

Mr. HOLLINGS. We are already \$76 billion in the red in addition to the \$141 billion we ended up in the red this last fiscal year. We had to listen to Alan Greenspan say, "Oh, wait a minute; we might pay off the debt too quick."

We had \$5.6 trillion and surpluses as far as the eye could see, and now what do they need to do? They need to increase the debt limit. They asked us the other day, let us increase the debt limit.

The debt limit, according to the budget and economic outlook for fiscal years at the beginning of the year, they said, and I quote: "Under those projections, the debt ceiling would be reached in 2009." That is what they told us 11 months ago, that in 2009 the debt limit was going to be reached. The first order of business when we come back in January and February is to increase the debt limit, all on account of a rosy scenario, all on account of—what do they call it?—voodoo number two.

We better sober up and start paying the bill in Washington.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

#### LACK OF ACTION ON STIMULUS BILL

Mr. GRASSLEY. Mr. President, I am happy to be able to have some time to comment on the fact the Senate is not bringing up the stimulus package. It is to my chagrin, after all the hard work Senator BAUCUS and I have put into these negotiations. Albeit what we have in front of us is not a product of a conference committee, it is still a White House bipartisan compromise, a White House Centrist compromise, that would get a majority vote of the Senate if we had actually had an opportunity to vote on it.

In normal circumstances, I would not be one to say we ought to pass a House bill. These are, however, not normal times and this is not a normal process. Some will say this is a House product that needs to be amended and debated. That assertion, while technically accurate, does not capture the essence of our situation today or right now that we are in a war on terrorism.

The House bill is really the product of an agreement between the White House and Senate Centrists so I am going to call the House bill what it really is. It is a White House Centrist agreement, if you are looking for a bipartisan, bicameral product the President will sign. The President said he would sign this. This agreement is the only game in town.

To anyone opposing this agreement, including the Democrat leadership, I ask them to show me where they are being bipartisan. All I have seen from the leadership throughout this process is an iron fist cloaked in a velvet glove.

Today, we did witness, with the objection to consideration of the stimulus package, the iron fist clothed in

an eloquent velvet glove, displayed once again, similar to what we have done on other issues like insurance and like a stimulus package earlier on.

Today that iron fist smashed the White House Centrist agreement. The American people will not be well served by the destruction of the White House Centrist agreement. All it means is that after 3 months of long meetings, committee action, floor debates, we, the Senate, will not deliver to the American people.

The House has delivered. The President has delivered. One has to wonder, then, why are we stuck? If we can get a bipartisan majority in the Senate, action by the House and a signature by the President, why does a partisan minority of the majority party decide to thwart the will of the people? Why, especially now?

Our Nation is in a state of war on terrorism. Our President is necessarily occupied as Commander in Chief to run that war. Why, on a matter of economic stimulus and aid to dislocated workers, did the President have to come to the Hill yesterday to try and break a logjam? Why did the Democratic leadership give his effort the back of their hand? Why did the bipartisan objectives go by the wayside? I will take a few minutes to talk about how we got here.

Shortly after September 11, we started out with meetings with Chairman Greenspan and other economic policymakers. For the most part, they were called by the good chairman of the Senate Finance Committee, Senator BAUCUS. In that period, right after September 11, the President took first steps and took the risk by committing to a stimulus package, fully aware we might be going in the budget "red" if we did.

We should not discount this leadership by the President. Certainly it took courage, and it was the right thing to do. Chairman Greenspan also took the lead and gave the "Greenspan green light" to pursue a stimulus package. It seemed everyone realized our responsibility was to heed the President's directive and Greenspan's advice. Both of these men said Congress should address the economic slowdown. They told us the slowdown started over 1 year ago. Subsequently, the National Board of Economic Research told us the economy might have recovered but for the September 11 attack.

The President took the lead in meeting needs of dislocated workers. He proposed extension of unemployment insurance benefits. He also proposed providing health care benefits through the National Emergency Grants.

In addition, the President proposed, as a concession to the other party, a new round of rebate collection to those who do not pay income tax.

Was there any reciprocation, any movement from the Democratic leadership? No.

President Bush, much to the consternation of many in the Republican

Party, took capital gains tax off the table because it was not well received by Democrats. Was there any reciprocation on the part of the Democratic leadership? No.

This is not to say we did not agree on some things. Bonus depreciation, for instance, was agreed to by each side. Although we did not have it in our caucus position, Republicans agreed with Democrats on liberalizing the net operating loss rules and expensing for small business.

I do not also discount the ideologically based opposition to accelerating the reduction of the 27 percent bracket, but it is amazing to me that many on the other side see taxpayers in the 27 percent bracket as rich people.

A 2 percent rate cut for single folks earning between \$27,000 and \$65,000 is seen as a tax cut for the very wealthy by the Democrat leadership. Likewise, a married couple with incomes between \$45,000 and \$109,000 are considered rich. I recognize this tax cut proposal was difficult for the Democratic leadership to accept. After a series of bipartisan, bicameral talks, the House went its own way with a bill; too heavy for me on corporate AMT. It passed by just two votes.

