

be a short-term proposition. Also, because of that requirement, I think we will have to be more careful with how we spend money in the domestic area where there is additional emergency spending such as this. You can't necessarily keep spending without some consideration for emergencies.

I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

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

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

HOPE FOR CHILDREN ACT

The PRESIDING OFFICER. Under the previous order, the hour of 10 a.m. having arrived, the Senate will now resume consideration of H.R. 622, which the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 622) to amend the Internal Revenue Code of 1986 to expand the adoption credit, and for other purposes.

Pending:

Daschle/Baucus amendment No. 2698, in the nature of a substitute.

The PRESIDING OFFICER. The majority leader.

AMENDMENT NO. 2698

Mr. DASCHLE. Mr. President, I appreciate the opportunity that we now have to revisit the question of economic stimulus. This was a contentious debate before we ended the First Session of the 107th Congress last December. Over the course of the last several weeks, of course, we have made an effort to try to find what I call "common ground" in an effort to expedite the consideration of economic stimulus and to move this process forward.

I don't have a calendar in the Chamber at this point, but I remind my colleagues that we have very little time between now and the Founders' Day recess to do all of the work that Republicans and Democrats have indicated is important to both our agendas. Both caucuses have indicated a strong desire to deal with economic stimulus, a strong desire to deal with election reform, a strong desire to finish the farm bill, and, certainly, a strong desire to deal with energy. My hope is we could deal with all of those pieces of legislation prior to the Founders' Day recess. In order to do that, we have to maximize the use of every day.

We have 2 days this week. We have only 2 days next week because of the Republican retreat. Then we have 2 weeks following that to complete our work on all of the bills I have just mentioned.

In an effort to move the process along, I will propound a unanimous consent request within the hour to see if we might find an agreement on procedure on the economic stimulus bill. I would propose, as I suggested to Senator LOTT yesterday, four amendments on a side. I am not wedded to that. If people have a desire to offer more amendments than that, we could do that. But we have to get this ball started.

I am concerned, frankly, about reports I have received overnight that there are some on the Republican side who want to slow walk this bill, who don't want to bring it to closure, who, for whatever reason, have decided now that we are on this bill that they don't want to have a vote on final passage until perhaps 2 weeks from now. Keep in mind, we are not in session next Wednesday. Some have suggested that we should not have a vote on this bill until after the State of the Union Message—that is Tuesday night—which means we then wouldn't be able to complete our work until the following week.

I know of all the cries and anger and the anguish expressed by some for the fact that we were not able to complete our work on the economic stimulus bill last December. How ironic it would be that some of those who have criticized the inability to come to some conclusion would now be responsible for delaying it even further.

I hope that is not the case. I hope we can get an agreement that will allow us to reach some procedural conclusion so we can complete the substantive work on this bill prior to the end of the week.

Let me briefly lay out exactly what it is we are suggesting. Two circles on this chart depict virtually all of the proposals that have been made by either Republican or Democratic Senators, and oftentimes Members of the House, with regard to economic stimulus. Democrats have proposed increasing unemployment benefits, adding unemployment compensation coverage for part-time workers and recent hires, and providing affordable group health coverage for the unemployed. The job creation tax credit for businesses was also something that we felt would go a long way to addressing the need to stimulate the economy from the business side.

We also supported extending the unemployment benefits for 13 weeks, tax rebates for those who didn't get them the last time, the bonus depreciation that would accelerate the depreciation on investments in business, and then the fiscal relief for States.

States are very concerned that bonus depreciation, in particular, is going to cost them about \$5 billion. They are also concerned that the Medicaid costs are going up dramatically. So the fiscal relief for States is something that has been the subject of a number of very urgent letters to us from Republican and Democratic Governors alike.

Our Republican colleagues suggested accelerating rate reductions, the repeal of the corporate AMT—the alternative, and health coverage for unemployed workers through individual insurance markets. They also suggested extending unemployment benefits. They suggested the tax rebates. They proposed bonus depreciation and fiscal relief for States.

