

We need a clear Federal infrastructure blueprint to help county commissioners, to help contractors and cities, to help statewide departments of transportation lay the groundwork to plan, to assess local needs, to hire more employees, to make the decisions necessary to encourage economic growth.

In addition to the short-term approach that I think this bill has, I am concerned with some of the policies included in this proposal. With the increased funding for discretionary proposals, grant programs such as the Federal TIGER grants and now the infrastructure bank, the message being sent to the States is that Washington bureaucrats will set the priorities. Our entire infrastructure network is in desperate need of comprehensive updating that refuses to be put off any longer. We need to refocus all our efforts on the modes of transportation, the flexibility between them. Why we continue to rely on fragmented programs makes no sense to me or lots of other people. The answer is not to continue writing blank checks to the administration and then hope that the people who will make the decision—with zero accountability, zero liability—will somehow make that in the best interests of all of our States. We need to do the hard work of crafting and investing in a formula that works for the future.

Chairman BOXER and Ranking Member INHOUE have been working hard putting together a new reauthorization bill. I wish it were a 6-year bill, not a 2-year bill. But I tell you, a 2-year bill has fewer opportunities for success than a 6-month bill that will go away before it is able to do any good.

I look forward to starting the work. I hope we stop taking time on things that will not get work and start solving the problems that have to be solved for the country that have private sector job recovery that we need to be prepared for the next century, as people in this body looked in the 1950s to see that we were prepared for the last 50 years of the last century.

I suggest the absence of a quorum.
The PRESIDING OFFICER. The clerk will call the roll.

The assistant editor of the Daily Digest proceeded to call the roll.

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 I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. GRASSLEY. Mr. President, most every Republican in this body and probably outside of this body would admit that President Obama inherited a very bad economy by the time he was sworn in. The only thing is, by every measure of the economy, this economy is much worse now than what he inherited.

The Obama economy is bad because there is a prospect of taking more money from the American taxpayers with the biggest tax increase in the history of the country next year; and many brand new regulations that are

very costly to the economy. Particularly small businesses do not know where they are going to be hit next and where their costs will be.

We have this big budget deficit that is a damper on the economy. In every respect, things this administration are doing are putting a wet blanket on the economy. We have wrongheaded energy policies as well.

We hear the President say, when he puts forth his jobs bill, touring the country in his bus: Pass this bill right now. Pass this bill right now. We have had some experience with efforts to pass bills "right now." They got passed, like the stimulus bill, 1 month after he was sworn in, which was supposed to keep unemployment under 8 percent. But it has never been under 8 percent since 1 month after that time. We have to pass the health care reform bill "right now." And the health care reform bill was passed that very first year when the other party controlled everything, all three political branches of government. They had everything their way. And it was passed "right now."

We are finding out that passing something right now is not the way to do business, particularly if it is done in a partisan way. I think the extent to which the President would lead instead of being on the fringe would help this process along, because he is the only elected official in this country who speaks for the national voice. Each one of us representing our constituencies has a national perspective, but we also have to be worried about the needs of our constituents.

Let's go to what the latest effort is of this President to turn this economy around his way and get this bill passed "right now."

Just a few weeks ago, the Senate considered a so-called jobs bill that would have provided \$35 billion of the \$447 billion for the purpose of creating or saving jobs for teachers and policemen and firefighters. This bailout was included by President Obama in this \$447 billion stimulus bill No. 2 that he proposed in his speech before Congress this September.

When it became apparent the Senate leadership didn't have the necessary votes for the whole package, then Majority Leader REID chose to move this bill in parts instead of in one big package. Most of the reason he had to do that is because people in his caucus were not ready to vote for big tax increases or taking more money away from the American people and sending it to Washington.

Proponents of that bill argued that this \$35 billion bailout was necessary to prevent the layoff of teachers and public safety employees. Don't forget, this isn't the first time the Senate has considered this type of bailout because it was that bailout that just had to pass "right now," in February of 2009, which was supposed to keep employment under 8 percent. That was the \$814 billion stimulus bill Congress en-

acted in early 2009. It included bailout money for State and local governments.

That is one of the reasons it didn't work, because whether it is the State, local, or Federal government, governments consume wealth. They don't create wealth. When we put half of that \$814 billion bill into public employment, it doesn't create jobs. That money should have been used to stimulate private sector employment.

President Obama stated that bill would save or create up to 4 million jobs over the following 2 years. That bill was supposed to create or save 150,000 jobs for teachers, nurses, firefighters, and police officers according to our President.