The Senate Democratic leadership responded in kind. The result was a Democratic Caucus partisan position paper reduced to legislation they rammed through our Finance Committee on a party line vote. That bill dead ended in the Senate. The reason is the bill was designed for partisan point making. Its partisan design was its weakness in an institution like the Senate where one only gets things done on a bipartisan basis. That design guaranteed its failure.

We could have ended there, but the President forced us back into action. Frankly, the House also yielded on a very bad bill they first passed.

The result was a quasi-conference environment to work out differences. By virtue of this quasi-conference, my friends JAY ROCKEFELLER and MAX BAUCUS, our chairman, and I spent many long hours debating the merits of economic stimulus and aid to dislocated workers. In many ways, the discussions were vigorous exchanges of views with our House colleagues. A lot of that discussion was healthy, and some of it helped move the process along.

Little real progress was made. Once again, the President intervened and endorsed the Senate Centrist position. Eventually, the House leadership came toward the Centrist position because they wanted to find a way to get a bill through the Senate, and that can only be done if it is done on a bipartisan basis. Even with movement to the Centrist position, the quasi-conference was at an impasse. Senator DASCHLE's edict about 3 weeks ago that one-third of his caucus could veto a stimulus plan came into clear focus. The sentiments of the House or White House, let alone the sentiments of Joe Six-pack out there

working every day to pay taxes, were less important than the opinion of a minority of the Democratic Senators, which would be as few as 18. The failure to obtain a super-majority in the Democratic caucus then imperiled this Centrist package, this Centrist bipartisan package.

In the end, the impasse came not from tax cuts. Republicans moved far off their priorities so that tax cuts were not the deal breaker. The impasse was not over unemployment benefits. Republicans had largely moved to the Democratic position. The impasse was not over the amount of the health care benefit package. Again, though the benefit came in the form of a tax credit, Republicans moved toward a Democratic position on the costs of health care benefits.

Bizarre as it may seem, the whole agreement broke down over some ideological position on the eligibility of people for health insurance for the unemployed through just COBRA. The impasse came down not over whether to help these workers. The White House Centrist agreement covered these workers with a tax credit. The Senate Democratic bill covers these workers with a new entitlement. Basically, a super-majority of Democrats would not agree to let laid-off workers have the choice of where they wanted to get their health care benefits. But they could still get their health care benefits with the same tax credit.

The bottom line is the White House-Centrist agreement does not meet the two-thirds litmus test set for the Democratic caucus by the leader.

One has to wonder, why leave all of these good things in the White House-Centrist agreement on the Senate cutting room floor, as just happened about an hour ago? We have before the Senate revolutionary social policies. For the first time, Members have sign-able legislation that guarantees health care benefits for laid-off workers—the biggest change in policy for dislocated workers since unemployment insurance was passed in the 1930s.

We have, in the bill that was objected to, extended unemployment benefits as we have done several times in the last 50 years. We have a robust stimulus package with 30 percent bonus depreciation. We have an extension of expiring tax provisions for 2 years. We have the victims of terrorism tax relief and tax incentives to build New York City once again.

All of these are good provisions which enjoy broad bipartisan support. They are the foundation of the White House-Centrist agreement. Yet because of this ideological fixation, all of these good things now go by the wayside until we return 1 month from now on January 23. While we are going to be enjoying Christmas, these dislocated workers who could have been guaranteed health benefits and further unemployment compensation are going to go away empty handed.

I will look at each key player in the process and see how much movement

there has been. Common sense says those who want a deal will show movement. By the same token, those who do not want a deal will not move.

Start with the President. As I said, he made several key moves. He put the dollars on the table, knowing it would complicate the fiscal year 2002 budget. He took capital gains off the table. He put the payroll tax rebates on the table. He put the unemployment insurance and health care benefits on the table. Finally, he endorsed even a plan that went much further in the case of health care benefits, from \$3 billion up to \$19 billion. That is in the White House-Centrist agreement.

When you look at the record, it is clear to me that the President of the United States wanted a deal, an economic security package for dislocated workers and to help create jobs for those who do not have jobs.

At the House of Representatives, I agree that the first bill, as I said before, from that body was too heavy on the corporate alternative minimum tax. But the chairman of the Ways and Means Committee made many gestures to the other side. For instance, he did not pick and choose among extenders. He included the payroll tax rebate that many of his Members in the other body opposed. The chairman of the Ways and Means Committee increased the resources for unemployment compensation and health care benefits. If you doubt me on the seriousness of that movement, ask many in my caucus their opinion of those proposals. If you look at the record, the House Republicans moved and ultimately ended up as part of the White House-Centrist agreement.

Senate Republicans had a caucus position very close to the President's plan. Like the President, Senate Republicans, especially our leader, Senator LOTT, constantly worked to try to get a deal. As the President moved, so did the Senate Republican caucus position move. That is in the Record.