Several weeks ago we began considering, well, how can we move this bill forward? The suggestion was, let's just take the common elements in the two circles, the overlap you see here on this chart, and consider that as sort of the base proposal that might be used as a way to move the bill forward, while not denying Senators the right, of course, to offer other ideas, other suggestions, if the requisite 60 votes on points of order can be acquired.

So that is really what is before the Senate right now. We have taken a House vehicle, the adoption tax credit, and we are amending the adoption tax credit procedurally with this proposal as a way in which to allow Senators to begin the debate on economic recovery.

The CBO has provided a real service to us over the last couple of weeks, and I don't know if all of our colleagues had the opportunity to see it. If they have not, I urge them to take a look at it. But the CBO made an evaluation of the stimulative impact of all of the proposals I have just listed here in these circles. The stimulative impact, obviously, is a very significant factor, I believe, on what it is we decide we want to offer for economic stimulus. The payroll tax holiday offered by Senator DOMENICI is one of the provisions that had the biggest bang for the buck, according to the CBO. Of course, we suggested that that might be a component, but because there isn't agreement on it, unfortunately, it certainly doesn't fit into this common ground proposal at this point. I would have supported it. I still do. But that has a large bang for the buck. Additional tax rebates have a medium bang for the buck according to the CBO.

We are proposing in this common ground proposal the tax rebate for those who didn't get any help the first time. Temporary investment incentives, such as the bonus depreciation—again, that is a medium bang for the buck—better than some, not as good as others. That is also in the common ground proposal. So you have two of the items in the common ground proposal, according to the CBO, that have a medium bang for the buck, medium stimulative value.

Look at what the CBO said about accelerated rate cuts. They said it had a small bang for the buck, and a corporate AMT repeal falls into the small category, very little stimulative value.

Now, this isn't a Democrat position, this isn't an analysis made by one of my staff; this is the Congressional Budget Office which has provided the analysis. So, again, if we want to do what we say we are doing here—provide

some common ground on stimulative proposals that have the most effect—according to the CBO, some of the proposals in here, such as tax rebates, bonus depreciation, go a long way.

Let me address the unemployment benefits as well because that, too, is something I think we ought to say something about. The CBO didn't address that question, but the CRS did. The Congressional Research Service said:

Extending unemployment compensation is, in fact, likely to be a more successful policy for stimulating aggregate demand than many other tax/transfer changes. Individuals who are unemployed and who are not or will not be receiving unemployment benefits are much more likely to spend additional incomes than, say, higher income individuals who receive tax cuts.

That is in a memo provided by CRS to Senator BAUCUS last fall.

Mr. President, I simply say again, if we are serious about moving this forward, let's take those proposals that analysts and economists have said have stimulative value. If we are serious about finding compromise, what could possibly be wrong with taking the proposals that both sides had in their initial proposal as a way with which to at least get to conference? This is a ticket to conference. Then we can have another debate about what ought to be in the bill. That is what we are doing here. I just hope our colleagues will recognize that and will recognize how limited a timeframe we have to address this issue and move this legislation forward.

So I am asking my colleagues on the other side, let's come to some agreement on amendments procedurally, let's come to some agreement on amendments substantively, but let's come together. Time is wasting. I don't want to see this bill slow-walked, or see this legislation languish on the floor for days, when we can do this and move on to other things that need to be done sometime very soon.

I thank the Chair and my colleagues. I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. GRASSLEY. Mr. President, our status is, am I right, that we are on the Finance Committee bill, the tax bill before us?

The PRESIDING OFFICER. The Daschle amendment No. 2698 is pending.

