

for homeland defense. I think we need to do a lot better. We need to do a lot better with our northern border control. We need to get the public health infrastructure out there. God forbid there is a terrorist attack. We need to be prepared. First of all, we need to try to prevent it. If it happens, we need to be prepared. I am for strong defense.

I hope Senators will carefully scrutinize this budget. We have before us—between the dramatic increase in the Pentagon budget and all of these tax cuts with about 40 or 50 percent going to the top 1 percent of the population—I am now talking about tax cuts that have already passed. Now we have this estate tax. With this House proposal, they want to repeal the alternative minimum tax. I don't think they want to reach back to the mid-1980s. That is too embarrassing. Ronald Reagan was for it. The whole idea in 1986 was not to make these multinational corporations pay any taxes when all the other people in the country were.

You have \$13 billion in tax breaks for multinational corporations. You have Robin-Hood-in-reverse tax cuts with about 40 or 50 percent going to the top 1 percent of the population.

You have a \$855 billion reckless proposal to do away with the estate tax for the richest and wealthiest Americans in the country while at the same time cutting homeless vets programs; cuts in small business programs; cuts in childcare; cuts in empowerment zone; cuts in economic development programs for the Iron Range; cuts in counselor programs; not live up to your commitment and promise on special education, helping our kids, helping our school districts, and helping our children; don't live up to your commitment on the Pell grant program; cuts in job training during a recession and during hard economic times when people in northeast Minnesota, or in greater Minnesota, or in metro Minnesota, many of them are going back to school, or trying to go into a job training program for skills development. They have been spit out of the economy. They are looking for training so they can get back to work—cut those programs.

My party needs to find its voice. Majority Leader DASCHLE has been out there and he has been vilified. I smile. I think sometimes it is an effort to make him out to be a Newt Gingrich of the left. It is outrageous. But this party, my party, the Democratic Party, is supposed to be the party of the people. If there ever were a time for us to find our voice and for us to speak out and for our country to have a real debate about these values, it is now. In the words of Rabbi Hillel: If not now, when?

Personally, I think the thing I feel worse about is the children in relation to the education piece. I am going to be one of these people, in not too many years, who is going to be over 65 years old. Lord, we have six grandchildren. I just took our granddaughter Cari to

see "Fiddler on the Roof." There is that song: "Sunrise, Sunset." I don't know what has happened to the time.

I believe that ultimately the way we are judged is in relation to what we have done for our children, what we have done for our grandchildren. Have we made this country better and this world better for them? I think that is how we are judged. I think that is how we are judged as parents and I think that is how we are judged as adults. I think that is how we are judged as Senators. I think that is how we are judged as Representatives. I think that is how we are judged as a nation.

How have we done for our children? We are not doing very well. In this budget, we flat-lined affordable child care. I think only about 10 percent of low-income families are able to participate in affordable child care right now because that is all the funding there is.

We say we love the little children and are concerned about the development of the brain and that we want children to read better, but we have funded Early Head Start at about the 3- or 4-percent level.

We could be a real player for children prekindergarten. We could make a real difference. We could do so much more for our schools. We could live up to our commitment on special education. For title I—I am sorry, I have indignation—they make the claim we have added \$1 billion and that this is great. In real dollar terms, there is no additional money because there are more children who are eligible for title I.

We are going to test these children, all in the name of rigor. So you go to a Bancroft Elementary School and, big surprise, 80, 90 percent of them are on a free or reduced school lunch program; 60 percent of them are in homes where English is the second language; and 20, 25 percent of them move several times during the year for lack of affordable housing. There is a key education program, and there is no more funding for that. In fact, they are cutting funding for affordable housing, and we are surprised these children do not do as well? And we do not give them any more help to do better.

I think this is a debate about values. Everybody wants to talk about family values. This is a family value. How are we doing for our children? How are we doing for our grandchildren? Are we making life better for them? Are we going to make it possible for them to be good leaders in the future?

I think we have some seriously distorted priorities out there. I hope my party will directly challenge them.

A reporter said to me: The President is very popular. Does that make it hard for Democrats to be critical?

