses. I don't fully endorse the specific approach taken by these two, but if they had a chance to offer and debate them, I think we might be able to work out an agreement and actually get a result. But we can't even have a debate or get a vote on these Democratic amendments because of the politics.

Personally, I can't imagine why Democratic Senators would tolerate this kind of authoritarian approach. It seems to me that if Senator BROWN of Ohio and Senator BEGICH really believe in their amendments, they would fight for a vote on them. It is hard to believe their constituents sent them here to rubberstamp everything the party leader puts out there regardless of the impact on their States. We would probably have these votes later today if these Democratic Senators vote to cut off debate. I will leave it up to them to explain to their constituents why they didn't think these amendments deserved votes.

But the larger issue is this: All of these petty political maneuvers betray an astounding lack of concern about not only the economic crisis we are in but the threat that is posed by the fiscal cliff we all know is looming in January. A New York Times article from just this morning suggests that one reason the economy has slowed down so much is that businesses are reacting to the uncertainty about what will happen at the end of the year. Well, of course that is the case. We hear it from everyone. Yet here is a Democratic-controlled Senate blocking votes, blocking debate, and hosting private meetings with the President's political advisers on strategy instead of working on serious bipartisan solutions.

Last night Democratic leaders admitted that the bill they wanted Republicans to turn to hasn't even been written yet. Think about that. The proposal the President announced Monday with so much fanfare hasn't even been put on paper. Yet Democrats wanted us to move to it. Move to what? What is it? We haven't seen it. I think it hasn't been written. You can't move to a speech. This is the level of seriousness we are seeing from the Democratic-controlled Senate right now. This is how seriously they take this economic crisis. It is nothing but one political game after another. If the President has a proposal, we will be happy to send an intern down to the White House to pick it up, but we can't vote on a speech. Frankly, we can't continue like this.

It is long past time Democrats in the White House and in the Senate took the lives and challenges of working Americans as seriously as they take their politics. It is time to put childish things aside and get down to serious business for the American people.

Mr. President, I yield the floor.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the following hour will be equally divided and controlled between the two leaders or their designees, with the majority controlling the first half and the Republicans controlling the final half.

The Senator from Colorado.

WIND PRODUCTION TAX CREDIT

Mr. UDALL of Colorado. Mr. President, I rise today, as I have been every day, to urge my colleagues to work with me and to work with the Presiding Officer to extend the production tax credit for wind. The PTC, as it is known, has broad economic effects, positive effects all across our great country.

I am going to talk today, as I have each day, about an individual State that is known for its wind resources, and today that is the great State of Kansas. Kansas is already known as a national leader in both wind manufacturing and production. In fact, Kansas has the most wind projects under construction, as we sit here today, and is on track to almost double their installed wind energy capacity.

We can see from this map of Kansas that there is a lot of activity. For example, there is construction currently underway in what will be the largest wind farm in Kansas, which is located just southwest of Wichita, in south central Kansas. The Flat Ridge 2 Wind Farm will cover about 66,000 acres, and it should be up and running by the end of the year.

The two companies running the project—BP Wind Energy and Sempra U.S. Gas & Power—have invested over $800 million and have employed 500 construction workers. Those are impressive numbers wherever you might find them. But that is not all. Once this project is done and operating, the local community should receive over $1 million annually in tax payments from the project. There are some 200 property owners who own the land under the turbines, and they will receive a similar amount in royalty payments. That is real money for real Americans, all thanks to wind energy and the production tax credit.

These are jobs and investments that are created here at home, and they create good-paying jobs in Kansas, helping the local economy and providing critical income for rural communities. I have to say this is especially important as the drought takes a steep toll on farmers across the Midwest this year. Wind power, if you think about it, is a cash crop that always ripens and always returns the investment in the marketplace.

This is just one project in Kansas that isn't even completed yet, so let me talk about the overall effect of wind energy in Kansas.

The wind energy industry in Kansas supports 3,000 jobs, it results in $3.7 million in property taxes from wind projects that go to local communities, and 8 percent of Kansas's power comes from wind. Those are impressive numbers, and they would only grow as Kansas invests.

There are thousands of Kansas wind energy jobs supporting millions of dollars of local tax revenue and, as I pointed out here, almost one-tenth of Kansas's total power needs. This harnessing of the wind has truly become an economic driver, and it presents enormous opportunity for this important Midwestern State.

I would like to focus on one county. Lane County's economic development operation is headed up by Dan Hartman. Dan moved to western Kansas 5 years ago, in large part because he wanted to live in the heart of rural America, but he also wanted to help create a better, more secure energy future for America, with Kansas playing a central role. Since then, Dan has been working with counties, farmers, and landowners to bring as much wind energy as possible to western Kansas, and I think those possibilities are almost unlimited because there is enough potential wind power in Kansas to meet the needs of Kansas some 90 times over.

That brings me to the point I wish to make today, and it is why I keep coming to the floor. The uncertainty we have created by failing to extend the wind production tax credit, unfortunately, has sidelined roughly $3.5 billion in wind energy investments. That just defies common sense. Back home in my State of Colorado, I keep hearing from my fellow Coloradans: Why the heck aren't you in Congress working to save wind energy jobs right now? To Dan Hartman, the solution seems simple, and I want to quote him. He said:

> I look at the wind energy industry as a matter of survival and our future in Kansas. If we don't extend the PTC, we're throwing away our future. We need it badly. If you really look at the money, the PTC cost is dwarfed by the capital investment it encourages.

Dan has it right, and we should listen here in the Congress. If we refuse to develop our wind energy resources, there are a lot of countries that are willing to outcompete us—take China, for example. We have to work to keep these jobs and that investment here in the United States, and that is why the Congress must extend the production tax credit as soon as possible.

Mr. President, you also know we have bipartisan support. This isn't solely a Republican or a Democratic issue. Senator MORAN from Kansas, my good friend, has joined me and others to make this happen. We have offered an amendment to the bipartisan small business lending bill that would extend the PTC by 2 years, until the end of 2014.

We need the PTC. It equals jobs. We need to pass it as soon as possible. I want to ask my colleagues again, as I have every day, to join Senator MORAN, Senator UDALL of New Mexico, Senator THUNE, and others to help pass this much needed, commonsense, bipartisan amendment or find another way to extend the PTC to ensure that more investment and more jobs in States such as Kansas, Colorado, and others all across our country will be the result.

Mr. President, I thank the Chair, I yield the floor, and I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. REED. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

SMALL BUSINESS JOBS AND TAX RELIEF ACT

Mr. REED. Mr. President, I rise today in support of the Small Business Jobs and Tax Relief Act. This is a tough economy for a lot of people across the United States. It is especially difficult in my home State of Rhode Island, and that is why I support the legislation before us today. It will help small businesses to hire new workers and to expand their payroll or invest in new capital equipment. This is a commonsense step to encourage growth and create jobs.

These tax cuts are cost-effective and have been estimated by the CBO as having some of the biggest bang for the buck compared to other fiscal policies that directly benefit businesses. It is especially important to pass cost-effective policies because we are in the midst of a global slowdown that is hurting job creation and lowering government revenue.

In contrast, the other body—the House—has been intent upon repealing the Affordable Care Act, rolling back regulations on firms that pollute, or providing tax windfalls to special interests. That approach will not provide the real economic growth we need today to put people to work. In fact, it will exacerbate our deficit, and it will hurt the middle class of the United States.

The targeted tax cuts in the legislation we propose, the Small Business Jobs and Tax Relief Act, stand in stark contrast to the approach taken by the House Republicans in their Small Business Tax Cut Act, which is in many respects just another way to provide huge tax benefits to the wealthiest Americans instead of doing what we should be doing—providing jobs for all Americans. Proposals such as the House Republican bill will only generate 30 cents for every Federal dollar spent as compared to the $1.30 and $1.10 multiplier for tax cuts for job creation and investments in new equipment, respectively, that are included in our bill.

Even more disturbing with the House proposal is that nearly half of the $46 billion in tax cuts would go to the wealthiest Americans—millionaires and billionaires—without having to create one single job.

In contrast, our bill provides a targeted 10-percent income tax credit for

businesses that increase their payroll by hiring new workers or raising wages this year. So there is a direct link between the tax credit and creating new jobs or raising wages for working men and women. This is a tax credit that is directly linked to this job creation effort, and the credit is targeted to increasing middle-class job wages because the credit only applies to the first $110,000 in wages for any individual employee. So we are looking to target this as closely and precisely as we can to be both effective and prudent with our resources.

The tax credit is further targeted to small businesses because it only applies to the first $5 million in new payroll, effectively capping the maximum tax credit to any business to $500,000.

The bill also extends bonus depreciation through 2012 for businesses that invest in new capital. Bonus depreciation has proved to be an effective incentive for businesses to pull forward capital purchases and invest in the near term, offsetting some of the weak aggregate demand that has held back our economic recovery.

In 2011, bonus depreciation accelerated $150 billion in tax cuts to 2 million businesses and generated an estimated $50 billion in added investment.

In total, the Small Business Jobs and Tax Relief Act is estimated to create about 1 million jobs nationally and over 3,500 jobs in my State of Rhode Island. We desperately need these jobs, and we need them as quickly as possible. This bill is a responsible, cost-effective, and fair way to generate growth.

Before us today is yet another example of my colleagues in the Democratic caucus putting forth reasonable solutions that have been analyzed by economists and determined to provide immediate help to millions of out-of-work Americans. But my fear is that my colleagues on the other side will again filibuster and oppose this effort, like others we have made, while only offering proposals that promise great things but in reality contribute very little to putting people to work quickly. And that is our challenge.

