

waited until next year. For several weeks, the Bush administration, the majority in the House, and the minority in the Senate negotiated with the majority leader's deputies in an effort to craft a bill he would be willing to bring to the Senate floor for a vote. These deputies erected various roadblocks to disrupt these negotiations. Then the majority leader, himself, unilaterally raised the bar to agreement by insisting on a compromise package that would be acceptable to two-thirds of the Democrats in the Senate. Despite these deliberately constructed obstructions to compromise, advocates of an economic stimulus package continued to work hard to construct a compromise that would be acceptable to a majority of the House and Senate.

The administration made significant compromises, especially related to greatly expanded health insurance benefits to the recently unemployed through an individual tax credit for health insurance. The majority leader once again raised the bar and insisted that these benefits be provided to employers for the benefit of all workers who are unemployed. Under his proposal, even those workers who chose to retire early would be entitled to this new expansive health care program. Additionally, he refused to empower these displaced workers with individual tax credits, but insisted on burdening businesses with a new government mandate.

With three days left until the holiday weekend, the administration, the House, and a majority in the Senate agreed on a bipartisan compromise on economic stimulus and aid to dislocated workers. The House then passed this legislation. Despite the fact that a majority in the Senate was committed to voting for it, the majority leader still refused to allow this compromise legislation to come to the Senate floor. So the 2001 session ended without Senate action on the most important issue facing the country.

Contained within this legislation is \$60 billion of investment stimulus—just the sort of assistance that Chairman Greenspan had urged us to enact. Under the bipartisan stimulus package, the current 27 percent rate would drop to 25 percent in 2002. This provision accelerates the bipartisan decision the Senate made last summer to reduce individual tax rates. Under last summer's tax cut bill, the 27 percent rate would have fallen to 26 percent in 2004 and 25 percent in 2006. This cut benefits married couples with taxable income between \$45,200 and \$109,250; singles with taxable income between \$27,050 and \$65,550; heads of household with taxable income between \$36,250 and \$93,650. Acceleration of the 27 percent rate reduction would yield \$17.9 billion of tax relief in 2002 for over 36 million taxpayers, or one-third of all income taxpayers.

The bipartisan stimulus package provides 30 percent bonus depreciation for three years. Property eligible for the 30

percent bonus depreciation includes property depreciated over 20 years or less, water utility property, computer software, etc. Property which takes longer than three years to construct will qualify for bonus depreciation on a pro-rata basis, if the property is placed in service before 2007. The portion eligible for bonus depreciation would be the costs incurred within the three-year bonus depreciation window. This provision would encourage accelerating long-term construction activity into the next three years.

Additional investment stimulus included in this legislation is an extension of net operating loss carrybacks for two years, corporate alternative minimum tax relief, and an increase of the small business expensing amount to \$35,000. All of which would help stimulate economic activity in our country.

The House-passed bipartisan stimulus package would also provide checks to low-income Americans in order to stimulate consumer spending. The legislation also would extend popular expiring tax provisions, provide targeted incentives to help with the New York City reconstruction, and exempt the victims of terrorist attacks from federal taxes. Finally, the bill would provide nearly \$20 billion of aid to dislocated workers in the form of greatly expanded unemployment payments and health benefits.

This proposal was a compromise. It is not the legislation that I would have written. But this legislation was a carefully crafted bipartisan, bicameral compromise that the President would have signed. It passed the House. It had the support of a majority of the Senate. But it died because the majority leader was unwilling to let the majority act.

So the economy will not be helped. Unemployed workers will not be helped. Small businesses will not be helped. Taxpayers will not be helped. Workers hoping to save their jobs will not be helped. All because of one man. Remember that next year.

THE AMERICAN SMALL BUSINESS EMERGENCY RELIEF AND RECOVERY ACT OF 2001

Mr. KERRY. Madam President, I rise today to speak on the behalf of thousands of small business owners across this country who are still struggling to keep their businesses open in the aftermath of the terrorist attacks. They're having a tremendously tough time paying their bills and making payroll, and they need access to affordable loans so that they have sufficient working capital as they adjust to the market or until business returns to normal.