That brings us to the last and ultimate critical player. Obviously, that is the Senate Democratic leadership. I ask, where has the Senate Democratic leadership really moved? At every stage of the process, whether it is the Finance Committee action, whether the action on the floor, or even the quasi-conference, ultimately we find this leadership position always saying "no". Everyone else was saying "yes".

Now there is a good game being talked by the other side. They say they want an agreement. That is the elegant velvet glove they are noted for, but where is the action? The action today was "no" on unanimous consent request. But look at the whole last 3 months on this issue. Where have they moved? If you want an agreement, you have to see movement. There has been none.

One has to ask, with so many good provisions in this White House-Centrist agreement, why should the Democratic leadership want to kill it? The Presi-

dent has expressed that polling data, political consultants, and union officials had a big impact on the Senate Democratic leadership strategy.

I ask unanimous consent to have printed in the RECORD an editorial from the Wall Street Journal that states in depth what the consultants say.

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

[From the Wall Street Journal]

PRESIDENT DASCHLE

One of the more amusing Washington themes of late has been the alleged revival of the Imperial Presidency, with George W. Bush said to be wielding vast, unprecedented powers. Too bad no one seems to have let Senate Majority Leader Tom Daschle in on this secret.

Because from where we sit Mr. Daschle is the politician wielding by far the most Beltway clout, and in spectacularly partisan fashion. The South Dakotan's political strategy is obvious if cynical: He's wrapping his arms tight around a popular President on the war and foreign policy, but on the domestic front he's conducting his own guerrilla war against Mr. Bush, blocking the President's agenda at every turn. And so far he's getting away with it.

Mr. Bush has asked Congress to pass three main items before it adjourns for the year: Trade promotion authority, and energy and economic stimulus bills. Mr. Daschle has so far refused to negotiate on any of them, and on two he won't even allow votes. Instead he is moving ahead with a farm bill (see below) the White House opposes, and a railroad retirement bill that is vital to no one but the AFL-CIO.

Just yesterday Mr. Daschle announced that "I don't know that we'll have the opportunity" to call up an energy bill until next year. One might think that after September 11 U.S. energy production would be a war priority. In September alone the U.S. imported 1.2 million barrels of oil a day from Iraq, which we soon may be fighting, the highest rate since just before Saddam Hussein invaded Kuwait in 1990.

But Mr. Daschle is blocking a vote precisely because he knows Alaskan oil drilling has the votes to pass; earlier this autumn he pulled the bill from Senator Jeff Bingaman's Energy Committee when he saw it had the votes. So much for the new spirit of Beltway cooperation.

We're not so naive as to think that war will, or should, end partisan disagreement. But what's striking now is that Mr. Daschle is letting his liberal Old Bulls break even the agreements they've already made with the White House. Mr. Bush shook hands weeks ago on an Oval Office education deal with Teddy Kennedy, but now we hear that Mr. Kennedy wants even more spending before he'll sign on. Mr. Daschle is letting Ted have his way.

The same goes for the \$686 billion annual spending limit that Democrats struck with Mr. Bush after September 11. That's a 7% increase from a year earlier (since padded by a \$40 billion bipartisan addition), and Democrats made a public fanfare that Mr. Bush had endorsed this for fear some Republicans might use it against them in next year's elections. But now Mr. Daschle is using the issue against Mr. Bush, refusing to even discuss an economic stimulus bill unless West Virginia Democrat Bob Byrd gets his demand for another \$15 billion in domestic spending.

Mr. Byrd, a former majority leader who thinks of Mr. Daschle as his junior partner,

may even attach his wish list to the Defense spending bill. That would force Mr. Bush to either veto and forfeit much-needed money for defense, or sign it and swallow Mr. Byrd's megapork for Amtrak and Alaskan airport subsidies.

All of this adds to the suspicion that Mr. Daschle is only too happy to see no stimulus bill at all. He knows the party holding the White House usually gets most of the blame for a bad economy, so his Democrats can pad their Senate majority next year by blaming Republicans. This is the same strategy that former Democratic leader George Mitchell pursued in blocking a tax cut during the early 1990s and then blaming George H.W. Bush for the recession. Mr. Mitchell's consigliere at the time? Tom Daschle.

It is certainly true that Republicans have often helped Mr. Daschle's guerrilla campaign. Alaska's Ted Stevens is Bob Byrd's bosom spending buddy; he's pounded White House budget director Mitch Daniels for daring to speak the truth about his pork. And GPO leader Trent Lott contributed to the airline-security rout by letting his Members run for cover.

The issue now is whether Mr. Bush will continue to let himself get pushed around. Mr. Daschle is behaving badly because he's assumed the President won't challenge him for fear of losing bipartisan support on the war. But this makes no political sense: As long as Mr. Bush's war management is popular, Mr. Daschle isn't about to challenge him on foreign affairs.

The greater risk to Mr. Bush's popularity and success isn't from clashing with the Daschle Democrats over tax cuts or oil drilling. It's from giving the impression that on everything about the war, Tom Daschle might as well be President.

