

more cash, cash he could use to hire another employee, to pay his employees more, or to purchase them better health insurance—a major problem for many small businesses as premiums continue to soar.

It seems to me that a true consensus package, a package that is going to make a real difference to our economic recovery, should and must include a provision like the Bond-Collins amendment to help small businesses pull through these difficult times and to give them the boost they need so they can be, once again, the engine of our economy.

Indeed, an increase in the small business expensing limit is a provision that is common to pretty much every economic recovery package other than the one advanced by the majority leader. Increased small business expensing was included in both the economic recovery packages that passed the House, the Centrist Coalition proposal—which I, along with my colleague from Maine, with Senator VOINOVICH, and three of our colleagues on the other side of the aisle joined together to draft—and the Senate Finance Committee bill which was reported with unanimous Democratic support in committee.

The help that our amendment would provide comes at a relatively modest cost to the Treasury. It is needed by small businesses across the Nation. I believe it would make a real difference.

A survey by the National Federation of Independent Business, our Nation's largest small business advocacy group, showed that the September 11 attacks and the economic downturn have significantly damaged small business economic activity. According to the NFIB's members, 34 percent of those responding reported that their sales are lower since September 11; 13 percent reported that business investment plans had been postponed or canceled altogether.

The Senate, tomorrow, will have the opportunity to put the investment plans of our Nation's small businesses back on track. This is a modest step we can take, but it is a step that will make a real difference to our small businesses and to the millions of employees for whom they provide good jobs. I urge my colleagues to support this amendment which the NFIB considers to be a key one in favor of small business.

In that regard, I ask unanimous consent a letter from the NFIB, endorsing the Bond-Collins amendment, be printed in the RECORD.

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

NFIB KEY SMALL-BUSINESS VOTE

SMALL BUSINESS NEEDS HELP NOW!! VOTE YES
ON BOND-COLLINS EXPENSING AMENDMENT

DEAR SENATOR: On behalf of the 600,000 members of the National Federation of Independent Business (NFIB), I urge you to support Senator Kit Bond's and Senator Susan Collin's amendment increasing for two years the amount of equipment purchases that

small businesses may expense each year from the current \$24,000 to \$40,000.

Many small businesses are currently struggling to cope with the recession and the events of September 11. Increasing the expensing limit would provide small and growing firms with the funds to make critical investments and keep their firms running and growing, creating new jobs.

The Bond amendment will also help small business by eliminating burdensome record keeping involved in depreciating equipment. And it adjusts the investment limit on expensing from 200,000 to \$325,000.

Small business is the major job generator for the economy. Let's give them the tools to grow, hire more employees, and lead this country out of recession. Support the Bond-Collins expensing amendment. Votes on or related to this amendment will be an NFIB Key Small-Business Vote for the 107th Congress.

Sincerely,

DAN DANNER,
Senior Vice President,
Public Policy.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. REID. Mr. President, I ask unanimous consent I be allowed to speak in morning business for up to 10 minutes.

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

TRIBUTE TO FORMER SENATOR HOWARD CANNON

Mr. REID. Mr. President, I spoke last Friday to Howard Cannon. Howard Cannon served the State of Nevada for 24 years in the Senate. The reason I spoke to him on Friday was because the next day—this past Saturday—was his 90th birthday.

Howard Cannon has a great history. Howard Cannon has served his country well. For me, personally, I can remember when I was back here working as a Capitol Hill police officer and he was a Senator. I was going to law school. I attended law school full time during the daytime and then I worked a shift at night as a Capitol Police officer. Howard Cannon had previously been a bar examiner. To be a bar examiner in Nevada means you are one of the best lawyers in the State. It is a very exclusive group of people. They actually grade the bar exams for the people who take the bar to become lawyers.

Howard Cannon, as I reflect back, becomes even more significant to me. I was a young man here going to law school and working, and he was a Senator tremendously burdened with responsibilities, but yet he took the time to have me in his office on more than one occasion to help me prepare for the bar examination. He did that when all the other activities were going on in

the Senate. He wanted to make sure I understood how to prepare for a bar exam. This was done by a man who graded the exams.

I pay tribute to Howard Cannon, my friend and fellow Nevadan, for all he has done for me personally over the years and all he has done for the State of Nevada and this country.

Howard Cannon is a true American hero. On January 26, as I have indicated—last Saturday—he turned 90 years old. His service to Nevada and our Nation includes a lot of things, not the least of which is 24 years as a U.S. Senator.