Mr. GRASSLEY. Mr. President, I think my colleague from South Dakota, the distinguished Democrat leader, has made it very clear where we are compared to where we were before Christmas. Let me repeat that we had been working on an economic stimulus package in various ways for several weeks, most of it not here on the floor of the Senate but in small groups, and different groups, and bipartisan groups, and partisan groups, to come together to see what we could get to get through the Senate—a stimulus package—and the need for it was directly related to the downturn in the economy that

came mostly as a result of September 11 terrorist attacks. And then what finally happened was just before we adjourned. A White House-centrist package that was put together by mostly Republican and Democrat centrists, working with the White House, was a bill that passed the House of Representatives before the bill came here to the Senate. Then in the closing days of the Senate, prior to adjournment for the holidays, the bill did not come up on the floor of the Senate.

So we are back here now, afterwards, to a point where we are dealing with something that is still very important to help dislocated workers and to help bring the economy back from the recession caused by September 11, the war on terrorism, and the attacks against America.

I emphasize again that where we ended up before Christmas was the House of Representatives passing a bill that had been worked out by, I think for the most part—and I hope I am not unfair to the House of Representatives on this—by a group of centrists in the Senate, made up of both Republicans and Democrats, who came up with a plan that had White House support. The President said he would sign it. You never know for sure until you take a vote, but it looked as if this White House-centrist package would have had in the low fifties—but a majority of the Senate—to pass the Senate, if it had been able to be brought up.

We were not allowed to bring it up and discuss it. That is a decision, under our Constitution, that the majority leader can make. I may find fault with the decision; I do not find fault with his right to do that.

Now on the second day we are back in session in the new year, this bill has been brought up. The sad commentary is we are 1 more month into the recession, 1 more month of 800,000 people unemployed because of the September 11 terrorist attacks, and a lot of people who used to have health insurance do not have health insurance and dislocated workers are not being given the help the bipartisan White House-centrist stimulus plan would have given them. Also, we do not have those tax incentives that will stimulate the economy.

As the distinguished majority leader just said, there are certain tax rebate plans the CBO said would be of help in stimulating the economy. There are certain accelerated depreciations that were in the bipartisan package that would help the economy. So, effectively, we have lost 30 days, and people who needed help are not getting the help.

I am glad to be back here, though, and I am glad the majority leader has taken the initiative of bringing this issue up. Hopefully we can get an agreement to pass a bill and get it to the President.

I need to reiterate that we had a bill worked out by a group of Democrats and Republicans in the middle of the

political spectrum in the Senate. That is why we call them centrists. They worked out a bill with the White House. The White House said the President would sign the bill. The bill received a favorable vote in the House of Representatives, and here we are.

I would like to get back to where we left off before the holidays, so I am going to spend my time this morning before other speakers come to the Chamber to speak on this very important issue of why the bipartisan White House-centrist stimulus package ought to still be the package before the Senate, even more so than the amendment about which the distinguished majority leader just spoke and why it should pass the Senate, although I sensed in the majority leader's statements that he is willing to look at things beyond his proposal—at least I hope I interpreted that right—so that we can get something to the President.

I hope somehow our debate can persuade him to come back to what we have: a bipartisan White House-centrist stimulus plan that was before the Senate because we know that it has passed the House, and all it has to do is pass the Senate and the President will sign it and these 800,000 unemployed workers who do not have health insurance, if they have exhausted their first 26 weeks of unemployment, will still have unemployment compensation.

I am going to start with some discussion of the tremendous commitment to displaced workers that the White House-centrist stimulus plan has in it. The plan's unemployment insurance proposal represents what I consider a very unprecedented commitment to dislocated American workers and, in the end, probably may be something, if one looks at long-term solutions to the problems of uninsured, to help uninsured people as well.

I start with the fact that it provides an additional 13 weeks of unemployment benefits to eligible workers. Remember that about 10 percent of the unemployed people use up to 26 weeks. Maybe that is even higher than 10 percent now because of the recession. There is always a need for some more unemployment compensation for some people. We do not always respond to that with an additional 13 weeks. We are doing it because there was a calamity on September 11 which has speeded up the unemployment index as a result by 800,000.

We have an estimated 3 million unemployed workers who would qualify for benefits averaging \$230 a week. These benefits would be 100-percent federally funded.