Mr. GRASSLEY. Mr. President, I also ask unanimous consent to have printed in the RECORD a portion of a November 13 memo from Democracy Corps regarding the economic stimulus proposals.

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

POLITICS AFTER THE ATTACK—A REPORT ON DEMOCRACY CORPS' NEW NATIONAL SURVEY AND FOCUS GROUPS

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THE ECONOMIC STIMULUS

Voters do not currently bring a strong partisan filter to the various economic proposals being considered. Nonetheless, a majority support every Democratic proposal; in fact, two-thirds favor every Democratic proposal but one (the tax rebate). Overall, the Democratic proposal does better than the Republican—particularly those features that have led the public debate, like the Alternative Minimum Tax.

Across the Democratic and Republican packages, the strongest support is for unemployment benefits for the newly unemployed; delaying tax cuts for the wealthiest one percent in order to fund rebuilding and Social Security; funding ready-to-go infrastructure to create jobs; accelerating already scheduled broad middle class tax cuts; Cobra health insurance for the newly unemployed; and tax incentives for business if clearly linked to new investment.

The public rallies to four elements of the Democratic plan. The starting point is the immediate construction program, including airport improvements and school modernization to create jobs. That has the broadest support (85 percent) and nearly the most intense—48 percent strongly supportive.

There is strong support for delaying the tax cuts for the top one percent (those earn-

ing more than \$375,000 a year) in order to fund the rebuilding and security and to make sure we do not keep borrowing from the Social Security trust fund. Two-thirds of the electorate favors this proposal, but most important, more than half (51 percent) strongly favor it—the highest for any Democratic proposal. One person noted that they used to laugh about the "Social Security lock box." "Well, there it goes. . . . Well, that's all our money." That sentiment reverberated across the groups: "It's not their money anyhow"; "that's what we paid into for our own security, [and] that's not something they should say, well, we got this money here, we can use it however we want." And some said, "I mean don't delay, just eliminate that tax cut for these people."

Cobra coverage health care for the newly unemployed stands out, on its own, as a very important thing to do at this moment. People understand the rising cost of health care and how expensive coverage can be for anyone.

It is important to underscore that three-quarters of the public favors a Democratic proposal for business tax incentives to encourage investment in new plants and equipment. The public wants tax breaks, including for business, if the provision is linked to investment, not simply consumption. People are looking for initiatives, consistent with this new period. One of the participants observed, "The tax cut is tied to investment to encourage them to move forward, not just a blanket."

Unemployment benefits for the newly unemployed are immensely popular. When offered by the Republicans and targeted at those who have lost their jobs after September 11th, 85 percent favor the idea, including 53 percent who strongly favor it. Presented with an expansive Democratic proposal—extending benefits to 26 weeks, while raising weekly benefits and covering part-time employees—more than two-thirds support it, but less enthusiastically.

In the focus groups, many participants worried that such an expansive proposal might re-open the old welfare system. That is why the unemployment proposals should be part of a broad Democratic economic package.

On taxes, voters offer a fairly consistent posture, whether offered by Democrats or Republicans. They support business tax cuts, even a capital gains tax cut, when it includes the wording, "in order to encourage investment." Voters seem to support an accelerated schedule for tax cuts aimed at the middle class—such as the marriage penalty. But there is little enthusiasm for the tax rebate whether proposed by Democrats or by Republicans—just 56 percent. The weak reaction to the rebate reflects our earlier observations—a citizenry focused on addressing the community's crisis and long-term needs, rather than simply throwing money at individuals to consume now.

Cuts in corporate tax rates, with no immediate spur to investment, gets little support (46 percent). Repeal of the Alternative Minimum Tax, providing \$25 billion in tax cuts for large businesses wins the support of only 28 percent. When presented specifically with tax cuts for IBM, GE and General Motors, voters are simply incredulous. Now the leading element of the House Republican package, this is likely to shape public perceptions of the Republicans' approach to the economy. This may become one of the substantive elements in the public's desire to balance the President's direction.

Mr. GRASSLEY. I was not in on the meetings with the Democratic consultant, so I do not know if it is was true or not, but Members can read it and make their own determination.

The theory from the articles is the political strategy of the Democratic leadership is to covertly thwart any stimulus and aid to dislocated workers. It is good to keep these issues as "issues" to beat up on the President next year and on Republicans, particularly if the economy does not recover. If the economy does recover, what is lost except stimulative tax relief and some worker aid? Better to keep the issue than to act now is the way it turns out.

So goes the theory, then. Apply the iron fist, but do it covertly, using the velvet glove so as to escape responsibility for your actions.

I hope this is a cynical political theory, but that it is not true. If it is, and only the Democratic leadership really knows if it is true. If it is true, it is sad and it is disappointing. If true, it is politics at its worst. I only hope the articles are not true. There is no better authority on this subject than the former distinguished majority leader, Senator George Mitchell, he said it best in an interview with John McLaughlin. Senator Mitchell said: Good policy results in good politics. Not the other way around. You don't get good policy because of good politics but good politics because of good policy.