I said: Look, it is good for people to do well. The President is doing well in terms of the polls. Fine. But the real issue is whether or not we are willing to speak up for what we think is right, for what we believe in, for what we think is best for States and best for the country.

That is what people want us to do. It is important, as Democrats, that we find our voice.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is the Kyl second-degree amendment.

VISIT TO THE SENATE BY THE PRESIDENT OF MACEDONIA

Mr. HELMS. Mr. President, I wish to present the distinguished President of Macedonia, the Honorable Boris Trajkovski, who is a very fine gentleman with whom I have met and with whom the President has met.

RECESS

Mr. HELMS. Mr. President, I ask unanimous consent that the Senate stand in recess for 6 minutes.

There being no objection, the Senate, at 4:45 p.m., recessed until 4:51 p.m. and reassembled when called to order by the Presiding Officer (Mr. DAYTON).

ORDER OF BUSINESS

Mr. REID. Mr. President, the majority leader has asked me to announce to all Senators that there will be no more rollcall votes today.

MORNING BUSINESS

Mr. REID. Mr. President, I ask unanimous consent that the Senate now proceed to a period for morning business, with Senators allowed to speak for up to 10 minutes each.

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

ECONOMIC STIMULUS

Mr. AKAKA. Mr. President, I rise in support of the compromise economic stimulus package we are now considering.

The slowdown of our Nation's economy has been a matter of increasing concern following the terrorist attacks on September 11th. Millions of Americans are dealing with the economic repercussions of the attacks on our Nation. Hundreds of thousands of workers have lost their jobs, and consumer and business confidence has eroded during this time of uncertainty. The decrease in economic activity is affecting companies ranging from small businesses to corporations, not to mention entire industries such as the airlines and the travel and hospitality industry.

The slowdown in our Nation's economy is reflected in the State of Hawaii, where as of January 26, 2002, 56,313 people have filed unemployment claims since September 11th. This is almost double the amount of claims filed for the same time period as last year. In

the weeks after the terrorist attacks most of those filing unemployment claims worked in the visitor industry. However, state labor department officials have advised me that claims are coming in from workers laid off from a wide range of industries and small businesses in Hawaii. In 2001, our visitor industry experienced a \$1 billion decline from the previous year. After September 11th, domestic travel to Hawaii fell 30 percent and international travel dropped by 50 percent. The number of visitors to Hawaii declined by 600,000. Our Governor and State Legislature are considering ways to deal with a \$300 million budget shortfall.

The economic stimulus proposal that we are currently considering includes important provisions such as extending unemployment insurance benefits for an additional 13 weeks for those individuals who have exhausted their regular, state-funded benefits. With the Hawaii State Department of Business, Economic Development, and Tourism predicting that a full recovery will not occur until the last half of 2003, it is imperative that we pass responsible economic stimulus legislation. Hawaii's economy and working families cannot afford another long and disastrous recovery, especially since the State was just beginning to recover from a nine-year economic recession.

Temporarily extending unemployment insurance benefits will help the American people and revitalize consumer confidence. As recent research has shown, the Unemployment Insurance system is eight times as effective as the entire tax system in mitigating the impact of a recession. In addition, the Unemployment Insurance system is able to target the very sector of society that needs the most economic stimulus. I would like to remind my colleagues that in every recession during the past 30 years, including the 1990–1991 recession, Unemployment Insurance benefits were extended.

There is no doubt that extended unemployment insurance benefits and the other elements that make up the core of this short-term economic stimulus package would help to boost Hawaii's and our Nation's weak economy. There are faint signs of recovery and resilience nationwide which underscore that we may, I repeat may, have seen the worst from the current recession. A well-defined, short-term stimulus package that is limited and specifically targeted for maximum effectiveness can play an important role in promoting economic recovery.

Clearly, there are contrasting views among Members of Congress as to what provisions should be included in a stimulus package to maximize the stimulative effect on the economy. I believe that the economic stimulus package should encourage increased spending as soon as possible to rejuvenate the economy, assist people who are most vulnerable during the economic slowdown, and restore business and consumer confidence. However, it is important that

fiscal discipline over the long-term be maintained in order to ensure economic growth in the future.