The damage caused by the refusal of many of my colleagues to support these legitimate job proposals and their efforts to actively unwind Federal support for our recovery is hard to overstate. Their narrowly focused economic proposals, in which a vast portion of their tax cuts flow to millionaires and billionaires or corporations that send jobs overseas, doesn't help our middle class, doesn't help our economy, doesn't help our Nation's fiscal health. Republican proposals do not respond to our immediate crisis.

The legislation before us does respond to that crisis by creating jobs for middle-class working Americans right now. And it does not give large additional tax cuts for the wealthiest of Americans.

So I hope we can move forward. I hope we can bridge the differences and pass this legislation. It is legislation that has been looked at by economists and has been determined to provide real benefits. For every dollar we invest, we will get more than that in terms of economic productivity in the economy. Again, this is in stark contrast to simply proposing to cut taxes for the wealthiest Americans and assume that would put people to work. That was the essence of the Bush economic policies, and at the end of 8 years we were in one of the deepest economic crises, losing hundreds of thousands of jobs per month.

We pulled back from that brink, but in order to go forward, and go forward with momentum and confidence, we have to pass legislation such as the legislation we have proposed today: targeted efforts to put people to work, to move our economy forward, to move the Nation forward. This will help millions of Americans who are impacted by this tough economy in the most meaningful way—and that is simply by getting them back to work. When we do, this country will do great things, as it always has done. I urge my colleagues to support this measure.

Mr. President, I yield the floor, and I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HELLER. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BEGICH). Without objection, it is so ordered.

THE ECONOMY

Mr. HELLER. Mr. President, last week's jobs report reinforces what many of us have known for some time. Unlike what the President would like you to believe, the private sector is not doing fine and this administration's policies are not providing effective solutions to our Nation's problems. The health of our economy hinges upon job growth, and it clearly has not received the attention it deserves. Our Nation has no roadmap, and it is past time for a genuine effort to work in a bipartisan manner to create the certainty and stability that will allow American businesses and families to thrive.

Every morning Nevadans wake up and grab their hometown newspaper or turn on their local news. Some are getting ready to go to work, while others start another day trying to find a job. These Nevadans have become all too familiar with headlines of Nevada leading the country in unemployment and foreclosures.

For the Nevadans who are going to their job, these headlines create fear and uncertainty about their future. For the Nevadan who is unemployed, these headlines are another blow to their hopes of finding work. That is what many Nevadans have had to live with for far too long.

I read and see the latest unemployment statistics just like everyone else, but I know that behind these numbers are real people struggling to make ends meet. Being home in Nevada I have met the unemployed mechanic, the unemployed computer engineer, and the unemployed waitress. Blue collar and white collar workers alike continue to pay the price because of the poor decisions by Wall Street and Washington.

Nevadans did not want the Wall Street bailout—but Washington did it anyway. Nevadans did not want the trillion dollar stimulus bill—but Washington did it anyway. Nevadans did not want the President's health care bill—but Washington did it anyway.

When I am in places such as Reno, Las Vegas, Henderson, or Elko I often ask people to raise their hand if the bailout has helped them find a job. No one raises their hand. I ask did the stimulus bill help them find a job. No one raises their hand. Finally, I ask them if the health care bill has helped them find a job and still no one raises their hand.

In January 2009, President Obama was inaugurated and Democrats controlled both the House and the Senate. Nevada's unemployment rate was at 9.4 percent.

Nearly 4 years later Nevada's unemployment rate is 11.6 percent. Too many people in Nevada are unemployed, have stopped looking for jobs or worse, left the State for employment elsewhere.

With over 23 million Americans out of work or underemployed I think it is past time to ask the President and this Congress is this working?

Nevadans have seen the effects of higher Washington spending, higher regulations, and higher debt and they know these policies have failed. They deserve solutions. Instead of having more show votes, Congress needs to focus on pro-growth policies that eliminate burdensome regulations, reform the tax code and help struggling homeowners. It is my hope that our economy will improve as the year goes on, but Washington must take action.

There are small commonsense measures that we can pass right now if given the opportunity. I continually come here to the Senate floor to offer solutions that will provide our Nation's job creators with the tools to provide for long-term economic growth. I have crafted three housing bills to help those foreclosed upon to stay in their home, shorten the short-sale process, and ensure homeowners who get mortgage relief are not hit with additional taxes. I have offered legislation that would require Washington bureaucrats at agencies to take into account jobs when issuing regulations or to streamline permitting for energy-related projects on public lands or even something as simple as combining annual reports submitted to Congress. These are small measures that if passed would make a big difference to our Nation's job creators. Unfortunately, all too often we find ourselves taking political show votes instead of debating

commonsense solutions. The bill we have before us on the floor is a perfect example. I filed two amendments to this bill that would help ease the stress of taxes on middle-class Nevadans and one to help underwater homeowners. Both are bipartisan proposals. Yet once again we find ourselves in a position where we cannot have an open debate on amendments.

These are not partisan issues, these are American issues. If any Member of Congress commits themselves to spending reform, tax reform, regulation reform, and finding solutions to fix the housing crisis, then they will have me as an ally.

Nevadans deserve better than what they have gotten from this Congress and White House, which is why I will continue to keep coming to this floor to raise my voice for the citizens of Nevada and I will fight every day to create jobs and get Nevadans back to work.

Mr. President, 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. ROBERTS. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

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

Mr. ROBERTS. I ask to be recognized for 15 minutes.

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

KU CANCER CENTER CONGRATULATIONS

Mr. ROBERTS. Mr. President, I come to the floor today to congratulate the University of Kansas on its prestigious designation as a National Cancer Institute Cancer Center.

I do regret I can't be at the KU ceremony today to mark this designation by the NCI because of anticipated votes in the Senate, but I am certainly there in spirit.

This designation of '' cancer center'' is such an important development for my state and others in our region because it means that many Kansans and their families who have faced frightening diagnoses—and trying treatments—will no longer have to seek cures all the way down to Texas or up to Minnesota.

They can, and will be able to, stay closer to home and their support systems. Simply put, it's great news for Kansas cancer patients in the region.

I am personally gratified by this designation because it represents more than a decade of work with so many outstanding partners. It has truly been a team effort to achieve this important Federal designation.

When I was first elected to this body in 1996, I created a blue ribbon committee of Kansas leaders in government, academia and the private sector to advise me on the State's science and technology needs. The goal was to make us more competitive in a global marketplace increasingly reliant on research and technology and to provide economic opportunity to stop out-migration of our best and brightest young people.

The Roberts advisory committee set out to implement policies and secure Federal investments to further the research goals of Kansas State University in plant and animal science, Wichita State University in composite and aviation research and the University of Kansas in life science research.

I personally took this goal to the Kansas legislature in 2001 and again in 2002 encouraging my colleagues in the Kansas State legislature to help promote State investment in research infrastructure—to be part of it.

At the time, I spoke about how the statistics showed that Kansas was lagging behind other States in the race for Federal and private research dollars.

In response, the Kansas legislature more than stepped up to the plate with special thanks to leaders like Representative Kenny Wilk, Senator Kent Glasscock, Representative Nick Jordan and Senator Dave Kerr.

The legislature voted in favor of bonding authority—and we constructed and invested in buildings at the KU Cancer Center and the Biosecurity Research Institute at K-State. Likewise, Wichita State's work in composite research is now revolutionizing industries from aircraft to health care. And about this same time, Stowers Biomedical Research Institute came into existence, which provided a key private source of research excellence.

Our Kansas motto is ''To the stars through difficulty.'' Well, in short, the stars aligned.

KU's then-Chancellor Bob Hemenway and I sought out other opportunities to help raise KU's research profile.

In 2004, we invited then-NIH Director Elias Zerhouni to KU for a tour and discussion about KU Medical Center's research facilities.

Dr. Zerhouni recognized—as many Federal research directors do—that there is great promise in research conducted at Kansas universities.

Chancellor Hemenway and I worked in concert to design congressionally directed programs to supplement KU's internal NIH cancer research successes. This included those won by Dr. Jeff Aube, who leads one of four NIH drug discovery centers.

Furthermore, this coordinated effort with Chancellor Hemenway and his leadership team also provided KU with the flexibility to recruit new cancer research faculty who brought considerable expertise and NCI cancer research programs to KU.

In 2006, with the critical mission of the National Cancer Institute in mind, from my post on the Senate Health Committee, we fought to reauthorize funding for National Institutes of Health which oversee the National Cancer Institute.

This reform bill reaffirmed the various centers of NIH including the Cancer Institutes and reauthorized their funding.

In fact, this was a continuation of Congressional efforts from 1999, when we were successful at doubling NIH funding over 5 years, at a time when many wanted to divert Federal funds to other research.

My then-partner in the Senate, Sam Brownback, now our State's Governor, and I worked together to advance this push.

In 2009, Senator Brownback and I secured $5.5 billion in Federal investments for the University of Kansas to purchase equipment needed to further its cancer research. Sam's leadership, both then and now, is immeasurable.

Over those 10 years, there were many other excellent team members supporting this effort who should be recognized. I apologize I will not be able to name everyone who played such a big and important role.

First, Dr. Howard Mossberg, dean emeritus of the KU School of Pharmacy. He was the force behind the regular meetings of our Science and Technology Advisory Committee. Howard, who lives in Lawrence, home of KU, did this work for free because he recognized the opportunity to use the advisory committee to provide us with key facts to support our research and technology initiatives. KU, in fact, hosted many of our advisory committee meetings down through the years. I truly appreciate that.