Senator BOND and I put forth a comprehensive bill in the last session, shortly after terrorist attacks, that addressed not only disaster assistance and the worsening credit crunch that has compounded the financial problems of small businesses, but also the need

for business counseling and protection in recovering lost revenue from frozen federal contracting jobs. I am talking specifically about S. 1499, the American Small Business Emergency Relief and Recovery Act of 2001.

For the sake of small business owners and their employees, I wish I could say that I was here to speak about implementation of this legislation. But I cannot. S. 1499, was blocked by the Administration and a few Republican Senators. So here I am, at the beginning of another session, a new year, and four months after the bill was introduced, talking about the Senate acting on emergency legislation as small businesses wait for us to do something to help them. I really do not know how anyone in this body could stand to go home after Congress adjourned and explain to their constituents how we could provide billions in loans and grants to airlines, but we could not provide a modicum of that assistance to small businesses.

Republicans holding the bill in the Senate tell me and the press that they blocked the bill and still have holds on the bill because the Administration has problems with it. The Administration says they have problems with the bill because they do not believe there is a credit crunch making it harder and more expensive for small businesses to get loans. They do not believe we need to provide incentives to stimulate borrowing or to encourage banks to make loans to small businesses.

How can there be no credit crunch when survey results by the Federal Reserve reveal that as many as 51 percent of banks have reduced lending to small businesses? How can there be no credit crunch when established giants like the airlines could not get loans in the post-September 11th economy?

Please tell me how the Administration's priority is an economic stimulus package, but the Administration wants us to drop the stimulus provisions in S. 1499? What better way to stimulate the economy than through business investment and job creation? What is homeland security without economic security? They want us to drop the protection for small businesses doing business with the Federal Government. And they want us to drop incentives making the Small Business Administration's loans more affordable for borrowers and lenders.

Senator BOND and I asked them to meet us halfway, and they said no. We asked them to give us alternative language, and they didn't give us any. We spent more than 20 hours negotiating on this bill and it appears as if the Administration never had any intention of finding common ground. It appears as if it was an exercise in delay.

Let me describe briefly where I disagree with the Administration about how to help small businesses battling bankruptcy and employee layoffs triggered by the terrorist attacks and economic downturn. The Administration believes that all assistance should be

delivered through the SBA's disaster loans, which are administered through only four regional offices. From talking to small businesses and SBA lenders, Senator BOND and I have concluded that small businesses would be better served through a combination of disaster loans and government guaranteed loans. Government guaranteed loans are almost five times cheaper than what the Administration has proposed, have less risk for the taxpayer, and can reach more small business owners because they are delivered through more than 5,000 private sector lenders who know their communities and have experience making SBA guaranteed loans. Our proposal combines public and private sector approaches to ensure small businesses nationwide receive the maximum amount of assistance.

The economy was fizzling before September 11th, and small businesses were already feeling the pain. To stay financially healthy, they were doing their part by cutting back on spending, investing and hiring, and the Federal Reserve was cutting interest rates in an attempt to keep inflation in check. After September 11th, small business owners across this country put on black arm bands. The plug was pulled on their business. It didn't matter what state they were in; they weren't immune to the ripple effect of grounded transportation, closed financial markets, a volatile economy, and lay-offs announced by the tens of thousands. Let's start this session off right by passing S. 1499. Let's demonstrate that we understand the significance of small businesses to the American economy and that we will help them like we have helped other industries.

LOCAL LAW ENFORCEMENT ENHANCEMENT ACT OF 2001

Mr. SMITH of Oregon. Madam President, I rise today to speak about hate crimes legislation I introduced with Senator KENNEDY in March of this year. The Local Law Enforcement Enhancement Act of 2001 would add new categories to current hate crimes legislation sending a signal that violence of any kind is unacceptable in our society.

I would like to describe a terrible crime that occurred November 21, 1995 in West Hollywood, CA. A male transvestite was beaten by several men yelling anti-gay epithets. The assailants, Agaron Guylbkyan, 21, Harutun Pagaryan, 18, and Vahagn Arutyunyan, 19, were charged with civil rights violations in connection with the incident.

I believe that government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act of 2001 is now a symbol that can become substance. I believe that by passing this legislation, we can change hearts and minds as well.