I hope the Senate Democratic leadership heeds Senator Mitchell's advice here and doesn't get it backwards. I hope the press accounts and rumors around the Hill are not true. But we will have to wait and find out. Regrettably we are not taking up this consensus economic stimulus bill. That says to the workers dislocated because of September 11, at a time when we are in a war environment, that they can not have anything for Christmas. They do not have the 13 more weeks of unemployment compensation; they do not have the additional health insurance.

To reiterate, as most of you know, Senator DASCHLE has radically modified the economic stimulus proposal that the Democrats first tried to pass in the Senate.

Surprisingly, it looks a lot like our White House-Centrist stimulus package. It has adopted many measures initially promoted by Republicans. Perhaps some good has come from all these weeks of discussion.

I'd like to talk about some of the differences between the White House-Centrist package and the altered Democrat stimulus plan.

I want to explain why I believe our bipartisan package is better for America.

Let's start with the White House-Centrist plan's tremendous commitment to displaced workers.

Our unemployment insurance proposal represents an unprecedented commitment to American workers. We would provide up to 13 weeks of additional unemployment benefits to eligible workers who exhaust their regular benefits between March 15, 2001 and December 31, 2002.

An estimated 3 million unemployed workers would qualify for benefits averaging \$230 a week. These benefits would be 100 percent federally funded at a cost of nearly \$10 billion.

Our proposal would also transfer an additional \$9 billion to state unemployment trust funds.

This transfer would provide the states with the flexibility to pay administrative costs, provide additional benefits, and avoid raising their unemployment taxes during the current recession.

The United States enjoyed a growing economy and declining unemployment for much of the previous decade. But, the economic slowdown that began last year—which was exacerbated by the terrorist acts on September 11—has resulted in substantial layoffs.

The unemployment rate has risen from 4.0 percent in November 2000 to 5.7 percent in November 2001.

By historical standards, the current unemployment rate is still substantially below the level at which Congress deemed it necessary to enact extended unemployment benefits.

Over the past 50 years, the federal government has provided temporary extended unemployment benefits only six other times. The average unemployment rate during those times was 7.3 percent.

Based on this historical record, the President originally suggested that extended unemployment benefits should be limited to those states that have a disaster declaration in effect as a result of September 11, or have a 30 percent increase in their unemployment rate.

However, a number of our colleagues on both sides of the aisle insisted that we provide immediate assistance to every state regardless of their unemployment rate. We have agreed to do exactly that in our proposal.

Unfortunately, some on the other side of the aisle continue to insist this is not enough. They insist we should go further by requiring every state to provide specific benefits and establish specific eligibility criteria as a condition of receiving federal assistance. We could not agree to these demands.

The Federal Government has always left decisions about benefit levels and eligibility criteria to the States.

The changes sought by those on the other side of the aisle would destroy this historic relationship and undermine the flexibility needed by the states to respond to their unique circumstances.

I would now like to discuss our bipartisan plan's commitment to providing health care for dislocated workers.

Now, Democrats have been saying since October that Republicans don't care about helping workers with health insurance. Senator DASCHLE himself said yesterday that his Republican colleagues, and I quote, "so far have refused to come to the table and negotiate seriously."

Mr. President, nothing could be farther from the truth. Since October

when President Bush first called on Congress to pass a stimulus package, I have worked closely and seriously with both Democrats and Republicans to come up with a meaningful, bipartisan approach to helping people impacted by the events of September 11.

Compared to where we started on the issue of health care, we have come a very long way. Let me give you a little history first.

When this debate began, our proposal relied on the National Emergency Grant program to deliver health benefits to workers at a cost of about \$3 billion. Over time, that number grew, and I said publicly that we could double, or even triple, that number.

I also invited the Democrats to modify the grant criteria to make the program more responsive to the needs of workers without health insurance.

They refused. But that didn't stop us from staying at the negotiating table.

Next, we proposed giving workers a refundable, advanceable tax credit towards the purchase of health insurance equal to 50 percent of the policy's cost.

And when Democrats objected to that, claiming that the credit was too small and that sicker people would have trouble buying policies in the individual market, we came back with yet another offer, which is reflected in this bill.

The new proposal, endorsed by the White House, the House of Representatives, and the centrists in this body, takes a three-pronged approach to getting health insurance assistance to people in need.

It goes farther and wider than any proposal on the table to date, and gets more help, to more people, more quickly than any other proposal to date.

What's more, it represents a giant leap in spending on health care. It includes over six times as much money for temporary health insurance assistance as our original Republican proposals.

And still the Democratic leadership tells us we are not negotiating seriously.

Mr. President, the White House/centrist proposal spends approximately \$19 billion on temporary health insurance help in 2002. And it does it the right way, by using existing programs along with new ones designed to get people the help they need quickly.

Now let me take a minute to describe our three-pronged approach.