Riding shotgun back in Kansas on this effort has been my tireless staff member Harold Stones. Harold provided the hard work of collecting and then distilling and providing to everyone concerned the valuable contributions among our technology leaders for more than a decade, helping me turn them into policy and progress.

Credit must also go to former KU research directors Dr. Bob Barnhill and Dr. Michael Welch. They were instrumental in my research about the KU Cancer Center. Jim Roberts, who sadly passed away from cancer himself, was a valuable KU adviser to me, as is Steve Warren today.

I have appreciated getting to know Dr. Roy Jensen, who leads the KU Cancer Center. I know Roy will continue to stay in close touch with me and the entire Kansas delegation about the KU Cancer Center as it continues to progress. Our work is ongoing. It is not done.

I would also be remiss not to mention the contributions of my former legislative director, Mr. Keith Yehle. Keith was the point person for KU to contact, whether it was about the KU Cancer Center, the advancements in special education or the Hoglund Brain Imaging Center, where we also secured $1.8 million in Federal investment for renovation and equipment. Keith went on to work at KU for Chancellor Hemenway to help him and our current Chancellor Gray-Little navigate the corridors of Capitol Hill.

My former chief of staff Leroy Towns, former deputy legislative director Jennifer Swenson, and my current

senior health care policy adviser Jennifer Boyer round out the list of the Roberts team who spent countless hours working on behalf of the University of Kansas—whether it is the cancer center designation or any other of KU's initiatives.

Let me stress that my current colleagues in Congress, Senator JERRY MORAN, Congresswoman LYNN JENKINS, and Congressman KEVIN YODER, have each carved out important initiatives to promote this designation and have helped make this day possible. This partnership will continue for KU.

We could not have accomplished something this encompassing without strong public support. In this regard, I also wish to thank the publisher and the editor of the Lawrence Journal-World, Mr. Dolph Simons, Jr., for his comprehensive coverage with regard to all these initiatives over the years.

What we have with the NCI designation is proof of what I said to the Kansas State legislature back in 2001; that public and private and academic partnerships are critical to developing our State's economy over the long term. I applaud the generosity of the Kansas Masonic Foundation, Annette Gloch, the Hall Family Foundation, and others for their key contributions to this effort.

In the Senate this week, we have talked a lot about the need for job growth—jobs, jobs, jobs. According to the University of Kansas, since 2006, the National Cancer Institute's designation pursuit alone has created 1,123 jobs and had a regional economic impact of $453 million. We can only expect, with the announcement of the cancer center designation today, that these numbers will grow jobs, jobs, jobs.

Our work does not end today. We will always be focused on ensuring a better treatment of cancer victims. A great thanks go to so many—past and present. I am honored to have been there at the beginning, but in some ways I believe you ain't seen nothing yet. Congratulations to the University of Kansas and to the entire State of Kansas.

''Rock Chalk Jayhawk.'' Well done, KU.

MEDICAL DEVICE TAX

Mr. BROWN of Massachusetts. Mr. President, I rise to discuss the small business tax bill currently before the Senate, one of which I hope we have an opportunity to debate openly and fairly and allow amendments. I am not quite sure if that is going to happen, which is frustrating because the American people deserve better. When we allow the process to work and we allow everybody to have their say in the process, we ultimately get a good bill. I am hopeful we can do the same on this one.

It is good we are finally working on jobs, but I believe we should be working in a more bipartisan way, as we did with the insider trading bill, crowdfunding, the Arlington Cemetery bill, the 3-percent withholding, and many other bills. We need to work on a bill where all Members are offered an opportunity to have their votes on job-creating ideas.

I don't think one party has the monopoly on how to create jobs in this country. I think we can actually get together in a room and hammer it out and try to work to help protect the middle-class and everybody in America who wants to get out and work.

We have worked together, as I have said, on a whole host of bills. I forgot the hire a hero tax credit, which is clearly a jobs bill. I worked with Senator BENNET and Senator MERKLEY on that. It is a very important piece of legislation. With that type of success, I don't understand why we don't try that more often.

The new medical device tax is one more example of a policy we all know is bad for jobs and, in fact, bad for our economy. The House has already voted to repeal this job-killing tax. I am disappointed to say the Senate has not taken the time to work to repeal it in a truly bipartisan manner.

For those who don't know what the medical device tax is or why we should even care, let me explain. In Massachusetts, we have over 400 medical device companies employing tens of thousands of people. This 2.3 percent tax on medical device sales will cost our economy thousands of jobs and limit Americans access to the most groundbreaking, state-of-the-art medical devices.

For example, Covidien, a medical device company with 2,000 employees in my home State, has estimated that taxable medical devices represent approximately 30 to 40 percent of the total net sales in 2011. What that means in plain language is that will cost Covidien between $80 million and $107 million annually. From where is that money going to come? Will it come from R&D, expansion, hiring or expanding their workforce?

Over the last 5 years, Covidien has more than doubled its R&D investment and launched more than 100 new products. One of those products is a device that restores blood flow in patients who have suffered from a stroke by mechanically removing blood clots from blocked vessels. Obviously, that is a very important device that would actually help save people's lives and save costs. Another product provides the first safe and effective treatment for large or giant wide-neck brain aneurysms available on the market, but losing $80 million to $107 million in revenue each year will put Covidien's continuing growth in very real jeopardy.

Another medical device company, Stryker Corporation, said late last year they would begin cutting 5 percent of their workforce in response to the tax. That is 1,000 jobs that will be gone as a result of this tax. Stryker expects the device tax to cost them $130 million to $150 million in the first year alone. These are just two examples. As I said, in Massachusetts we have over 400 medical device companies.

The Massachusetts medical device industry employs nearly 25,000 workers in Massachusetts and contributes over $4 billion to our economy. Massachusetts alone is expected to lose over 2,600 jobs. As a direct result of this tax, around 10 percent of our device manufacturing workforce will be affected. The bottom line is we can't have that kind of job loss in a sector of our economy that is still struggling.

Yesterday, I, along with others, introduced an amendment to repeal this job-killing medical device tax. It is a tax which will drive up the cost of care for patients and make our workers and our companies less competitive.

Some say it is time to move on from the health care bill to work on the jobs legislation. With all due respect, working on job growth means repealing the health care bill and its 18 new job-destroying taxes along with one-half trillion in Medicare cuts.

A lot of these things haven't clicked in and the American public isn't quite aware they are soon going to be affected by 18 new taxes associated with the Federal health care bill and a one-half trillion in Medicare cuts. It is time to get rid of the medical device tax before it does even more damage, not only to Massachusetts but other States that have a large medical device industry.

I urge my colleagues to get behind this effort in a truly bipartisan, bicameral manner.

I yield the floor.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Should we go to the bill?

The PRESIDING OFFICER. The Senate is considering the motion to proceed on S. 3369.

ESTATE TAX

Mr. HATCH. Mr. President, I find it ironic that we are debating a bill called the Small Business Jobs and Tax Relief Act when that bill does absolutely nothing to address the death tax, one of the biggest threats to our small businesses in our country.

Again, while Republicans are being accused of not wanting to move legislation to help grow the economy and develop jobs, it was interesting to read this morning that my Democratic friends still do not have any agreement among themselves on how to proceed on a number of tax issues—including the death tax. They need to get moving over there.

Next year, unless Congress does something, the death tax will come roaring back at a much higher rate of 55 percent and a much lower exemption amount of $1 million next year, though those who promote the death tax characterize it as impacting only Daddy Warbucks, the Monopoly Man, and Montgomery Burns. The data does not bear out this cartoonish characterization.

The death tax does not just hit those at higher income tax brackets; it has an effect well beyond small business owners and adversely impacts middle-

class jobs and wages. Call it what you will, the estate tax or the death tax, but in the end it is a tax that is antismall business and antijob creation and antiwage increase.

We are in the midst of another Senate floor show of pursuing legislation that will give the President and his allies campaign talking points but will do absolutely nothing to spur economic growth and job creation. Meanwhile, the Senate has failed to take action on estate tax reform. This is beyond irresponsible.

I have been a long-time proponent of repealing the death tax. Not only is it double taxation and a deterrent to savings, but it also sucks up capital in the marketplace. To be clear, this is capital that could be used to hire more workers or expand small businesses or any business for that matter. This is a basic economic concept that seems lost on our current President, President Obama.

During last year's deficit reduction talks, President Obama argued on behalf of tax increases saying:

> I do not want, and I will not accept a deal in which I am asked to do nothing, in fact, I'm able to keep hundreds of thousands of dollars in additional income that I don't need.

Income that I don't need? This is a point that could only be made by a person with a very loose understanding of how business and entrepreneurs operate. The President seems to think this so-called excess income does no good. In fact, however, it will be invested or it would be invested in new business ventures, new hires, and better wages.

If these entrepreneurs with all this excess income did nothing but put that money into a savings account, it would benefit individuals looking to buy a house, buy a car or start their own business, but the President does not seem to grasp this. So it is no surprise that he and his Democratic allies have done nothing to address this job-killing death tax increase looming on the horizon.

The President claims he is interested in job creation. He certainly should be after last month's anemic jobs report. Well, he need look no further than death tax repeal. I know his liberal base might not appreciate it, but the rest of the country, which is less interested in class warfare talking points and more interested in getting the economy moving again, would embrace it.

The death tax adds inefficiency to our economy. It is what economists refer to as deadweight loss. In other words, it creates another burden on our free market system and prevents the full potential of economic growth.