Then, in August 2010 Congress passed another State and local bailout, this time sending \$26 billion to States to save or create public sector jobs. At that time, Robert Gibbs, the White House spokesman, stated that this bill was "a very important proposal, particularly to ensure that 160,000-plus teachers don't get fired as a result of bad State budgets." This \$26 billion was the second effort by Congress to help States plug their budget holes while claiming that we were saving the jobs of teachers and other government workers.

The truth is, these efforts to save State and local public sector jobs are more simply a bailout of State and local governments that have failed to rein in their own spending. State and local governments became addicted to tax-and-spend big government policies, and Federal bailouts have only aided the addiction.

Rather than making the necessary and difficult budget decisions, these State and local governments come to rely on the spendthrift behavior of their Congress to spend more and plug budget holes. Nationally, the debt held by States is approaching \$3 trillion. That doesn't even figure in unfunded pension liabilities. Some of the States in the worst trouble are Massachusetts, Rhode Island, New York, New Jersey, Connecticut, Illinois, and California. The increase in debt has had a significant impact on their budgets or on their bond rates and their ability to find competitive bond rates and competitive financing.

The free-spending State legislatures, coupled with a huge public work force, have driven up the cost of doing business in these States. It has negatively impacted their unemployment rate and their economic growth.

For much of the history of our country, States have been responsible for financing their schools, police, firefighters, first responders, and other public employment. We know that throughout the 224-year history of our country most of the time these State and local governments have done a pretty darn good job. States that have done well have grown economically and attracted more jobs. With economic

growth we are going to have more taxpayers. What this country needs is more taxpayers, not more taxes.

States that haven't managed their budgets well have had, as you might expect, the opposite result. This competition among States has created a system that demands and rewards good government and, in the process, attracts employers and workers.

A Federal bailout of States upsets this balance. It rewards bad behavior and ultimately hurts the American economy. Federal bailouts eliminate the risks associated with poor economic policies. The moral hazard of Federal bailouts is that it sends a message to bad actors that there are no negative consequences for their failure to effectively govern.

At the same time, this type of Federal stimulus is ineffective at saving or creating jobs, and it does nothing to promote private sector growth. Annual Federal deficits are close to about 8 to 9 percent of GDP, and our national debt is \$15 trillion. We cannot afford to bail out States and continue to encourage poor fiscal behavior by our States.

The bailout of Democratic Governors and State legislatures—and I suppose I ought to include Republican Governors and Republican State legislatures, as well—and public employees may be good politics, but it is terrible economics and creates even worse fiscal situations. Rather than propose political solutions during this economic downturn, the President should work with Congress to find real, authentic, genuine solutions to our economic and unemployment problems.

The recession began in December 2007, and nearly 1 in 10 Americans remain unemployed today. More than 26 million Americans are either unemployed or underemployed. The policies of the past 2½ years have not worked; they have made things worse.

Now, for the benefit of people—and maybe we can't say this too often because it looks strictly partisan—but we all ought to admit that this President inherited a bad economic situation. It is nothing to be proud of for a Republican President or any of us Republicans who were in office at that time. But by any measure of the economy, this President has made things worse.

The time for political documents has long past. It is time to govern, to work together, to get our economy growing again, and move the Obama economy into a bipartisan economy, at least to job creation.

For those who are unemployed, it is a depression. It is time we did something to help turn this situation around. Private sector employers need an international trade agenda that opens new doors to sell U.S. agricultural goods and manufactured products and services. Obviously, I am glad the President finally sent to the Senate three trade agreements and that they were passed last month. They were delayed, though, unnecessarily for years, and the rest of the world is moving

ahead without us. We are more than capable of increasing exports, but we need the markets to do it. It is very simple. Why worry about exports? Because only 4 percent of the people on the face of the Earth live in the United States. The other 96 percent live outside the United States. Who are we going to market to, the 4 percent? Yes. But if we are going to expand our economy, we are going to have to market to the other 96 percent.

Thank God, President Obama has set an agenda that he wants to double exports. But in order to reach this goal and do everything possible to generate economic activity and opportunity in the United States, the President needs to move forward on other job-generating and trading initiatives without delay.

It is time to put an end to job-killing Federal regulations—as I move on to a new subject of why the economy is not so good. New regulations from EPA, the Department of Labor, National Labor Relations Board, and others are making it harder for businesses to grow. Understand that I said "new" regulations. I think sometimes people, when they hear us talk about a moratorium on regulations, they think we ought to take all of the present regulations off the books. They may not necessarily be good, but the economy has accounted for them already.

When we have 9.1 percent unemployment, and we have all these new regulations coming out—66,000 pages of new regulations so far just this year—that just makes it very hard to decide whether we ought to hire somebody—particularly, for small business.