During his youth, he enjoyed being a cowboy, lassoed wild horses, and broke them to ride. In fact, as a boy he used one of these horses to deliver newspapers to ranches in the area where he was raised.

Today, even though he is 90 years old, he still gets up every morning and goes out into his yard to take care of his favorite horse, a palomino named Bandit.

It isn't surprising that in growing up in the West, Howard Cannon, the son of a rancher, was comfortable with horses. But more surprisingly, he was comfortable playing the saxophone. He started a band called "Howard Cannon and His Orchestra." He performed in small towns throughout the West, and he even went on a cruise ship and played in Japan.

During law school, Howard pursued his fascination with airplanes and took flying lessons. He paid for those flying lessons with earnings from his musical gigs. He became an accomplished pilot and developed a lifelong passion for flying.

I can remember on a number of occasions that he piloted airplanes in which I accompanied him around the State of Nevada while he was a Senator. I can remember specifically one airplane ride that I took from Lovelock, NV, to Las Vegas with Howard Cannon flying that airplane. I have many fond memories of Howard Cannon, but that certainly is one of them.

He went into the U.S. military in 1941. He was about 10 years older than most people who went into the military, as indicated by his age now being 90 and the average World War II veteran is about 79. While in the Army, he served in a unit of combat engineers. But later he transferred to the Army Air Corps because they learned he was an experienced pilot.

In September of 1944, Howard Cannon was the commander of a C-47 in which he was flying American paratroopers. This was before the Allied invasion into Europe. His plane was brought down by enemy fire. In fact, it came down in Nazi-occupied Holland. He had dropped these paratroopers near the Arnheim Bridge. He bailed out and parachuted behind enemy lines.

For 42 days, 6 weeks—I have heard Senator Cannon tell this story; it is a wonderful story—with courage and creativity and the aid of Dutch farmers and underground police, he made his way out of Holland into Allied hands.

He had a picture on his wall in his Senate office—he now has it in his home—of two boys with an apple. The reason that was so important is, in his getting out of Holland, he always had to find two boys eating an apple. He, of course, would take a bite out of his apple. That meant it was safe to go where he wanted to go through enemy territory.

As a consequence of his gallantry, of evading these German soldiers—of course, if he had been caught he would have been executed—he was able to unite with American troops, and for his efforts he received a Purple Heart, Legion of Merit, Distinguished Flying Cross, Air Medal with two oakleaf clusters, the French Croix de Guerre with Silver Star, the European Theatre Ribbon with eight Battle Stars, and a Presidential citation.

After the war ended, Howard Cannon moved from Utah to Las Vegas where he settled with his wife Dorothy and they raised their daughter Nancy and son Alan.

He served as a Las Vegas city attorney. He was a fine lawyer. He was elected in 1958 to the U.S. Senate. He accomplished so much for the State of Nevada.

He had a personal commitment to the U.S. military based upon his patriotism but also based on the fact that he had been such an outstanding part of the U.S. military during the Second World War.

When he was in the Senate, he test-flew all new aircraft before voting for money to develop them. He could fly those airplanes. He helped preserve Nellis Air Force Base when it was threatened with Air Force funding cuts and worked to make Nellis what is now the preeminent military installation for training American fighter pilots.

Senator Cannon considers the impact he had on aviation, though, even more significant. His support of the Airport and Airways Development Act, and later airline deregulation, helped make air travel what it was prior to September 11.

Howard Cannon's contributions enabled Nevada to attract more travelers and become the tourist capital of the world, one of the most popular destination resort areas in the world. He helped expand our Nation's transportation system. He served as chairman of the Senate Rules Committee. We were very proud of Howard Cannon at that time. And, of course, later he served as chairman of the Commerce Committee.

He contributed so much for the State of Nevada, not the least of which was his farsightedness in providing money through the Congress for the Southern Nevada Water Project that has allowed Las Vegas to grow the way it has, drawing water out of the Colorado River. This was just one of his accomplishments, but he had numerous accomplishments.

One reason I admire Howard Cannon so much is Nevada was and is a very

conservative State, but he was willing to take political risks to do the right thing, as he demonstrated in 1964 when he voted for cloture, allowing the Civil Rights Act to come up for a vote. That was a very courageous vote for him. He voted for the Panama Canal Treaty, also politically dangerous. It hurt him, but he did it because he thought it was proper.