For instance, many small businesses have to purchase insurance in order to prepare for paying the death tax so they do not end up having to sell the business just to pay the death tax. This added cost is embedded into the cost of goods when sold. In other words, American consumers, American workers, or Americans looking for work are those who will ultimately have to pay the death tax.

Consider also that heirs are often forced to sell an asset of the business or the business itself in order to meet this arbitrary tax due date. These assets are likely generating revenue and could be a vital part of the business. But because the tax man cometh, small businesses are forced to sell these assets to pay the death tax.

We ought to repeal the death tax, plain and simple. We actually don't get that much revenue from the death tax to justify its existence. It has been a pain in the neck from the beginning.

In 2010 the death tax was temporarily repealed, but in a few months the law will take a sharp turn for the worse. Back in 2010 Senators KYL and Lincoln offered a compromise that gained bipartisan support which eventually became law. Under title III of the Tax Relief Act—a law signed by President Obama—the death tax and the gift tax are unified with a $5 million exemption amount and a tax rate of 35 percent. Under current law, however, in 2013 we will once again have a 55-percent estate tax due within 9 months of death, and in some cases the tax will reach 60 percent. The exemption amount could be as low as $1 million.

That is not right. How does it benefit our economy to have small businesses and farmers wondering whether they have to sell their business or literally sell the farm to pay for an uncertain amount of taxes? It creates an accounting and financial nightmare.

The estate tax is not about making the Tax Code more progressive. The estate tax is not about more redistribution. It is not about deficit reduction. It is class warfare, and while it might stir up some votes, it has an outsized and detrimental impact on our economy.

Many do not realize the enormous impact the death tax has on rural America. I am not only talking about farmers and ranchers; I am also talking about small family-owned businesses that generate economic growth in smaller towns—and even larger towns. If we do not address the death tax, some businesses with assets over $1 million could be susceptible to the death tax.

I know for a small business $1 million in assets is a pretty low threshold. That is why I care about this death tax debate: because of real people, real Utahans, in real communities, who will be upended if this tax increase is allowed to go into effect.

When we hear about the number of individuals impacted by the death tax, that statistic actually understates the sweep of this intrusion by the Federal Government. The estate tax return is filed by the representative of the deceased. That return does not take into account the dead person's family, employees, or neighbors. All of those folks are affected if the death tax burdens that particular family business or farm.

There seems to be a strategy by the Democratic leadership to drag its feet in coming up with a resolution to this impending problem. What they fail to realize is this strategy is only adding to the cloud of uncertainty—economic uncertainty—over our country and over our economy. Will Congress keep the rates and exemption amounts the same? Will Congress increase them? What do I need to do as a small business owner to better prepare my business from withstanding a tax increase?

These are the types of questions more and more small business owners and farmers are continuing to ask. The uncertainty these questions generate is holding back investment, job creation, and wage growth. Yet policies to promote economic growth have, unfortunately, taken a back seat to Presidential talking points that campaign advisers think will generate votes. Attack the rich. Promise more spending.

As a candidate, President Obama promised in 2008 that Washington needed to spread the wealth around. That is one promise the President has kept. In spite of an economy that demands a focus on job creation, the President and his liberal allies have spent the last year coming up with even more intensive redistributionist schemes.

Recently, the Joint Committee on Taxation released an estimate on how many more taxable estates, farming taxable estates, and small business taxable estates would be affected by the increase in the death tax over the next 10 years. The numbers are truly astonishing. If Congress does not act, we will see more than a 1,000-percent increase in the number of taxable estates, a 2,300-percent increase in the number of farming taxable estates, and a 1,000-percent increase in the number of small business taxable estates. The reach of the death tax is growing, and it is going to hit not just the so-called rich but current employees and, for that matter, entire communities.

Let's take a look at the tax year of 2013. It arrives in a little over 7 months, by the way. Under current law, 46,700 estates will be taxable. If we extend the Lincoln-Kyl compromise, 3,600 estates would be taxable. Now, let me refer to the Joint Committee on Taxation estate tax data chart. It is the second column on the chart. When we think about it, under current law the path on which we seem to be slow-walking means more than 10 times the number of estates will be hit by the tax. The Lincoln-Kyl compromise means only the top 10 percent—the wealthiest estates—would be hit by the death tax.

If we project out the 8 years of current law over 10 years, we will find that roughly 570,000 estates will be taxable over that period. Under the Lincoln-Kyl compromise, which is the current estate tax regime, roughly 41,000 estates would be taxable over that period. So 570,000 estates under the law that many Democrats would want or only 41,000 estates would be taxed under the Lincoln-Kyl compromise.

In a recent interview with the Associated Press, Secretary of Agriculture Kathleen Merrigan described an epidemic of sorts that is hitting our farmlands across the United States. She did not talk about rising fuel prices or droughts. Instead, Secretary Merrigan discussed how our country's farmers and ranchers are getting older, and fewer young people are taking their places. I have heard time and time again that the death tax is the No. 1 reason family farms and businesses fail to pass down to the next generation.

If Congress does not act soon, the Joint Committee on Taxation estimates that another 2,000 farming estates will be hit by the death tax next year. Keep in mind farmers sometimes carry debt. That would reduce the value of the farm, but on the other hand farmers have other farm-related assets such as combines and other equipment that are not included in the figures I cited.

This data shows the failure to address the estate tax cliff will undermine many family farms. For those folks who are working this land, this is an unwelcome uncertainty. As I indicated earlier, the tax is an impediment to passing on the family business, in this case the family farm. A much higher death tax, apparently supported by many Members on the other side, will undermine many family farms and small businesses. Yet these family farms and small businesses form the economic backbone of their communities.

Do we really want to send the signal that those who work hard, save, and want to pass something on to their families exist solely to fund bloated Federal programs? Why work hard? Why save? Why not work less? Instead, if the President is just going to spread the wealth around, it might just be easier to go into debt and live beyond one's means.

There is something fundamentally unjust about the estate tax. Contrary to the claims of the President and his most liberal supporters, a person's wealth is the result of his or her labor. When one builds a business, one puts their sweat and ingenuity into it. To then be punished for this—to have it taken away at the moment of death by the Federal Government—is an assault on personal liberty and freedom.

John Locke, the great philosopher, understood this. America's Founding Fathers understood this, and they would no doubt be appalled to know that behind the Grim Reaper now stands an IRS agent waiting to collect and deliver the government's share. But today's so-called liberals have abandoned this classical liberal philosophy—the philosophy of natural rights and liberties upon which our Nation was founded—in favor of a redistributionist philosophy that undermines rights and undermines our economy.

Time is running out. We cannot continue this cycle of passing temporary tax relief and then waiting until the very last minute to decide what to do next. We owe it to family farms and small businesses to figure out a way to pass a permanent solution so each year businesses are not left wondering whether they will have to shut their doors in order to pay the death tax.

Also, for those who love to raise taxes on small businesses, keep in mind these small businesses pay a lot of income tax each year into the Treasury's coffers. Do we want to kill the goose that is laying the golden eggs? If we are serious about providing true tax relief that will help small businesses grow, we can sit here and debate whether a bandaid will be the cure to our ailing economy, or we can begin the debate over how to prevent historic tax increases from hammering our small businesses and farms.

I urge my friends in the Democratic leadership to put the death tax on the Senate's radar screen.

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. BLUMENTHAL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BROWN of Ohio). Without objection, it is so ordered.

SMALL BUSINESS JOBS AND TAX RELIEF ACT

Mr. BLUMENTHAL. Mr. President, I am reminded today of the old saying that we campaign in poetry but we govern in prose. We are in the midst of a campaign season when we hear a lot of rhetoric perhaps posing as poetry, but we have an obligation to govern. I rise today in support of S. 2337, which is most certainly simple, straightforward prose in dedication to the art of government. It is the Small Business Jobs and Tax Relief Act. It is about as simple and straightforward as it possibly could be.

It has two compelling, concise concepts. The first is a tax credit of 10 percent on new payroll. It can be either new hiring or increased wages in 2012 as compared to 2011, and it is capped at $500,000—pretty simple, straightforward prose in aid of jobs, in aid of employment.

It also extends for 1 year the 100-percent bonus depreciation allowance to stimulate economic investment—again, to create jobs. It is a very simple and straightforward extension of the accelerated depreciation that boosts gross domestic product and will benefit 2 million businesses—it is estimated 2 million businesses—most of them small businesses across the United States. In fact, this measure is very specifically targeted and aimed at small businesses creating jobs. They are the backbone of our economy. They are the source of the majority of new jobs.

It economizes, very prudently and practically, the aid that is designed to boost new jobs, as well as overall output in our economy.

It is supported by a broad consensus of economists, including Alan Blinder, who has endorsed this idea as a job creator, saying:

> The basic idea is to offer firms that boost their payrolls a tax break. As one concrete example, companies might be offered a tax credit equal to 10% of the increase in their wage bills. . . . No increase, no reward.

That is the concept: ''No increase, no reward.'' But the reward and the incentive are a powerful potential driving force to aid small businesses in increasing the numbers of jobs they provide.

I thank Leader HARRY REID for this very targeted and profoundly meaningful proposal. But when I think about the impact of this legislation, I do not think of the folks who are gathered in this Chamber. I think of people in Connecticut—13,000 people in Connecticut—who will have jobs if we move forward on this bill.