Remember, small business creates 70 percent of the new jobs and about 25 percent of all employment in America. In some cases, new regulations are actually destroying jobs. With unemployment at 9.1 percent, it is time for the Federal bureaucracy to stop harmful, job-killing, new regulations.

What we are calling for is not to stop ever regulating into the future, but to put a short-term moratorium on regulations so that people have a chance to get us out of the hole we are in with this 9.1 percent unemployment—let's say a measure of getting unemployment down to 7 percent before we have new regulations.

It is also time to develop domestic energy resources that will create jobs while increasing domestic energy supplies. Nobody seems to be very concerned about spending \$830 million every day—just in case that sounds phenomenal, \$830 million a day is the amount of money we send overseas to bring oil into this country. That is a terrible subsidy to the volatile Middle East, which wants to train Americans to kill us or to reward Hugo Chavez, who badmouths us almost every day.

We need to make more energy available, driving down prices, making our country more energy independent. The President's energy agenda is moving us backward because of not enough em-

phasis on the fossil fuels that are available in this country. It was only 3 years ago that natural gas was \$14, \$15 per unit because we thought we were using it all up in America. Recent discoveries tell us that we have natural gas for maybe 100 years. It is down to around \$4 or \$5 now per unit.

But it is not a case of finding fault with the President on green energy because whatever source of energy we have, if we want a growing economy, we are obviously going to use more energy. We just must use it more conservatively. We ought to encourage conservation, and we should also encourage the use of fossil fuels wherever it can be found. It ought to encourage all sorts of green energy, and that is all the biofuels we in the Midwest talk about—the wind energy that my State is second in production of, and it is also solar, biomass, cellulosic, biofuels, all of the above.

I said conservation, and I guess the fourth one would be nuclear energy. It is time to change course and develop energy sources at home and create jobs in the process.

Finally, in 2009, President Obama said we don't raise taxes in a recession. He stated his position clearly: The last thing you would want to do is raise taxes on anyone during a recession because it would harm businesses and economic growth. We know when he said that unemployment was under 8 percent. So if we have 9.1 percent unemployment now and will for quite a bit into the future, aren't we still in a recession? So isn't the President's own benchmark the benchmark we ought to be using yet today? Yet we have the biggest tax increase in the history of the country—taking more money away from the taxpayers and sending it to Washington—coming up next year.

Wouldn't it do a great deal of economic good if this President said exactly what he said about the time he was sworn in; that we shouldn't increase taxes during a recession. Yet we have all these jobs packages put before the Senate that include job-killing tax hikes. That is why they have been received with bipartisan opposition. To those who say the packages the President has proposed have been killed by Republicans, one of the reasons the majority leader had to change the President's tax packages for a vote here a couple weeks ago is because there is opposition within his own conference about that. A few courageous Senate Democrats have consistently said no to their leadership when it comes to raising taxes on small business and other job creators.

The only bipartisanship we have seen so far is the bipartisan opposition to ill-conceived political documents. The Democratic majority needs to get serious about addressing our economic problems. It is time to consider policies that will get people back to work without harming the economy. It is time to stop the political aspects of this debate. The best way to do that, it

seems to me, is to look at the other body—controlled by Republicans—that has passed 15 pieces of legislation that will help turn this economy around. We haven't taken up any of them, although I think we are about ready to take up, thank God, one of the 15 that is referred to as the "3-percent withholding." Unemployed Americans need to know we are going to do something to help create jobs and grow the economy, and taking up more of those 15 bills would be getting something done in a bipartisan way. Unfortunately, so far the Democratic majority and President Obama are more interested in political strategies than creating jobs and economic growth. The only reason I say that is it seems to me there is little intellectual honesty on the part of the President when in a speech given to a joint session of Congress one evening—as he did in September—he would plead for bipartisan support and then, the very next day, go out on the road on a political venture and say he can't get the cooperation of the Republicans—pass that bill right now.

I yield the floor, and 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. HARKIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. HARKIN. Mr. President, later this week—I assume sometime tomorrow—the Senate is expected to vote on the Rebuild America Jobs Act. This is a practical, commonsense piece of legislation that does two urgent and important things: It will help to modernize America's crumbling infrastructure, and it will help to put Americans back to work and get our economy going again.

Not surprisingly, this bill enjoys overwhelming popular support among the American people. Every day, Americans see the infrastructure crisis with their own eyes. They see interstate highways increasingly overwhelmed—potholes everywhere. They see bridges and overpasses that are structurally unsound and in danger of collapse. Need I mention the gridlock in some of our major cities because of inadequate roadways and access points for automobiles? China and Brazil are building world-class seaports, while ours are left over from early in the last century.