DEFENSE APPROPRIATIONS BILL

Mr. KYL. Madam President. I rise today to give my qualified support to the Defense Appropriations bill. I voted for this bill because the men and women who are, at this very moment, defending our honor and protecting our freedoms from the most horrific assault ever perpetrated against this Nation need critical items funded in the bill. I qualify that support because there are numerous programs and pork projects that will not support the critical needs of our soldiers, sailors, airmen, and Marines.

Even worse, there are projects that I believe are necessary to our national defense which have been severely under-cut to meet the top line numbers while these less than mandatory projects have been added and given millions, if not billions, of dollars. I agree with my colleague from Arizona that, once again, the Appropriations Committee has run roughshod over the legislative process, circumventing the authorization process and the will of the Senate at the last minute of the last day of the session.

Obviously, we must fund our current military campaign and our other defense needs; so I will support this bill to provide necessary funding. I only hope we will be able to make more efficient and effective use of taxpayer dollars for our national security needs in the future.

PRINTING OF S.J. RES. 30

Mr. SPECTER. Madam President, I ask unanimous consent that the text of S.J. Res. 30, a joint resolution I introduced on December 20, 2001, be printed in today's RECORD. I further ask consent that in the permanent edition of the RECORD, the text of the resolution instead appear following the statement I issued on December 20, 2001.

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

S. J. RES. 30

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within 7 years after the date of its submission by the Congress:

"ARTICLE—

"SECTION 1. If at any time 50 percent or more of the Members of the House of Representatives are unable to carry out their duties because of death or incapacity, each Governor of a State represented by a Member who has died or become incapacitated shall appoint a qualified individual to take the place of the Member as soon as practicable, but no later than 7 days, after the Member's death or incapacity has been certified.

An individual appointed to take the place of a Member of the House of Representatives under this section shall be a member of the same political party as the Member of the

House of Representatives who is being replaced.

"SECTION 2. An individual appointed to take the place of a Member of the House of Representatives under section 1 shall serve until an individual is elected to fill the vacancy resulting from the former Member's death or incapacity.

A Member shall be elected to fill the vacancy in a special election to be held at any time during the 90-day period which begins on the date the individual is appointed under section 1, in accordance with the applicable election laws of the State involved. However, if a regularly scheduled general election for the office will be held during such 90-day period, or 30 days thereafter, no special election shall be held and the Member elected in such regularly scheduled general election shall fill the vacancy upon election.

An individual appointed under section 1 may be a candidate in such a special election or in such a regularly scheduled general election.

"SECTION 3. During the period of an individual's appointment under section 1, the individual shall have all the powers and duties of a Member of the House of Representatives.

"SECTION 4. Congress shall have the power to enforce this article by appropriate legislation."

ADDITIONAL STATEMENTS

TRIBUTE TO CHIP NOBLE

• Mr. DEWINE. Mr. President, today I recognize the great achievements of Sam "Chip" Noble III. Chip is a third generation harness racer, one of the most successful the sport has ever seen. A native resident of Xenia, OH, Chip Noble has raced to 3,293 victories and three North American Driving Championships.

Chip learned how to race through the tutelage of his father, getting his start at the Lebanon Raceway. In a normal year, Chip drives in about 500 to 1,000 races. The percentage crown winner in 1978, 1981, and 1983, Chip has earned over \$17.6 million for the owners of the horses he drives.

This past summer, Chip Noble competed in the World Driving Championships as the representative of the United States. He was one of ten drivers world-wide who competed in this prestigious event, which is believed to be the world's oldest international harness racing tournament. Proudly displaying the colors of our country, Chip drove to four heat victories, the most individual victories amassed during the competition, and finished fourth overall.

I congratulate Chip Noble on his tremendous performance in the World Driving Championship and for his wonderful career in harness racing. He is a true ambassador of the sport, and I wish him the best of luck in the future.●

TRIBUTE TO RANDIE BLAETH AND ADRIENNE THOMAS

• Mr. TORRICELLI. Mr. President, I rise today to recognize Ms. Randie Blaeth and Ms. Adrienne Thomas for