I think of a man named Hector Hernandez. I met Hector at a jobs fair I hosted in East Hartford this past September. After 25 years of working for the same company—as they say, working hard and playing by the rules—Hector lost his job. He is willing to do most anything to find a new job, but he cannot find one. There are simply no jobs for Hector. This measure will help to provide him one.

At that same jobs fair I met Ty Wagner. Ty took a very smart path. He decided he was going to get all the education that could possibly be accessible to him. He got a technical degree from a top university. He wanted to work in the State when he graduated. His dream job was to give back, to provide public service. He has not been able to find any job, let alone his dream job, and he is every bit as lost as Hector Hernandez.

That situation faced by Hector and Ty is only one aspect of the crisis in America's job market. I think of Jodey Lazarus who moved to Stamford 5 years ago in search of economic opportunity. She put her two kids in local schools, signed up for college classes, started to get her finances in order, and today she makes barely enough to feed her family. She receives no benefits. She has been looking for a job that will pay her more and give her more security, but in this economy her efforts have come to nothing. Every week she hopes and prays her income will be enough to provide food for her family. People like Jodey and Hector and Ty deserve better.

As I travel across Connecticut, I hear often that there are jobs and employers cannot find people with the skills to fill them. We need to provide those skills to develop our workforce, to make sure education and training are available so people have skills to fill the jobs that exist.

Washington can do more for them. This kind of targeted, practical approach—not Republican or Democrat, not conservative or progressive—simply provides the tools small businesses need: a 10-percent payroll tax cut, accelerated depreciation—simple,

straightforward prose, not poetry, prose—that will put people back to work in Connecticut and around the country.

I urge that my colleagues come together—as the American people want us to do desperately, are seeking for us to do—and to govern in prose that makes a practical difference in their lives, a tool for small business—not as a panacea but as a practical aid so small businesses can put people back to work across the State of Connecticut and the country.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

Mr. CARDIN. Mr. President, first, let me thank my colleague from Connecticut, Senator BLUMENTHAL, for his comments. I must tell the Senator, listening to him account to the people in Connecticut, to the individuals who are struggling in this economy, I can tell the Senator we have the same exact circumstances happening in Maryland.

This past weekend I was with some small business owners who were telling me their plans for opening a new restaurant and opening a new gasoline station, telling me of the struggles they are having in getting financing. There are community banks that have money, but they cannot make the loans because of the new rating system, and it is very difficult to get the capital to get the type of expansions they need today to start a new business.

In my State of Maryland, the high-tech and cybersecurity areas where we have small companies that are starting up to help our country, to help our country answer the problems of cybersecurity, help our country develop the type of biotech discoveries that will make our health care system more cost effective, are having a very difficult time putting together the capital in order to be able to move forward with job creation.

The Senator and I know 60 percent of our job creation will come from small businesses. We also know innovation is more likely to come from small companies that find ways to work more cost effectively. Today in this economy it is a challenge for small business owners to be able to put together the business financing to create the jobs we need for our economy.

The Senator also understands if we are going to balance our budget, if we are going to be able to move forward, we have to have more people working. A lot of people are looking for work and cannot find a job. We want more people working to fuel our economy. Also, by the way, they also pay taxes and help us bring our budget into balance.

So I could not agree with the Senator more that we need to get Democrats and Republicans working together. Here we have a bill on the Senate floor that helps small businesses. Let's not filibuster this bill. Let's at least bring it up for an up-or-down vote. I thought in a democracy majority rules. Let's bring it up. Let's have a vote. Let's keep it to the small business issues.

We all talk about our support for small businesses. Let's keep it to the issue before us: to create jobs, to help small businesses do that.

The underlying bill—and I thank Senator REID for the underlying bill—says to small businesses: If you add to our economy, if you create more jobs, if you increase your payroll, then we have tax help for you to do that.

I must tell you, I think this is exactly what we need. We know businesses cannot get all the financing they need. They need some help in order to be able to put together new job opportunities. This bill provides that with a 10-percent credit on the cost of a new hire. That gives an incentive for the small business owner. It may be the difference between setting up that new restaurant or moving forward to add that employee that will not only help our economy but will help that company discover the way in which we can deal with the cyber threats to this country. So it helps our country, it creates the jobs, and this underlying bill should be discussed on the floor of the Senate without filibusters that deny us that chance.

I also thank Senator LANDRIEU. Senator LANDRIEU, the chair of the Small Business Committee, has put forward a series of amendments. I am proud to have worked with her on the amendment she has brought forward that adds some provisions that are extremely important.

I know in the underlying bill, working with Senator LANDRIEU, we have also the expensing provision. That is an important provision. As I am sure the Senator from Connecticut understands, that provision allows a business owner to go out and make a capital investment, to buy a piece of equipment. Rather than having to write it off over 3 years or 5 years or 10 years, they can write it off immediately, having the ability to buy that piece of equipment, to grow their business, and to be able to then write off the cost. It is just a timing issue for the businessperson, but it is the difference between making the investment or not making the investment, creating a job or not creating a job.

By the way, by buying that piece of equipment, that business owner is also helping another business owner who is selling that piece of equipment, to get our economy back moving again. It is those types of commonsense provisions that have always enjoyed broad bipartisan support in the Senate—always. These are provisions we have had Democrats and Republicans working on together. We need to do that today.

Let's move on with the bill. We have had it on the floor of the Senate now a couple days. Let's move on and start voting, but do not filibuster. Let's vote on relevant amendments. Can't we just stick with the small business issues and vote on that in order to help our economy grow?

I am also pleased about another provision that is in the Landrieu amendment and the underlying bill now that we could have a chance to vote on that increases the surety bond limits for small businesses. This was passed by the Senate and incorporated into law in February 2009. I was proud to be the sponsor of this amendment that increased the surety bond limit from $2 million to $5 million.

The reason this becomes important is, for a small business owner to be able to get a government contract of over $100,000, they need to have a surety bond. In order to get that surety bond, the small business owner has to take, usually, for security, some of their assets and pledge them for the surety bond rather than using them for the credit of the company, which is really a catch-22 situation.

Increasing the limit from $2 million to $5 million frees up some of that ability because the government comes in, the Small Business Administration comes in and helps them with that surety bond. So if you are a construction contractor trying to get a Federal contract, the difference between $2 million and $5 million is a huge difference in the type of contracts that you can compete for.

It is interesting that when we looked at it, we had projected it would generate about $147 million in additional bonding activity for projects of over $2 million, and we found that, in fact, it increased activity by $360 million.

So the need was there. It generated strong activity. Democrats and Republicans supported it. I was proud of the support of Senator LANDRIEU and Senator SNOWE.

This is not a controversial issue. The only way we are going to get that increase—that expired in 2010. It is no longer part of the law. We are back to $2 million. So small business owners are at a disadvantage. We just have not had a chance to extend that. It is not controversial. It brings money into the economy. It is not scored.

So we need to be able to get that done. If we cannot get to this bill, I do not know when we will get that increase in the surety bond limit. So that is another reason I urge my colleagues to let us vote on this bill to help small businesses in our community. It has always enjoyed bipartisan support.

Here is what we are asking. My colleagues, we all talk about we want to create more jobs. We all talk about supporting small businesses because we know small businesses are the growth engine of America. We all know small businesses create more of the new patents, more of the new innovations per employee than the larger companies do. Let's put our action where our words are. We can do that today by allowing the Senate to move forward to consider amendments on the Reid bill that is before us—the Landrieu amendments. Let's move forward with that bill. Let's take up relevant amendments that deal with small business

issues. Let's vote them up or down by a majority vote of the Senate. And then I am sure, at the end of the day when we put that bill up for final passage, it will enjoy broad support by the Members of this body. And it gives the American people confidence that we indeed are focused on job creation for America.

I urge my colleagues to let us move forward on this bill. Let's take up the Landrieu amendments, take up the underlying bill. Let's do something that can help small businesses, help job growth, help our economy, and restore confidence to the American people that we are indeed dealing with the agenda they want us to do—moving our country forward, moving our economy forward by creating more jobs in our economy.

I thank my friend from Connecticut.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HOEVEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

PROGROWTH TAX REFORM

Mr. HOEVEN. Mr. President, I rise today to speak on the need for progrowth tax reform.

Recently, President Obama—in fact, on Monday—in a speech proposed a plan to raise tax rates rather than continuing the current tax rates. That means raising taxes on individuals and small businesses and raising the capital gains tax on investment—not only the income tax, but also the capital gains tax on small businesses, individuals, capital gains tax on investments. It also means raising the death tax on American families—the estate tax.

He made that proposal even though he has repeatedly said we cannot raise taxes in a recession. He has made that statement repeatedly in recent years, that we cannot raise taxes in a recession because it would hurt the economy, and raising taxes would hurt job creation.

But here we were on Monday, and he proposed we raise the tax rates. This is at a time when we have 8.2 percent unemployment; in fact, we have been over 8 percent unemployment for 41 straight months. We have 13 million people who are unemployed whom we want to get back to work, and we have another 10 million who are underemployed. On the order of 23 million people are either unemployed or underemployed.

Since this administration has taken office, middle-class income has declined from approximately $55,000 to about $50,000. The number of people on food stamps has grown from 32 million recipients to 46 million recipients. Home values have dropped from an average of about $169,000 to an average of about $148,000. In the area of economic growth, GDP growth is the weakest of any recovery post-World War II. The last quarter, it was reported that it was about a 1.9-percent increase over the prior quarter.

In the area of job creation, the report for June, as far as the number of jobs gained in the month, came out last week. In June, we gained about 80,000 jobs. That is far short of the 150,000 jobs we need to grow each month just to keep up with population growth.

