

The nomination was confirmed.

The PRESIDING OFFICER. Under the previous order, the motions to reconsider are considered made and laid upon the table.

The President will be immediately notified of the Senate's action.

LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will resume legislative session.

TRANSACTION ACCOUNT GUARANTEE PROGRAM EXTENSION ACT—Continued

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

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

BUSH TAX CUTS

Mr. GRASSLEY. Mr. President, we have been hearing a lot about the so-called Bush tax cuts from my colleagues on the other side of the aisle. Given the rhetoric being used by some on the other side to describe this tax relief, I would like to take this time to correct the record.

But, first, during this talk about the fiscal cliff and about the tax cuts that sunset at the end of the year, all we have been hearing since the election is, What are we going to do about taxes? That is very significant as a result of the last election because I think it is a foregone conclusion there is going to be more revenue raised.

But if we raise the amount of revenue the President wants raised, and raise it from the 2 percent he wants to raise it from—the wealthy—that is only going to run the government for 8 days. So what will we do the other 357 days or, if we look at the deficit, it will only take care of 7 percent of the trillion-plus deficit we have every year. What about the other 93 percent?

So the point is that we can talk about taxes and taxes and taxes, but it is not going to solve the fiscal problems facing our Nation. We don't have a taxing problem, we have a spending problem. So we should have been spending the last 3 weeks talking about how we are going to take care of the other 93 percent of the problem. The President should have declared victory 3 weeks ago, and we wouldn't have had all this lost time between now and right after the election.

But I said I wanted to set the record straight. This tax relief of 2001 and 2003 reduced the tax burden for virtually every tax-paying American. It did this through across-the-board tax rate reductions, marriage penalty relief, and enhancing certain tax provisions for hard-working families, such as doubling the child tax credit.

Since the passage of this tax relief, there has been a concerted effort by my colleagues on the other side of the aisle to distort the truth about the present tax policy of the Federal Government. That tax policy has been in place for the last 12 years now. They have attempted to distort the truth behind its bipartisan support, its benefits to low- and middle-income Americans, and its fiscal and economic impact.

As one of the architects of the 2001 and 2003 tax legislation, I come to the floor to correct what I believe have become three common myths about this tax relief. The first myth is that this tax relief was a partisan Republican product. The second is that the tax relief was a giveaway to the wealthy. And the third is that the tax relief is a primary source of our current fiscal and economic problems.

First things first. We often hear the other side divisively refer to this tax relief as the Bush tax cuts. Given the rhetoric on the other side, one would think all this tax relief was forced through along party-line votes. The record proves otherwise. The conference report to the Economic Growth and Tax Reconciliation Act of 2001 passed the Senate by a vote of 58 to 33. In all, 12 Democrats voted for this legislation. Senator Jeffords, who later caucused with the Democrats, also voted for it.

As far as major pieces of legislation goes, it is difficult to find such major legislation passed with such broad support since there has been Democratic control of both the Senate and the White House. The President's 2009 stimulus bill, as an example, only had the support of three Republicans, as well as the Dodd-Frank bill. Of course, there is the health care bill, the President's signature legislation, which passed with no Republican votes.

Moreover, all the 2001 and 2003 tax relief was extended in 2010, just 2 years ago, with strong bipartisan support, and signed into law by this President. At that time—2 years ago—the Senate vote tally was 81 to 19. Now, understand, that has to be considered overwhelmingly bipartisan. So just 2 years ago we had overwhelming bipartisan support for the Bush tax cuts. Yet somehow this is a partisan measure we are dealing with. Given this record, instead of calling it the Bush tax cuts, as they are called, we really should be calling it the bipartisan tax relief.

I now would like to turn to the other side's criticism of the bipartisan tax relief or, as they say, tax cuts for the wealthy or another way they say it is it is a giveaway to the rich. This rhetoric demonstrates the difference in philosophy between this Senator and my Democratic colleagues.

First of all, a reduction in tax rates is not a giveaway to anyone. The income a taxpayer earns belongs to that taxpayer. It is not a pittance the taxpayer may keep based upon the good graces of our government. The burden should not be on the taxpayer to justify

keeping their income. Instead, it should be on us in Washington to justify taking more away from them.

Secondly, there is a tendency on the other side to view everything as a zero sum game. In their minds, if someone has more, it means someone else will have less. So I would like to quote Ronald Reagan as the best example of this attitude when he said too many people in Washington "can't see a fat man standing beside a thin one without coming to the conclusion that the fat man got that way by taking advantage of the thin one."

I believe this is what is driving the animus against the so-called wealthy on the other side. They are under the impression the wealthy got rich at the expense of someone less fortunate.

The problem with this view is that in a free economy goods and services are transferred through voluntary exchanges. Both parties are better off as a result of this exchange; otherwise, it wouldn't occur. Moreover, wealth is not static. It can be both created as well as destroyed.

At worst, the government is a destroyer of wealth. At best, the government is a redistributor of wealth. It is through the force of government the zero sum exchanges occur. It is the private sector that creates wealth through innovation and providing the goods and services we need and want.

The leadership of the other side has become fixated on redistributing the existing economic pie. I believe the better policy is to increase the size of the pie. When this occurs, no one is made better off at the expense of anyone else.

The constant rhetoric of pitting American against American based upon economic status is not constructive. It also has not been constructive to accuse those of us who support the present tax policy for all Americans as agents of the rich. And I will soon get into discussing why that isn't true, as a result of the 2001 and 2003 tax bills.

I do not support tax cuts for the wealthy for the purpose of wealth redistribution. I support progrowth policies to increase the size of the economic pie. Free market, progrowth policies are the only proven way to improve the well-being of everybody.

My objection to the other side's characterization of the bipartisan tax relief is not only a philosophical one, but it is a factual one. The truth is that the bipartisan tax relief that was voted on in 2001 made the Tax Code more progressive, not less. With all the rhetoric around here over the last 5 or 6 years, nobody believes that, so I have a chart to show that.

Since its implementation, the share of the tax burden paid by the top 20 percent has increased. Conversely, the bottom 80 percent has seen its share of tax burden decrease. Additionally, the percentage reduction in average tax rates between 2000 and 2007 was the largest for the lowest income groups.

As you can see from this chart, there is a general trend downward from the