The bipartisan White House-centrist plan 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 unemployment taxes during the current recession.

Consider the bipartisan White House-centrist commitment to providing

health care for dislocated workers. This commitment goes further and wider than any other proposal, and it gets more help to more people more quickly than any other proposal.

It commits over \$19 billion, out of the total package of about \$100 billion, to health insurance assistance. This is over six times as much money for temporary health insurance assistance as provided under the original stimulus proposals.

The bipartisan White House-centrist plan takes a three-pronged approach to get health insurance to people in need.

First, the plan 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. The credit has no cap and is available to individuals for a total of 12 months for the next 2 years, including 2001 to 2003.

The 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 because we should not lock people into one straitjacket of health insurance which under some proposals would be just the COBRA approach because sometimes these policies are too expensive for people to keep. I say that even with the 60-percent subsidy that we would provide.

The bipartisan White House-centrist proposal also includes a major new insurance reform to protect people who have had employer-sponsored coverage and go out into the private market for the first time after being laid off. The bipartisan White House-centrist proposal makes COBRA protection available to people who have only had 12 months of employer-sponsored coverage rather than 18 months 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 to people with chronic conditions who have difficulty getting affordable insurance.

The second prong of the White House-centrist bipartisan proposal is \$4 billion in enhanced national emergency grants for States which can be used to help all workers—not just those eligible for a tax credit—pay for health insurance because they have become unemployed.

The third prong of the proposal includes \$4.3 billion for a one-time temporary State health care assistance payment to States to help bolster those States' Medicaid Programs. We are seeing almost all 50 States in trouble with their Medicaid Program because of the recession. As we know, the Medicaid Program is an important safety net program for low-income workers and families of disabled workers.

I yield the floor now to other colleagues, but I suggest that we have a

lot in this bipartisan White House-centrist proposal that can immediately, when the President signs the bill, help the 800,000 workers who are unemployed because of the September 11 terrorist attacks on America.

We ought to get the show on the road. It should have been done before Christmas. It is not too late to do it right now. I hope people would study this proposal that has been developed by a group of people in the center of the Senate, both Democrats and Republicans, and move this bill along. We have 50 votes for it, and if people will study, I think we will even get a much higher percentage.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, in politics, like everything else, common sense dictates what is sensible and reasonable and really what people should do, and common sense in this debate indicates the two sides, Democrats and Republicans, should separate what they do not agree on and move forward on what they agree.

Senator DASCHLE has offered a very reasonable approach to stimulating the economy. He has said the Democrats have certain things they want that the Republicans will not support. The Republicans have legislation they want to initiate that we will not support. There are things we both agree on, Democrats and Republicans. There has never been any question about the fact there are certain things we agree on.

Senator DASCHLE outlined four things we agree on. As an example, extending unemployment benefits. Everyone agrees we should do something to help the unemployed. If we want to stimulate an economy, give money to people who have no money and they will go out and spend it on things, and that is stimulative.

Now we are in a situation where we are being told: Of course, we agree on those things, but we do not want to go forward with it. And I say, why?

With all due respect to the Republican leadership and the people on the Republican side, maybe there is a game being played called a "blame game." In yesterday's *Daily Monitor*, which comes out actually in the evening, the publication reports they had a conversation with Senator LOTT.

A paragraph out of the *Daily Monitor* reads:

Lott predicted many amendments would be offered. Asked whether that would mean debate would likely last through next Tuesday, the day of President Bush's State of the Union Address, Lott said it might, paused, then winked.

Those people were saying there was a lot of laughter after his wink.

Bush is expected to propose his own stimulus plan in the speech.

That is what this is all about. This is what it has been about for a long time. We are trying to come forward with a stimulus package that helps the American people.

Some of their proposals have merit, some of our proposals have merit, but not enough to get 60 votes. So why do we not do those things we agree on? The answer is not blowing in the wind. The answer is the minority does not want a stimulus package to pass prior to the State of the Union Message next Tuesday. It is as simple as that.