So now the President says the solution is to raise taxes on our job creators. This week, after the President's speech—as I said, he spoke on Monday—I received a letter from a small business owner in my State of North Dakota. I know this individual. In fact, he has a hardware store in Bismarck. I have often gone there for items I need when I am working on my home. In fact, last year, when we had terrible flooding throughout North Dakota, in Minot and other communities—we had flooding in Bismarck, and my home is along the Missouri River and was in the way of the flood—I often went there to get needed items. He runs a good business, a good small business, and it is very helpful. He sent me this letter after the President's speech on Monday. I will read it. It is short:

Senator HOEVEN:

The president's recent comments on raising taxes on high income earners concern me greatly. Perhaps he just doesn't understand that for people like me, who own a business, the bulk of those earnings actually go to the bank payments for what I borrowed to be here. I am actually in danger of being taxed to a point of no living wage for myself. The taxes and bank payments come first. Out of an income that classifies me as rich, I actually take $40,000 home to my family. How much more do they want?

John, you've shopped in my store, you've seen all how we have grown, and you know people like me would use every available dime to grow more. This president's programs not only limit my company's potential to grow, but they destroy any incentive to work and hire more people. I just don't know if he doesn't understand what he's doing, or just doesn't care.

Please, Senator HOEVEN, share with your partners in the Senate how critical an issue this is for small business owners like me. Oh, and Thanks for Shopping at Ace when you're home in Bismarck.

Jeffrey Hinz, Kirkwood Ace Hardware.

I think Jeff sums it up well—better than I could. Jeff represents millions of small businesses across this country that are the very backbone of our economy. They hire the people, they pay the wages, they pay the taxes. They fuel the growth and the dynamism of our economy. In short, they make our economy go. Small business in this country makes our economy go.

Yet the President's proposal would raise taxes on about 1 million business owners, hurting their ability to grow our economy, hurting our ability to get those 13 million unemployed people back to work.

That is not the way to go. Very clearly, that is not the way to go. This administration's policies are making it worse. But the President says everyone needs to pay their fair share. How many times have you heard him say that? Well, of course, everyone needs to pay their fair share. But the way to do it is with progrowth tax reform and closing loopholes, not by raising taxes on some people, some businesses, and not others.

That is what we have proposed. We have proposed progrowth tax reform and closing loopholes. Let's extend the current tax rates for 1 year and set up a process to pass progrowth tax reforms that lower rates, close loopholes, are fair, simpler, and will generate the revenue to reduce our debt and deficit, along with savings and spending less—controlling government spending, but that will generate the economic growth to drive revenue, not higher taxes.

The reality is that is the only way to get on top of our debt and deficit and to get people back to work. We need economic growth to reduce the debt and deficit, along with more savings at the Federal level, controlling spending, and we need economic growth to get people working again.

That is why we have put forward our approach—a simple approach—to extend the current tax rates for another year and set up a process for comprehensive progrowth tax reform. That is the right approach. From 2000 to 2010, I served as the Governor of my State. That is the approach we took. Look at the results in our State of North Dakota. Look at the results in States such as Indiana, where that approach has been taken. It works at the State level. It will work at the Federal level. We need to do it.

I call on President Obama, as well as my colleagues, to engage in this vital effort now for the good of the American people.

With that, I yield the floor.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. MCCAIN. Mr. President, I ask unanimous consent that the Senator from Ohio, Mr. BROWN, be recognized following my remarks.

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

NATIONAL DEFENSE AUTHORIZATION ACT

Mr. MCCAIN. Mr. President, this body for 50 years has passed the National Defense Authorization Act, and for 50 years, after conference, it has reached the President's desk and been signed by the President of the United States.

There are many pressing issues that confront the Senate, the Congress, and the Nation. But I don't think we should forget that our first obligation is to secure the safety of our citizens, and that can only be done by training, arming, and equipping the men and women who are serving in the military.

Mr. President, a couple of months ago, through the Senate Armed Services Committee, we passed the National Defense Authorization Act, and it has some very important components in it to continue to support the men and women who are serving, and their families, and to provide them with the equipment and training they need to defend this Nation.

We are still in conflict in Afghanistan. We are on the brink of a crisis with Iran over nuclear weapons. We have adjusted our presence in Asia in response to the rising influence of China. The uprising in Syria threatens to spill over into neighboring countries. And, of course, the situation in Egypt is clearly one of significant question as to how the Egyptian Government and people will progress. Some would argue that in many respects the State of Israel is under more threat than at any time since perhaps the 1973 war. So we live in a dangerous world. We live in a very uncertain time. And it seems to me our priorities should be to bring the national defense authorization bill to the floor.

The bill received a unanimous vote in committee by both Republicans and Democrats. I am proud of the relationship the chairman and I have developed over many years of working together. I am confident that despite the fact there will be hundreds of amendments filed, we can work through those and work through the process, as we have in the past, and bring the Defense authorization bill to a conclusion and to conference with the House and then signed by the President of the United States. We owe this to the men and women who are serving in the military. It is not our right, it is our obligation to get the authorization bill to the President's desk.

We may have significant disagreements, but for 50 years this body has passed the Defense authorization bill and it has been signed by the President of the United States. We are in some danger of not getting this done this year when we look at the remaining weeks we have in session and the number of challenges that are before us. So I think it is time we step back and look at the requirement to pass this legislation.

I have some sympathy for the majority leader in that there is great difficulty in the way we are doing business nowadays. But I hope my colleagues on both sides of the aisle will all recognize the importance of this legislation. We must urge Members on both sides to set aside their own personal agendas and do what is necessary for the defense of this Nation.

The bill provides $525 billion for the base budget of the Defense Department, $88 billion for operations in Afghanistan and around the world, and $17.8 billion to maintain our nuclear deterrent. The bill authorizes $135 billion for military personnel, including the cost of pay, allowances, bonuses, and a 1.7-percent across-the-board pay increase for all members of the uniformed services—something I think all of us would agree is well-earned. That is, by the way, also the President's request. It improves the quality of life for the men and women in the Active and Reserve components of the All-Volunteer Force and helps to address the needs of the wounded servicemembers and their families.

As we and our NATO partners reduce operations in Afghanistan, the importance of transitioning responsibility to Afghan forces increases, as does the need to provide for the protection of our deployed troops. This legislation provides our service men and women with the resources, training, equipment, and authorities they need to succeed in combat and stability operations. It enhances the capability of U.S. forces to support the Afghan National Security Forces and Afghan local police as they assume responsibility for security throughout Afghanistan by the year 2014.

Weapons systems modernization is essential to the future viability of our national security strategy, and this legislation provides for substantial improvement of legacy ships, aircraft, and vehicles, while authorizing research and development investments to ensure our troops remain the best equipped in the world. The bill authorizes the President's request for missile defense and accelerates support for our allies, including the joint U.S.-Israeli cooperative missile defense programs, such as the Arrow weapon system and the David's Sling short-range missile defense system. It also provides multiyear procurement authority for the Chinook helicopters, V–22 aircraft, Virginia-class submarines, and Arleigh Burke-class destroyers, reflecting estimated savings of more than $7 billion over 5 years. And none of this can take place unless we pass the authorization bill.

The committee also sought to improve the ability of the armed services to counter nontraditional threats, including terrorism, cyber warfare, and the proliferation of weapons of mass destruction. I believe the key battlefield of the 21st century will be cyber warfare, and I am concerned about our ability to fight and win in this new domain. To improve the Defense Department's cyber capabilities, this legislation consolidates defense networks to improve security and management, which will permit personnel to be reassigned to support offensive cyber missions, which are understaffed.

The issue of nuclear proliferation is addressed, and other programs to counter the flow of improvised explosive devices and curtail the trade of worldwide narcotics are authorized in this bill.

Especially important are provisions to enhance the capability of the security forces of allied and friendly nations to defeat al-Qaida, its affiliates, and other violent extremist organizations. The Armed Services Committee extended the Defense Department's authority to train and equip forces in Yemen to counter al-Qaida in the Arabian Peninsula and forces in east Africa to counter al-Qaida affiliates and elements of al-Shabaab.

To ensure proper stewardship of taxpayer dollars and compliance with law and regulation, the bill promotes aggressive and thorough oversight of the Department's programs and activities. This includes adding funding for the Department of Defense inspector general. The Department of Defense inspector general reviews resulted in an estimated $2.6 billion in savings in 2011—a return on investment of more than $8 for every $1 spent. The committee mark also codifies the 2014 goal for the Department of Defense to achieve an auditable statement of budgetary resources.

Further, it improves the cost-effectiveness of DOD contracting by limiting the use of cost-type contracts for the production of major weapons systems. In addition, the bill includes a series of wartime contracting provisions drawn from the McCaskill-Webb bill implementing the recommendations of the Commission on Wartime Contracting. In that vein, the bill enhances protections for contractors that blow the whistle on waste, fraud, and abuse in defense contracts.

Finally, this legislation requires the Secretary of Defense to submit a detailed report to Congress on the impact budget sequestration will have on military readiness and national security. Similar legislative language has been passed twice by this body and by the House of Representatives. The Congress does not yet have an accurate understanding of the implications of sequester beyond an assertion that the cuts would be ''devastating,'' which is the word used by Secretary of Defense Leon Panetta and nearly every other defense official we have queried. We must have this information as we begin the work of developing a balanced approach to deficit reduction that replaces sequestration with a responsible plan for getting our Nation's finances in order.

