



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 107th CONGRESS, SECOND SESSION

Vol. 148

WASHINGTON, WEDNESDAY, FEBRUARY 6, 2002

No. 8

Senate

The Senate met at 10:30 a.m. and was called to order by the Honorable JACK REED, a Senator from the State of Rhode Island.

The PRESIDING OFFICER. The prayer will be offered today by CAPT Alan N. Keiran, Executive Assistant to the Chief of Chaplains, U.S. Navy.

PRAYER

The guest Chaplain offered the following prayer:

Good morning. Will you pray with me, please.

Almighty God, Gracious Father, Sovereign of this great Nation, Lord of creation and Lord of our lives, we stand in awe of Your holiness and mercy. In faith and thanksgiving we pray for Your continuing wisdom and grace as we seek to do Your will. Bless us with peace that passes understanding and strength to sustain us in challenging times.

O God, for every Member of this august body, their staffs and families, we pray Your vibrant presence would empower and uphold them in joyous times and sad times. As the Psalmist tells us, "those who seek the Lord lack no good thing." May we as a nation be those who daily seek Your face and honor You through our lives.

Lord, as a lover of righteousness and justice, sustain us in Your unfailing love. Protect our forces on land, at sea, and in the air. Comfort and console those whose loved ones are deployed around the world. Eternal Father, strong to save, to You we ever lift our praise. In Your strong name we pray. Amen.

PLEDGE OF ALLEGIANCE

The Honorable JACK REED led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. BYRD).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, February 6, 2002.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JACK REED, a Senator from the State of Rhode Island, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. REED thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 11:30 a.m., with the time equally divided between the two leaders or their designees and with Senators permitted to speak for up to 10 minutes each.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from Nevada is recognized.

GUEST CHAPLAINS

Mr. REID. Mr. President, the Chaplain, Reverend Ogilvie, has been out of the city for all of this week, and he has

had military chaplains come in. They have been very impressive. Yesterday, we had the Coast Guard Chaplain, today the Navy Chaplain, and the day before the Army Chaplain. I have been very impressed with their stature and their message.

I am sure this means a great deal to the Presiding Officer, who is a graduate of the Military Academy at West Point. It is good that it reminds us on occasion of the importance of these men and women in uniform, and also the fact that they are constantly aware of the need for spiritual guidance.

I think their being here the last few days has certainly indicated that to anyone watching these proceedings.

SCHEDULE

Mr. REID. Mr. President, as the Chair announced, we will be in a period of morning business until 11:30, at which time we will have a cloture vote. At that time, we will vote on the economic recovery act. If cloture is not invoked, the Senate will immediately vote on cloture on the Grassley amendment. Additional rollcall votes, of course, are possible throughout the day.

Following the cloture votes, if cloture is not invoked, I have been directed by the majority leader to inform everyone that he is going to ask unanimous consent that we move forward today on the additional 13 weeks of unemployment insurance, something we have been trying to do for months now. We asked for that in the closing hours of the last session of the Senate before the Christmas recess. That was not accepted by the minority. I hope they will follow the example of the majority leader and not strip everything out of his economic stimulus package, and certainly let us not leave out of consideration these people who are so desperately in need of these additional weeks.

During the first Bush administration, we extended unemployment benefits on

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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five separate occasions because of economic downturns. We have done that routinely in the past. It should not have taken this long. There are a significant number of people whose unemployment benefits have expired. We have a number of people who won't be able to collect unemployment benefits. It is really too bad that people have fallen through the cracks who have gone from welfare to work and who do not meet the requirements statutorily. They certainly should be included, and I hope some consideration will be given them also.

Again, the majority leader will, after the cloture votes, ask unanimous consent that there be 13 additional weeks of unemployment insurance extended to those people who so desperately need it.

The ACTING PRESIDENT pro tempore. The Senator from Colorado.

Mr. ALLARD. Mr. President, I understand that I have 5 minutes.

The ACTING PRESIDENT pro tempore. The Senator may take up to 10 minutes under the order.

EXTENSION OF THE RESEARCH AND DEVELOPMENT TAX CREDIT

Mr. ALLARD. Mr. President, I am here this morning to express my disappointment that I am not going to have an opportunity to call for the yeas and nays on the permanent extension of the research and development tax credit. It has to be one of the most important provisions and amendments that will be made to the stimulus package.

I again am disappointed that stimulus package is not going to move forward out of the Senate. Many of us have worked hard. We think it is time for us to have a stimulus package. The economy needs to have that happen.