We know we need to make major Federal investments in modernizing America's infrastructure, so why not do it now, at a time when our Nation is suffering from the most protracted period of joblessness since the Great Depression. The construction sector is the hardest hit part of our economy. We can put those people back to work renewing our infrastructure and, again, as I said, boosting our economy.

Why aren't we doing this? The answer is, Republicans have made it clear

they intend to block this legislation tomorrow, just as they have blocked so many other bills designed to put Americans back to work and get the economy moving again. They filibustered and killed the American Jobs Act. Two weeks ago, they filibustered and killed the Teachers and First Responders Back to Work Act. It seems to me if the word "no" were removed from the English language, our Republican friends would be rendered speechless.

Let me state the obvious. The word "no" will not put 28 million Americans back to work. The word "no" will not allow us to strike a balanced agreement to bring deficits under control. The word "no" will not allow us to undertake a robust program to modernize our transportation system.

The job-creating investments in this bill are fully paid for with a tiny fractional tax on the richest of the rich in the United States. These wealthy Americans would pay a 0.7-percent surtax on incomes in excess of \$1 million a year. Let me repeat that. This infrastructure jobs bill we will be voting on tomorrow, which the Republicans have indicated they are going to filibuster and kill, is fully paid for with a 0.7-percent surtax on incomes in excess of \$1 million a year. If those making more than \$1 million a year even noticed such a negligible tax, I would be astonished. Still, the Republicans say no.

Let's put this in context. Just last week, the nonpartisan Congressional Budget Office reported that over the last three decades the aftertax income of millionaires and billionaires increased by 275 percent. That is correct. The Congressional Budget Office said over the last three decades the aftertax income of millionaires and billionaires increased 275 percent. During the same 30 years—the same three decades—the average take-home pay of middle-class workers in America actually declined. So is it any wonder the middle class is upset when they see what has happened to them over the last 30 years—flat, slightly declined in terms of their living standards and their income—while the superrich increased their take-home by 275 percent.

The top 1 percent of income earners in America now take home more than half of all the money earned each year in America. Again, that needs repeating. The top 1 percent of income earners in America take home over half of all the money earned in America every year. Mind-boggling, isn't it? Mind-boggling. Yet Republicans adamantly oppose any tax increase on these people—even 0.7 percent—which would go toward the infrastructure of America and putting people back to work.

Certainly, no one questions the solicitude of Republicans toward the rich and the superrich. I just wish they would show even a fraction of that concern on behalf of the besieged middle class in this country. Republicans on this so-called supercommittee are willing to block all progress in order to prevent any tax increase at all on the

rich, but they are demanding—demanding—deep cuts to Social Security, Medicare, student loans, and other Federal programs that undergird the middle class in the United States. Meanwhile, Republicans in the Senate continue to block the bills we have proposed in order to put people back to work and get the economy moving again.

Some pundits have speculated that, for political reasons, Republicans are deliberately blocking any legislation that would boost the economy or create jobs because that would make President Obama maybe look good. These pundits point out the Senate's minority leader has been explicit in stating that his No. 1 priority is to prevent the reelection of President Obama. So many of the pundits say that, to the extent Republicans can prevent us from doing anything—keep this place in gridlock, keep us from having a jobs program—and the economy gets worse, then they will say to the American people: See, President Obama is not doing his job. The economy is getting worse.

I just heard my colleague from Iowa. In his speech, he was at least honest enough to say President Obama had inherited a bad economy. That is true. He admitted that. My friend from Iowa, my colleague, went on to say, however, that President Obama has made it worse; that he hasn't improved anything over the last 2½ years; that his plan hasn't worked.

I daresay it is the Republicans who have been blocking anything we could do to put America back to work, including their voting no tomorrow, which I understand they will, in order to prevent us from getting this infrastructure and jobs bill through.

A more charitable explanation is Republican ideology is simply that government can't create jobs. This may be a sincere belief of most Republicans, but I must point out it is sincerely wrong. Across our Nation's history, an often visionary Federal Government has funded and spearheaded initiatives that have expanded private commerce, given birth to countless inventions and new industries and created tens of millions of jobs in the process.

Let's take a look at history. One of the most visionary advocates of Federal investment to create jobs was, believe it or not, the father of the Republican Party—Abraham Lincoln. Despite the disruption of the Civil War, Lincoln insisted on moving the Nation forward through bold Federal investments and initiatives. For example, in 1862, he signed the Pacific Railway Act, authorizing huge Federal land grants to finance construction of the transcontinental railroad—one of the great technological feats of the 19th century. To produce the rails for this railroad, he enacted a steep tariff on foreign steel in order to get the American steel industry going.

There is a story—I don't know if it is real or apocryphal—about Abraham