I want to repeat, Mr. President, that for 50 years, I am proud to say—and in the years I have been in this, obviously—we have successfully authorized the programs and policies of the Department of Defense. I am proud of what this committee has done. I am proud of what the Senate has done. I am proud of what the Congress has done and the Presidents these pieces of legislation have come before for their signature. Let's not allow the anticipation of an election to hinder our ability to act in the interests of the men and women who are so bravely serving our Nation.

I hope the majority leader, in consultation with the Republican leader, will come to an agreement so that we can have a date certain. And I can assure the leadership on both sides that Senator LEVIN and I will again be able to expedite this process, allowing amendments and debate as they are called for and at the same time come to a successful conclusion and make this the 51st year we have succeeded in doing what is necessary to fulfill our most solemn and important obligation, which is to do everything within our power to ensure the security of this Nation.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant bill clerk proceeded to call the roll.

Mr. BROWN of Ohio. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mrs. HAGAN). Without objection, it is so ordered.

VETERANS RETRAINING ASSISTANCE PROGRAM

Mr. BROWN of Ohio. Madam President, I rise to address a problem facing too many communities across the country, including small towns and big cities, suburbs and remote rural areas.

Servicemembers who have risked their lives protecting our Nation shouldn't have to wonder whether they will be able to find a job when they leave the service. Unfortunately, far too many do.

On Monday, I was in Youngstown in northeast Ohio speaking to Army veteran Pedro Colon. He is one of the first Mahoning County area veterans to be approved for VRAP.

VRAP is a particularly important program for veterans in this country. It stands for Veterans Retraining Assistance Program. We just authorized it under the VOW to Hire Heroes Act. I am the first Ohio Senator ever to sit on the Veterans' Committee for a full term, and I take that responsibility seriously. One of the outreach training efforts put together by Senator MURRAY in the Veterans' Committee is VRAP.

Mr. Pedro Colon, Jr., is a high school graduate in his early fifties. Even though he served in an Army medical laboratory as a specialist, civilian employers wouldn't accept his military training experience. As the Presiding Officer knows, having such a huge military presence in her State, in many cases employers are reluctant to hire veterans. Perhaps they are afraid they haven't been tested for PTSD or, for whatever reason, employers far too often seem reluctant to hire veterans. We know the unemployment levels are higher among veterans than they are the rest of the population. We know there is a particular problem for veterans who are a little bit older, who, as in the case of Mr. Colon, are middle-aged. We also know sometimes veterans, particularly if they came out of high school and went directly into service, might not know when leaving the service how to apply for a job, how to do a resume, all the things people learn to do when they are stateside in the civilian workforce.

Because of VRAP, Mr. Colon will study at the Mahoning County Career and Technical Center, beginning in September, to train to become a medical assistant—something he knows something about from his military service but was not certified and, unfortunately, unemployable in that field.

We have a responsibility to the Pedro Colons of the world to do something about these thousands of older veterans who are jobless or unemployed. VRAP is for veterans 35 to 60. The GI bill—which most of us in this Chamber supported earlier—helped those returning servicemembers a little bit younger than 35, not as much as it should have but in a significant way. But for many who, similar to Mr. Colon, are older than that, the opportunity to benefit from much of the GI bill has expired.

As we invest in our servicemembers in times of war, we should do so when they return to their communities, when they hang up their uniforms, and when they embark in the next phase of their lives.

We have a role to play, and this is a case where government can step in and help the private sector do what is right to serve those veterans who served us. That is why the Veterans Retraining Assistance Program—which is a joint Department of Veterans Affairs and Department of Labor training initiative—is so important.

Last year Congress passed and President Obama signed into law the VOW to Hire Heroes Act, which honors our government's obligation to our veterans. VRAP, a component of that law, provides unemployed veterans between the ages of 35 and 60 the opportunity to pursue training for new careers in high-demand occupations.

As of July 12, some 33,000 applications have been received nationally for the VRAP. The program was limited to 99,000 participants through March 31, 2014. All of us must do everything we can to spread the word to eligible veterans. The number was restricted to 99,000 and the expiration date was set at March 31, in large part, so we could see how this program worked, we could measure it and we could reintroduce it and continue it, if it is as effective as I and as most of us on the Veterans' Committee think it will be.

Tony Blankenship, another Ohioan from Martins Ferry in Belmont County on the Ohio River in eastern Ohio, across from Wheeling, WV, was an unemployed iron worker and plans to study at Belmont College for a career as a medical assistant.

There are hundreds of different kinds of jobs and tens of thousands of slots for people to sign up. In my State, they can go to the Veterans Service Commission. Ohio is one of those lucky States—not every State does this—that has a Veterans Service Commission funded by taxpayers in local communities. Every county seat, I believe, has a veterans service officer and a Veterans Service Commission, the chief function of which is to serve returning veterans with health care, education, and a whole host of issues, such as job training, for instance, that a veteran might deal with.

So programs such as VOW to Hire a Heroes Act and VRAP are not only about opportunities for veterans; they are about helping businesses strengthen our economy by meeting the demand for high-skilled workers. We are seeing businesses leverage public and private resources to hire veterans and expand operations. I met with veterans and veterans advocates from Dayton and Dublin to Mansfield, Chillicothe, Cleveland and Columbus and lots of places around my State to talk to them about how we can partner to help businesses hire unemployed veterans.

In North Canton I worked with the Chesapeake Energy Corporation to convene a job fair for Ohio veterans seeking employment as equipment operators, truckdrivers, electronic technicians, and other high-demand careers, perhaps in the shale development industry.

In Cleveland State University's SERV Program, staff discussed their national model of helping servicemembers and veterans transition to civilian life through education and workforce training.

At a roundtable I did on Veterans Day at Cleveland State 4 or 5 years ago, I talked to veterans and to school administrators about the importance of integrating service men and women who have recently left the military back into the classroom, thinking about the 25-year-old young man or woman who had been in combat in Iraq sitting in class next to an 18-year-old suburban young man or young woman who had no idea of the kind of life experiences the veteran, only 6 or 7 years older chronologically but much older in what he or she had seen in combat. Cleveland State has figured this out, as has Youngstown State, and they have been national models for ways of integrating these service men and women back into the classroom to be able to go out into the workforce.

In Columbus, where I held a field hearing on veterans unemployment in December, the Solar by Soldiers Program is hiring veterans to install energy technology.

We need to spread the word about training programs, such as VRAP, that will help provide our veterans with the necessary skills to find good-paying jobs. It is part of our job to serve those who have served us so faithfully and so well.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant bill clerk proceeded to call the roll.

Mr. RUBIO. Madam President, I ask unanimous consent the order for the quorum call be rescinded.

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

THE ECONOMY

Mr. RUBIO. Madam President, it is always good to see the gallery full, people in town visiting this process, this week in the Senate. We have actually had a pretty interesting week. We have had a chance to talk about the economy and taxes, something I wish we had spent more time talking about in the months since I got elected last year to the Senate. In a few moments, later this afternoon we will have a vote on a

bill that has been called a tax cut bill. The problem with it—and I want people watching here who are maybe not fully familiar with the process, a process I am still learning, to understand—what is going to happen is Republicans had a bunch of ideas we wanted included. We probably were not going to win those votes. We are not the majority. But we wanted those ideas to be discussed, and instead we have been told that cannot happen, that the majority is going to pick which of our ideas they want to listen to and the others will be put aside.

The problem with that is the people of Florida sent me here and, just like there are 99 other people who serve here, they have a right to have their voice heard. Unfortunately some of the ideas we have offered will not get a vote, and therefore we will not be able to move forward on that bill as a result. One of the only things the minority party can do in this process here in the Senate to ensure our voices are heard is ensure we are not going to allow legislation to move forward unless the rights of the minority are respected because, after all, we represent Americans as well who have different ideas than the majority and have a right to have their voices heard. I hope we get back to a point where the Senate works the way it was designed to work—the Senate I ran to be a part of, not the Senate we are part of here today.

I do think what has been good about this week is we have had a chance to talk about the economy. I know people at home are hearing a lot about the economy, about jobs and about the debt, so I am trying to make some sense of it for folks calling our office. One of the best ways to do that is come here on the floor of the Senate and be able to speak about these issues, not just to the people sitting here today but to the folks who are going to watch back at home or later on on YouTube or wherever this video might be available to them.

What I want to talk a little bit about today is the debt and what that means. What it basically means is the Government of the United States borrows money to pay for our costs because we spend more money than we take in. The Federal Government, your government, spends more money every year than it takes in in taxes and other fees. The only way it can get the money to pay for these things is they have to borrow it by selling something called bonds. They sell this debt that we have to pay back over the years. That is how we fund our Government. Unfortunately, almost a third is funded in that way. What has happened over the years is because we have spent consistently more than we have taken in—that is called the deficit. Every year when you spend more than what you take in, the annual amount you owe is called the deficit, but it starts building up something called the national debt. Today we owe about just over $15 trillion of money that we are going to have to pay back. Let me correct that—that you are going to have to pay back through your taxes now and in the future. In fact, your great-grandchildren are going to have to pay it back. That is the national debt. The problem with the national debt is it has become an enormous part of our national economy. It has grown to a very dangerous level as a percentage of our overall economy.

What is the way to solve it? The only way to solve it is growth. The only way to solve this problem is to grow our economy. If our economy grows, then the debt becomes smaller as a percentage of our overall economy. Think of it almost as a pie. If the pie gets bigger, the slice gets smaller if you keep it constant. It is the same thing with the debt. If we can keep the debt constant and we can grow the economy, then our debt becomes less problematic. That is the solution to this problem.