First, the White House/centrist proposal provides a refundable, advanceable tax credit to all displaced workers eligible for unemployment insurance, not just those eligible for COBRA. The value of the credit is 60 percent of the premium, up from 50 percent in our original proposal. The credit has no cap, and is available to individuals for a total of 12 months between 2001 and 2003.

Individuals can stay in their employer COBRA coverage, or they can choose policies in the individual market that may better fit their family's

needs. This only makes sense. Locking people into COBRA, as the Democratic leadership insists, forces people to stay with policies that may be too expensive for them to keep, even with a subsidy.

Our goal was to give dislocated workers access to all the health insurance choices available to them in the private marketplace, and we've done that in a responsible way.

This bill also includes a major, new insurance reforms to protect people who have had employer-sponsored coverage and go out into the private market for the first time after being laid off.

It makes the COBRA protections available to people who have had only 12 months of employer-sponsored coverage, rather than 18 months, as under current law. By doing this, we greatly expand the group of displaced workers who cannot be turned down for coverage or excluded because of a pre-existing condition.

The new 12 month standard is especially important for people with chronic conditions who have difficulty obtaining affordable coverage. It is a major step, and I'm surprised that the Democratic leadership doesn't want to take us up on these sweeping new reforms.

Let me turn to the mechanics of tax credit proposal. It is easier to implement than the direct subsidy approach of the Democratic leadership.

While their proposal requires employers to shoulder the burdens, our proposal relies on existing state unemployment insurance systems. So under this bill, workers will be able to access the credit, and begin applying it to their health insurance premiums in a timely way. Here's how it works:

Newly dislocated workers will receive vouchers from their state unemployment offices or "one stop" centers when they apply for unemployment insurance. Workers can then take those vouchers and submit them, along with their contribution to the premium, to their employer or insurer. Afterwards, insurers would submit the vouchers to the Treasury Department for reimbursement.

This approach works because it relies on existing systems to deliver the new benefits, and as a result delivers those benefits in a fast and reliable way.

I ask my colleagues: why would anyone insist on a mechanism that just won't work as well? I don't understand it.

The second prong of our proposal is \$4 billion in enhanced National Emergency Grants for the States, which can be used to help all workers—not just those eligible for the tax credit—pay for health insurance. States have flexibility under our approach, and can use these grants to enroll their workers in high risk pools or other state-run plans, or even in Medicaid.

To address concerns raised by Democratic colleagues, our enhanced National Emergency Grant program requires all States to spend at least 30

percent of their grant funds on temporary health insurance assistance. In addition, we've included protection for states: a minimum grant level of \$5 million for any state that meets the grant criteria.

Finally, the third prong of the proposal responds to Democratic requests by including \$4.3 billion for a one-time temporary State health care assistance payment to the States to help bolster their Medicaid programs.

As we know, the Medicaid program is an important safety net program for low-income children and families and disabled individuals. Medicaid is a joint Federal and State program and accounts for a large part of State budgets.

So, in this time of budget constraints due to the recession, States are struggling to make ends meet.

As a result of the unique and extraordinary economic situation we now face, a number of states are considering scaling back Medicaid services, including my own state of Iowa. This provision provides a one-time, emergency cash injection that will help States avoid Medicaid cutbacks.

This feature was not part of our original plan, and I recognize that many of my colleagues have concerns about it. In fact, I share their reservations, and that is why I'm emphasizing that this is not simply a garden-variety increase in Medicaid funding, but a temporary, emergency payment.

The nation is calling for bipartisan compromise, and in that spirit, we've agreed to add this to our proposal.

Mr. President, we have made tremendous steps toward the Democratic position in order to find bipartisan compromise on health care. Those steps have not been reciprocated by the Democratic leadership.

Displaced workers deserve to be treated with respect by this body, and I believe those workers have earned a vote on this bill.

I would now like to discuss the individual income tax rate reductions in the White House-Centrist plan and the resuscitated Daschle plan.

The original House stimulus bill would have accelerated the reduction of the 27 percent rate to 25 percent which is scheduled to go into effect in 2007. The White House-Centrist package has adopted this approach.

Now, the revamped Democrat plan would reduce the 27 percent rate to 26 percent in 2002, and would not reduce the rate to 25 percent until 2006. Recall that the original Democrat plan did not provide one red cent of rate relief for working Americans.

Now think about this. The 1 percent higher rate under the Democrat plan will operate as a 4 percent rate increase until the 27 percent rate is finally lowered to 25 percent 4 years from now. That makes a huge difference to Americans who are struggling to make ends meet. Let's take a look at who will benefit from our plan's rate reduction.

The reduction of the 27 percent rate will benefit singles with taxable income over \$27,000, heads of household with taxable income over \$36,250, and married couples with taxable income over \$45,000.

These are not wealthy individuals. These are middle class working Americans.

I have a chart which shows the median income of a four person family for every State in the Nation. Median income is the amount of income right in the middle, with half the incomes above it and half below it.