Howard Cannon provides a legacy which endures. His work continues to have a positive impact on the country.

On behalf of all the people of the State of Nevada and those people who served with him in the Senate, I thank Howard Cannon for his service.

I also want to say a word about his lovely wife. I underscore that because she is the sweetest woman you could ever know. She was so nice and represented Howard and the State of Nevada so well in her duties as a Senator's wife. She was so instrumental in his success. Howard and Dorothy live in Las Vegas. He is a little bit hard of hearing, but other than that, he is physically very strong, as he was when he was in the Senate.

Happy birthday, Howard.

The PRESIDING OFFICER. The Senator from New Mexico.

HOPE FOR CHILDREN ACT— Continued

AMENDMENT NO. 2723

Mr. DOMENICI. Mr. President, I believe I have an amendment at the desk, amendment No. 2723. I ask unanimous consent that we set aside the pending amendment and take up the amendment that is at the desk, amendment No. 2723.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI] proposes an amendment numbered 2723.

Mr. DOMENICI. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To provide for a payroll tax holiday)

At the end, add the following:

SEC. . . PAYROLL TAX HOLIDAY.

(a) IN GENERAL.—Notwithstanding any other provision of law, the rate of tax with respect to remuneration received during the payroll tax holiday period shall be zero under sections 1401(a), 3101(a), and 3111(a) of the Internal Revenue Code of 1986 and for purposes of determining the applicable percentage under section 3201(a), 3211(a)(1), and 3221(a) of such Code.

(b) PAYROLL TAX HOLIDAY PERIOD.—The term “payroll tax holiday period” means the period beginning after February 28, 2002, and ending before April 1, 2002.

(c) EMPLOYER NOTIFICATION.—The Secretary of the Treasury shall notify employers of the payroll tax holiday period in any manner the Secretary deems appropriate.

(d) TRANSFER OF FUNDS.—The Secretary of the Treasury shall transfer from the general

revenues of the Federal Government an amount sufficient so as to ensure that the income and balances of the trust funds under section 201 of the Social Security Act and the Social Security Equivalent Benefit Account under section 15A of the Railroad Retirement Act of 1974 (45 U.S.C. 231n-1) are not reduced as a result of the application of subsection (a).

(e) DETERMINATION OF BENEFITS.—In making any determination of benefits under title II of the Social Security Act, the Commissioner of Social Security shall disregard the effect of the payroll tax holiday period on any individual's earnings record.

Mr. DOMENICI. Mr. President, I am offering this payroll tax holiday amendment today to move this process forward. Right now, we have a Republican stimulus bill that passed the House; we have the President's plan and the Senate Republicans' plan; we have the Senate Democrats' plan.

But we don't yet have a stimulus plan that will pass the Senate and be signed by the President.

Let me be clear. I support the President. I think this administration is right on track when it comes to an economic stimulus package. However, any existing plan has to be modified to garner enough Senate support to pass.

The payroll tax holiday is an idea supported by both Republicans and Democrats.

Yes, I think we should have acted on a stimulus plan last October or November. I would have preferred that this payroll tax holiday had been in place for the December holidays.

But having said that, whenever implemented, a payroll tax holiday will be more effective at increasing spending than the rebate checks sent out earlier. It will put the tax cut in paychecks automatically, without the need for special mailings.

This tax holiday would be in March 2002. This gives employers and payroll administrators time to adjust their systems for the change.

Psychologically, workers are used to adjusting their spending habits based on the size of their paychecks. At present, workers spend about 95 cents for every dollar of after-tax earnings. Increasing their after-tax earnings will therefore lead to more spending—if they perceive the tax cut to be part of their regular earnings.

The Congressional Budget Office analyzed the various stimulus proposals. CBO said:

Among the options being considered for providing fiscal stimulus, a payroll tax holiday could have a comparatively large bang for the buck . . . bigger paychecks might induce more spending than rebates would and a payroll tax holiday would reach many lower income working families.

The bottom line: A payroll tax holiday is truly a stimulative, temporary tax cut that is very likely to be spent.

Nearly all wage earners, all except those who have already reached the taxable maximum of \$84,700, even those who don't earn enough to pay income taxes, would benefit.

Both the employee and employer share—6.2% each—of the Social Security—OASDI—payroll tax would be suspended. Self-employed Social Security