I commend the majority leader for his efforts to fashion a bipartisan compromise and move this important legislation. In addition to extended unemployment benefits, the compromise package includes three components that both parties included in their stimulus bills last year, including tax rebates, bonus depreciation, and fiscal relief for states through a temporary increase in the Federal Medical Assistance Percentage, FMAP, rate.

Last month, I attended the opening of the Hawaii State Legislature and Governor Ben Cayetano's State of the State address. I am not exaggerating when I say that increased Federal Medicaid assistance to the states is critical to my State and States across the Nation that are facing tremendous revenue shortfalls because of the recession, the repercussions of September 11th, and Federal tax changes enacted last year.

I strongly support the component of the stimulus package that would temporarily increase the FMAP rate for States. Medicaid matching rates for fiscal year 2002 are based on State per capita income data from 1997, 1998, and 1999—years in which the national economy was strong. Consequently, matching rates are slated to be reduced for 29 States in 2002. The reduction in FMAP rates has worsened an already bleak fiscal outlook for many States. In August 2001, the Congressional Budget Office projected that Medicaid expenditures in 2002 would be 9 percent higher in 2002 than in 2001, while States projected that their revenues would rise just 2.4 percent.

Rising Medicaid expenditures have long been a serious concern to States. The repercussions of the terrorist attacks on September 11 are leading most analysts to expect even higher State Medicaid costs because the economic downturn will make more people eligible for Medicaid and lower State revenues. It is during difficult financial times that the Medicaid program becomes a primary target of state budget cuts. Yet, people need Medicaid during these times more than ever.

The Federal Government matches between 50 to 83 percent of the cost of Medicaid in each state. On average, the Federal Government pays 57 percent. The FMAP formula is based on the State's per capita income in the 3 calendar years that are most recently available. For years, Hawaii received the lowest Federal match—50 percent. Recognizing that increasing the FMAP rates would ease States' financial constraints, I have long worked to increase Hawaii's FMAP rate.

The temporary increase in the FMAP is an important component of our Nation's economic stimulus policy. Medicaid is the largest Federal grant-in-aid to States. Temporarily increasing the Federal matching rate could have broad positive ramifications for State

budgets, the impact of which would be rapid and would not require additional Federal or State bureaucracy. These changes would provide much needed health care to people in need by providing States the resources to do so.

It is clear that an economic stimulus package is needed to support our economy during these uncertain times and to promote a rapid recovery. We saw the Federal Reserve Board cut interest rates 11 times in a row last year with limited economic effect. Congress has also taken actions to provide some of that stimulus through emergency spending for recovery efforts and to assist the airline industry. It is critical that Congress promptly pass an economic stimulus package that will rejuvenate our faltering economy while assisting households who have been especially hard hit by the downturn in the economy. I hope the Senate will complete action on this legislation this week so that the Congress can send a measure to the President by the Presidents' Day holiday.

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

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

ESTATE TAX REPEAL

Mr. CORZINE. Mr. President, I rise today to talk about the stimulus package, one that I firmly believe we should have as a nation. It is clear to me that while we may have a stronger economy today than we had 3 months ago or 6 months ago, we still are in a period of very slow growth, if at all, and one where I think we need an insurance policy to make sure our economy does turn around, it does pick up, and does better in the new year. We have real needs of the unemployed to address and their loss of benefits in our society.

There are plenty of reasons to believe we ought to encourage business investment through a bonus depreciation plan, and we need to help our States that are running huge deficits with Medicaid matches and in other areas.

For the life of me, I do not understand why we would think that making permanent an estate tax cut 10 years in the future is going to do a doggone thing to stimulate the economy now. While I have great respect for the distinguished Senator from Arizona, I think this idea of calling for the permanent repeal of the estate tax is just a bad idea.

Last year, I did believe there was a need for some reform with respect to the estate tax. I thought it was onerous on many small family farmers and also for small businesses and some individuals who were trying to deal with relatively limited estates. I thought it was burdensome on these folks.