This chart shows that the average median income for a four person family in the United States is \$62,098.

Now, reduction of the 27 percent rate will benefit married couples with taxable income over \$45,000. So it will benefit working people who earn well below the national median income level.

This chart also lists those states that have a family median income that is higher than the national average. And look at where these people live.

Connecticut, New Jersey, Delaware, Michigan, Rhode Island, California, Washington State. These are the states where a family of four will benefit the most from our proposed tax cut.

The Democrat's revamped alternative would impose an additional 4 percent tax rate on these incomes over the next 4 years. That should concern representatives from those states.

For example, consider that an additional 4 percent tax on New Jersey's \$78,000 median income results in more than \$1,300 in additional taxes.

Michigan is the same: an additional \$900 of tax. Washington State is hit with nearly \$800 in additional tax.

These are significant numbers for a working family with two children. They would spend this money to meet their families' needs, which would stimulate the economy more than a bunch of liberal Democrat spending programs.

Mr. President, I ask unanimous consent that this chart be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection it is so ordered.  
(See Exhibit 1.)

Mr. GRASSLEY. The more surprising figures are shown in the next chart, which shows States with median income below the national average.

Recall that I said reducing the 27 percent rate to 25 percent will benefit married couples with taxable income over \$45,000. Now look at the median income distributions on this chart.

There is not one State on here that has a median family income of less than \$45,000.

So you can see that our proposal will benefit everyone, not just an elite few, from a few selected states.

Mr. President, I ask unanimous consent that my second chart be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection it is so ordered.

(See Exhibit 2.)

Mr. GRASSLEY. The Treasury Department has estimated that White House-Centrist plan's acceleration of the 27 percent rate reduction will yield \$17.9 billion of tax relief in 2002 for over 36 million taxpayers, or one-third of all income tax payers.

Business owners and entrepreneurs account for 10 million, or 30 percent, of those benefitting from the rate reduction.

When you refuse to accelerate the rate cuts you harm farmers and small business persons. This is because most small business owners and farmers operate their businesses as sole proprietorships, partnerships or "Sub S" corporations.

The income of these types of entities is reported directly on the individual tax returns of the owners. Therefore, a rate reduction for individuals reduces taxes for farms and small businesses.

That is why the additional rate reduction under the White House-Centrist plan is so important. In 2002 alone, it injects \$17.9 billion of stimulus into our ailing economy and small businesses.

So what would a small business do with these tax savings? Well, considering that most of the recent job growth has come from small businesses, I believe they would hire more people and make more business investments.

We know that 80 percent of the 11.1 million new jobs created between 1994 and 1998 were from businesses with less than 20 employees.

And 80 percent of American businesses have fewer than 20 employees.

This is what I refer to as the "80-80 Rule" for supporting rate reductions.

In addition, lowering taxes now would increase a business' cash flow during the current economic slowdown. The higher cash flow would increase the demand for investment and labor.

But don't just take my word for it. Take it from an October 2000 report by the National Bureau of Economic Research, a very well-regarded non-partisan organization, entitled "Personal Income Taxes and the Growth of Small Firms."

This report reaches the unambiguous conclusion that when a sole proprietor's marginal tax rate goes up, the rate of growth of his or her business enterprise goes down.

Simply stated, high personal income tax rates discourage the growth of small businesses. And right now, that is the last thing we need.

That is why it is important to do rate reductions the right way, and fully accelerate the 27% rate reduction. We are simply accelerating a decision this Senate made last summer.

We should have confidence in our decision. We know that tax cuts are stimulative.

When working Americans have more of their own income, they feel more financially secure and are more comfortable with spending.

A full reduction of the 27 percent rate to 25 percent is much more stimulative than a reduction that is deferred to 2007, as called for under the Democrat plan.

In closing, let me say who really loses when the Senate loses its right to vote on the White House-Centrist bill. It is our displaced workers, it is our fellow Americans who still have a job and the security of our jobs base; and it is the soundness of our nation's economy.

The Senate Democrat Leadership will not allow an up or down vote on our bipartisan White House-Centrist stimulus package. Why? Because it would pass. We have a majority of Senators who support this package.

Instead, the Senate Democrat Leadership has created a "make-believe boogey-man" over the issue of how health care benefits should be delivered to unemployed. But the majority of this Senate does not agree with them.

But voting on this issue and helping the economy recover is not really what is on their minds. It is not their political objective.

The Senate Democratic leadership is playing political brinkmanship, hoping that the American public buys into their excuses for inaction.

The Senate Democratic Leadership keeps their fingers crossed, hoping that our economic difficulties will last until next fall so they can blame it on the President in their campaign ads.

But the blame doesn't go to the President. He has bent over backwards to accommodate their demands. And it still is not enough. The Senate Democratic leadership would rather move the goal post than agree to a solution.

This is not what we were elected by to do. This is not in service of our country. It is in no one's best interest.

We are at war. Our economy is in crisis. And the only impediment to recovery is the refusal of the Senate Democratic leadership to allow this Senate to pass this economic stimulus package. A majority of our members will vote for this bill.