I want to refer to some charts and to what some very key individuals are saying about the R&D tax credit being extended on a permanent basis. Right now, it is not extended on a permanent basis. I think the National Association of Manufacturers is trying to address the question. I think they have said it very succinctly. They ask: Why worry? They say: because the R&D tax credit expires in 2 years and major R&D projects take an average of 5 to 10 years to complete.

If we don't get this passed now and move forward, that is going to be another reason our economy will not move forward. I am very concerned about that.

The Democrats in the Senate also recognize the importance of the R&D tax credit. I looked at what the majority leader said in January of 2002. He said:

We should act to make the research and development tax credit permanent; the sooner the better.

The action we are getting from the Senate today doesn't show any interest at all in moving forward in keeping up with the "sooner the better" pledge.

This is a serious problem and a catastrophe.

The R&D development tax credit is one of the most effective mechanisms to encourage innovation, increase business investment, and keep the economy growing.

Again, that is the majority leader speaking on January 4 of this year.

I am extremely disappointed that we will not have an opportunity to bring this amendment up for discussion.

Just to again point out how important this amendment is to the economic recovery of this country to restore economic prosperity, I would like to show you a one-half-page ad from the Wall Street Journal.

Mr. President, I show you an ad that was put in the Wall Street Journal from Ontario, Canada. It points out: "The Future's Right Here" in Ontario, Canada.

They say:

With pharmaceutical R&D spending up 300 percent in the past decade, Ontario is proving to be an excellent locale for life sciences.

The reason they are saying that is because they have a research and development tax credit of which companies can take advantage.

They go on further to say: "Protection of intellectual property rights and R&D tax credits, [which are] among the most generous in the industrialized world, are a couple of key contributing factors" and why it is so important to do business in Ontario.

We are missing the boat. We need to do more to encourage economic research and development in this country. It is key to restoring economic prosperity.

Again, I cannot emphasize enough how very disappointed I am that I am not going to have an opportunity, along with Senator HATCH, who has worked very hard on this particular amendment over the years, to get it passed on a permanent basis.

In addition to what I have shown here, we have looked up studies that say the permanent extension may, in some cases, by 2010, increase domestic economic growth by \$58 billion.

We have the tax credit available for incremental research and activities in both the United States and Puerto Rico where 75 percent of research and development tax credit dollars go to salaries and wages of employees associated therewith. These are high-paying American jobs, and high-paying American jobs pay taxes. It is taxes that go to the Federal Government and help us balance our budget at the Federal level.

So it is important. I am disappointed that not only my amendment but other amendments that would lead to economic growth in this country are not going to have an opportunity to be brought up. I cannot emphasize enough how very disappointed I am that this has been stalled because of action on the other side, even after we have had such positive statements made on January 4 of this year as to how we need to move forward with some of these tax

cut provisions that stimulate economic growth, such as the research and development tax credit.

Mr. President, I yield the remainder of my time to the Senator from Texas.

The ACTING PRESIDENT pro tempore. The Senator from Texas is recognized.

Mr. GRAMM. Mr. President, if the Senator will yield for a moment—I think this is the order in which we appeared on the floor—so we can all make plans, I ask unanimous consent that when the Senator from Texas finishes, I be recognized for 5 minutes, and then the Senator from Georgia be recognized for 5 minutes.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. GRAMM. And that following that, the Senator from Missouri be recognized for 5 minutes. I think that covers everybody present.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. GRAMM. I was just setting up a procedure where we can all speak.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Texas.

NEED FOR A STIMULUS PACKAGE

Mrs. HUTCHISON. Mr. President, so many of us wanted a stimulus package. The President asked for a stimulus package. We see the stock market continuing to go up and down, up and down. It certainly has not stabilized yet. We wanted to try to stimulate investment to try to make sure we would have an economy that would be able to remain strong as we are prosecuting a war for the very freedom of future generations in our country. But what we had before us was not a stimulus package. It was the end of a compromise without the compromise part.

There was no tax cut. There was no help for people who pay taxes. There was no stimulation for businesses that would invest in plant and equipment. And that is what we need to make sure we have those manufacturing jobs.

What I had hoped to do—and I had already filed the amendment—was to make permanent some of the tax cuts that are temporary over the next 10 years. I wanted to make permanent the marriage penalty relief that is in the tax bill that Congress has already passed and the President has signed but which could teeter in the next few years if we have a change in Congress.

Why should anyone have to pay a penalty because they get married? Why should they pay a different rate in a higher tax bracket when they get married as opposed to when they were single?

We are trying to correct the marriage penalty. Making marriage penalty relief permanent so people can count on it would be a stimulus.

Repeal of the death tax is one of the most important things Congress has done. Congress has finally acknowledged money that has been taxed when