As a point of emphasis, let me tell you, let's suppose we wanted to get back to what our debt was in 2007. We want our debt to be what it was in 2007. In order to do that, we would have to come up with over $1 trillion this year to get us back to what our debt was as a percentage back in 2007. It basically means we would have to come up with that permanently. The functional reality is that to do that we would either have to double everybody's taxes or we would have to cut close to a third of our budget right now.

The point is, we cannot tax our way out, cut our way out of this issue. Definitely there have to be cuts. But we cannot cut our way out of this and we certainly cannot tax our way out of it. If you double the tax rates in this country, which is what you would have to do to get us back to 2007, No. 1, you would trigger a massive recession. I mean the economy would stop. But, No. 2, it would be impossible to collect it. It is unrealistic.

I am citing those numbers to give an example of why we cannot raise taxes. We cannot tax our way out of this problem and we cannot simply cut our way out of it either. The only solution is growth, dynamic growth—not slow growth, big growth. That is the only solution because if the economy grows, more jobs are created. If more jobs are created, you have more taxpayers. If someone is unemployed right now, they are not paying income tax. Now they get a job or get a raise at their job. Even if the rates stay the same, they are paying more taxes. Now the government has more money to pay down the debt—if it doesn't grow the government. And that has been the problem over the last few years. Our revenue has grown. The amount of money coming into the government has actually gone up. But the spending has gone up even more and that is why the deficit grows and why the debt grows. That is how growth would solve this problem. If the economy grows, more people have jobs and they get raises at their jobs. That means people get more money which leads to more growth because they spend that money and invest that money, but it also means they are generating more, but for government, and now the government has more to pay down the debt and they have to borrow less. So that is the solution. Growth is the solution, growing the economy.

How do we grow the economy faster? The economy grows because of the private sector, that is how. Real growth comes from businesses, it comes from private sector growth, from small businesses and from big businesses, from dry cleaners, from gas stations, from convenience stores, from the guy who cuts your yard and your lawn—that is growth, private sector growth.

Here is the truth. If you look at the statistics, it is undeniable. The bigger the government the smaller the private sector—because there is only so much money in the world. And the only place government gets its money is either it has to tax or borrow it from the private sector. That is—unless it is going to print more money which has a whole other set of problems we will talk about 1 day—the only way your government can get more money to grow, if it takes it from you, from the private sector. It either has to tax you or it has to borrow the money from you. Either way, it is money that the government has to take out of the private world to grow the government.

Here is what happens when you take money out of the private world. That money is no longer available to save, because if you save it you are putting it in a bank and the bank can now use that money to give you a mortgage. Or that is money you no longer have to spend, which means businesses have fewer customers and the customers they do have are spending less money.

Let me tell you the functional application of that. If you are a waiter or waitress at a restaurant and people are not spending as much because they do not have the money, they are spending it in taxes, this means they are going to restaurants less, which means you are going to make less money in both tips and wages. It may even mean your hours get cut. Millions of Americans know this reality. This is not a theory, this is a reality. If people have less money to spend, they cannot spend it at the place where you work, and if they do not have the money to spend at the place where you work, you will make less money, you will work less hours, and you may even lose your job.

The other thing the private sector can do with this money is invest it, and that is when you get growth in the economy. When a business or business man or woman makes some money and they take the money and decide, you know what I am going to do this with money? I am going to use it to grow my business or I am going to use it to start a new business. The problem is, if government takes some of this money from them, they can't do that. That is

why the bigger the government, the smaller the private sector, and the smaller the private sector, the smaller the growth, which is our only solution. That is not a theory, that is a reality. Statistics prove that the bigger the government, the higher the unemployment rate. I should have brought the chart I have that shows that every time government size and spending go up, the unemployment rate goes up. Why? For the reasons I just explained. That money the government used to grow came out of the private sector. That is money businesses now don't have to invest or spend.

Let me talk about another place where it hurts. The higher the government, the worse the stock market does. Why is that? I will explain why. People buy stock on the hope that they can make a profit on that stock in the future. The problem is that the more the government spends, the higher the taxes will have to be in the future to pay for that. So if people think taxes in the future are going to be higher and therefore their chances for making money on stock are going to be less, they are not going to buy stock.

Here is the problem. When people buy shares of stock, what they are basically doing is investing money in companies. They are investing money in companies so that the company can grow and make more money, and then the company pays back a profit. But if people are no longer willing to invest money in companies, those companies cannot grow. If those companies cannot grow, that is where people become unemployed, that is where people's hours get cut, and that is where new jobs are not created. It is also why kids who are graduating from college can't find a job. The money has to come from somewhere, and the bigger the government, the less that is available in the private sector to grow. These are facts.

Now, what are the arguments around here? Well, the Bush tax cuts are the existing Tax Code. The Bush tax cuts led to this debt. Well, George Bush cut taxes, and as result the government didn't generate enough money, and that is why we have this debt.

That is false. Our government has grown impressively over the last decade. The problem is that the amount of money we spent has grown even faster.

Listen, it doesn't matter if you get a raise. If you get a raise but your spending grows by even more, you are not going to notice the difference. If you get a $10,000 raise but you buy something that costs $20,000 more than what you are spending now, you are going to owe more money. That is what we have done here in Washington—certainly before I got here.

By the way, both parties are to blame. Unfortunately, this is a bipartisan debt, and what has happened is that even though the government has generated more money, it has spent even more. So it is not the Bush tax cuts. That is just not true.

The fact is we have a spending problem. Let me explain what is so dangerous about this spending problem. The Federal Government has grown fast in the past. We have had periods like this before. Let me tell you when they were: the Revolutionary War, the Civil War, World War I, and World War II. During those four periods, government spending grew really fast. But here is the difference: When the war was over, the war was over. The war happened, we won World War II, and things went back to normal. The difference now is that this is not because of a war, this is because we have grown the government. This is permanent. That is the difference between the spike in spending and the other spending in the past. This spike in spending is permanent. That means it is here to stay unless we change. There is no going back to normal.

We have a serious problem, and I have explained why the debt hurts everyone at home. If you are unemployed, if you are underemployed, if you are working twice as hard and making half as much, the debt is part of the problem because the government has taken money out of the private sector. It is money that used to go to you and is now going to the government now and in the future. So the debt is part of the reason why the economy is not growing and why jobs are not being created.

At the end of the day, we cannot tax and simply cut our way out of this. Let me be clear. There are places to save money. I promise, the Federal Government wastes money. We should find that, and we should eliminate it. It is never a good idea to waste money. But we can't just cut our way out, and we certainly can't tax our way out of this debt problem. We have to grow our way out of this debt problem. We have to grow our economy out of it, not our government out of it. The only way to grow our economy is for the private sector to grow, but the evidence is clear that the bigger the government, the smaller the private sector. So therein lies the answer.

When we talk about holding constant and lowering the size of government, it is not some ideological talking point. This is not some conservative-versus-liberal talking point. This is evidence-based. This a fact, and the statistics are clear that the bigger the government, the higher the unemployment rate. The bigger the government, the worse the stock market performs. The bigger the government, the less money there is available to create jobs in the private sector, start new businesses, or grow existing businesses. That is why we have to shrink the size of our government. The sooner we do it, the better we are going to be, and that is what I hope we will work on here in a bipartisan fashion. Both parties helped to create this situation, and now I hope both parties will help to work to solve it.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. REID. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

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

SMALL BUSINESS JOBS AND TAX RELIEF ACT

Mr. REID. Madam President, I ask unanimous consent that the Senate now resume consideration of S. 2237, the Small Business Jobs and Tax Relief Act; that the time until 2 p.m. be equally divided between the two leaders or their designees; that at 2 p.m. the Senate proceed to a vote in relation to amendment No. 2524; that immediately following the disposition of amendment No. 2524, the Senate proceed to vote on the motion to invoke cloture on the substitute amendment No. 2521; that if cloture is not invoked on the substitute amendment, the Senate then proceed to vote on the motion to invoke cloture on S. 2237; that if cloture is invoked on the substitute amendment, all postcloture time be yielded back, the substitute amendment be agreed to, and the Senate proceed to vote on the motion to invoke cloture on S. 2237; that if cloture is invoked on the bill, all postcloture time be yielded back and the Senate proceed to vote on passage of the bill, as amended, if amended; that if cloture is not invoked on S. 2237, the bill be returned to the calendar; further, that there be no other amendments or motions in order to the amendments or the bill prior to the votes other than motions to waive or motions to table; that there be 2 minutes equally divided between the votes and all after the first vote be 10-minute votes; and finally, that the Senate then resume the motion to proceed to Calendar No. 446, S. 3369.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

A bill (S. 2237) to provide a temporary income tax credit for increased payroll and extend bonus depreciation for an additional year, and for other purposes.

Pending:

Reid (for Landrieu) amendment No. 2521, in the nature of a substitute.

Reid amendment No. 2522 (to amendment No. 2521), to change the enactment date.

Reid amendment No. 2523 (to amendment No. 2522), of a perfecting nature.

Reid amendment No. 2524 (to the language proposed to be stricken by amendment No. 2521), of a perfecting nature.

Reid amendment No. 2525 (to amendment No. 2524), to change the enactment date.

Reid motion to commit the bill to the Committee on Finance, with instructions, Reid amendment No. 2526, to change the enactment date.

Reid amendment No. 2527 (to (the instructions) amendment No. 2526), of a perfecting nature.

Reid amendment No. 2528 (to amendment No. 2527), of a perfecting nature.