I hope the Senate leadership hears the pleas of the American people and stops blocking this bill through procedural technicalities. The Senate should be allowed to do its job.

EXHIBIT 1

Median income for 4-person families, by state, 2001

United States .....	\$62,098
Connecticut .....	78,170
New Jersey .....	78,088
Maryland .....	77,447
Massachusetts .....	74,220
Alaska .....	72,775
Minnesota .....	69,031
Hawaii .....	68,746
Illinois .....	68,698
New Hampshire .....	68,211
Delaware .....	67,899
Michigan .....	67,778
Rhode Island .....	66,895
Virginia .....	66,624
Wisconsin .....	65,675
California .....	65,327
Colorado .....	65,079

Median income for 4-person families, by state, 2001—Continued

Washington .....	64,828
District of Columbia .....	64,480
EXHIBIT 2	
New York .....	61,864
Pennsylvania .....	61,648
Nevada .....	61,579
Indiana .....	60,585
Iowa .....	60,125
Georgia .....	59,835
Vermont .....	59,750
Maine .....	59,567
Utah .....	59,272
Kansas .....	59,214
Missouri .....	58,674
Ohio .....	58,222
North Carolina .....	58,096
South Carolina .....	57,954
Nebraska .....	57,659
Wyoming .....	57,588
Florida .....	57,540
Oregon .....	55,812
Texas .....	55,172
Arizona .....	54,913
Alabama .....	54,255
Oklahoma .....	54,106
South Dakota .....	54,090
Kentucky .....	54,028
Tennessee .....	53,835
North Dakota .....	52,802
Montana .....	52,765
Louisiana .....	51,191
Mississippi .....	49,606
Idaho .....	49,387
Arkansas .....	48,318
West Virginia .....	46,798
New Mexico .....	46,534

Source: Census (inflated from 1999 date by GDP deflator).

The PRESIDING OFFICER. The Senator from Nevada.

TO EXTEND THE AVAILABILITY OF UNEMPLOYMENT ASSISTANCE IN THE CASE OF THE TERRORIST ATTACKS ON SEPTEMBER 11

Mr. REID. Mr. President, I ask unanimous consent the Senate proceed to the immediate consideration of Calendar No. 274, S. 1622.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 1622) to extend the period of availability of unemployment assistance under the Robert T. Stafford Disaster Relief and Emergency Assistance Act in the case of victims of the terrorist attacks of September 11, 2001.

There being no objection, the Senate proceeded to consider the bill.

Mr. REID. Mr. President, I alert the Senator from New York and the Senator from Virginia; we can get this unanimous consent if they save their speeches for much later.

I ask unanimous consent the bill be read the third time, passed, the motion to reconsider be laid upon the table, and any statements relating thereto be printed in the RECORD.

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

The bill (S. 1622) was read the third time and passed, as follows:

S. 1622

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXTENSION OF UNEMPLOYMENT ASSISTANCE.

Notwithstanding section 410(a) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5177(a)), in the case of any individual eligible to receive unemployment assistance under section 410(a) of that Act as a result of the terrorist attacks of September 11, 2001, the President shall make such assistance available for 52 weeks after the major disaster is declared.

TERRORIST VICTIMS' COURTROOM ACCESS ACT

Mr. REID. Mr. President, I ask unanimous consent the Judiciary Committee be discharged of further consideration of S. 1858, and the Senate proceed to its immediate consideration.

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

The clerk will report the bill by title. The assistant legislative clerk read as follows:

A bill (S. 1858) to permit closed circuit televising of the criminal trial of Zacarias Moussaoui for the victims of September 11th.

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 2691

Mr. REID. I ask consent the Senate now proceed to the consideration of the Allen amendment that is at the desk, the amendment be agreed to, the bill be read the third time, passed, the motion to reconsider be laid upon the table, and any statements be printed in the RECORD.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. REID], for Mr. ALLEN, proposes an amendment numbered 2691.

The amendment is as follows:

(Purpose: To clarify the requirements of the trial court)

On page 2, line 5, strike "including" and insert "in".

On page 2, line 6, after "San Francisco," insert: "and such other locations the trial court determines are reasonably necessary."

The PRESIDING OFFICER. Is there objection to the various requests of the Senator from Nevada?

Without objection, it is so ordered.

The amendment (No. 2691) was agreed to.

The bill (S. 1858), as amended, was read the third time and passed, as follows:

S. 1858

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Terrorist Victims' Courtroom Access Act".

SEC. 2. TELEVISIONING OF THE TRIAL OF ZACARIAS MOUSSAOUI FOR THE VICTIMS OF SEPTEMBER 11TH.

(a) IN GENERAL.—Notwithstanding any provision of the Federal Rules of Criminal Procedure to the contrary, in order to permit victims of crimes associated with the terrorist acts of September 11, 2001 to watch criminal trial proceedings in the criminal case against Zacarias Moussaoui, the trial