So no matter how much good faith Senator DASCHLE might show, no matter how much common sense Senator DASCHLE may pronounce, the fact is it appears they are not going to let us do anything until after next Tuesday, which is too bad.

I attended a meeting at the White House yesterday with the President, Senator DASCHLE, and the Republican leadership. Statements were made, and there was a lot of feel-good stuff about "we need to work together," and we do. But winks and nods are not the way to pass legislation. The way to pass legislation is to agree on things we agree on and move forward with that.

As far as the things we do not agree on, Senator DASCHLE has suggested yesterday and on several occasions, let us come with the package he has suggested and have each side offer amendments, two amendments, three amendments, four amendments. We could complete those by week's end. Certainly we can do it by the State of the Union date.

I assume we could go one step further. It was even suggested we put time limits on each of those amendments, an hour or 2 hours on each amendment. But, no, we waited. The Republicans held a conference yesterday evening starting at 5:30 and it went for a couple of hours to determine whether they should proceed on the suggestion of Senator DASCHLE that we go forward with what both parties agree on.

Now maybe there should be more stimulus to this economy than that, but at least it would be something to start with. Think of the unemployed as an example. Think also of the small businesspeople who could really use a depreciation allowance that was bigger and broader than the one now. That is one of the things everyone agrees on, but yet they are waiting in the wings.

What about States who are desperate for Medicare help, why are we not doing something there? Everybody says we should do it. Well, I am sorry to say it is because of the wink. We are going to stall things until Tuesday night, and then the President can come and speak on national television and say, why can Congress not get together and give us a stimulus package?

I say to the American people, I say to the people in my State of Nevada, we could have a stimulus package in the next day or two if we go forward on this proposal to agree on what is agreed upon by everyone. There is no dispute. No one is coming and saying we do not agree on those four things that Senator DASCHLE wants. Everybody agrees on those. What they are unwilling to do is to take away the fact

that President Bush has already written his speech and he has a paragraph or two long paragraphs, about the country being in an economic strait and we need a stimulus package, and why will Congress not work with him to get a stimulus package.

I could help write that speech because that is what it is going to be about. I do not think I need to help write the speech because it has already been written and they do not want to change any words of that speech. They want to proceed and try to come up with a political advantage in saying the Democrats, led by Senator DASCHLE, will not allow them to go forward on a stimulus package. I am saying that is untrue. It is unfair. It is unrealistic.

Common sense dictates we should go forward with a program that everyone agrees we should go forward with, costing about \$70 billion. It would be \$70 billion worth of stimulus that would be reciprocated numerous times and help the economy.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. Mr. President, I will take a few minutes to explain what I think is really going on. There is an old saying that if you let me define the terms of the debate, I will win the debate every time. That, I think, is what the majority leader and the assistant majority leader are trying to do today. They are suggesting, with a straight face, that the proposal is agreed to by both sides, so why should we not proceed with it and who would want to amend it?

Well, it is not agreed to by both sides. Let us get back to the definition. Something that is called an agreement, that both sides have agreed to the provisions of, would seemingly be something that could pass very quickly, and that would not be amended.

So why are those of us on this side of the aisle saying, "Wait a minute, you are trying to hijack the President's stimulus package, redo it the way you want it, and still characterize it as something that we agree with?" We do not agree with it.

What happened is after September 11, whether the economy was beginning to improve by then or not, it was clear the events of September 11 were driving our economy down, especially in the travel and tourism area but all throughout the economy. Large and small businesses both were beginning to suffer. People stopped traveling. They did not invest as much. Businesses were not investing as much. The President very quickly called for a proposal that would stimulate the economy and protect and create new jobs.

That was the essence of his proposal, to protect jobs and to create new jobs. In fact, he was able to put together a program and propose it on October 4 and 5, about 3 weeks after the September 11 event, and he called upon Congress to join him in this effort.

Some of us on this side of the aisle were urging the President to propose

certain things we thought would be very effective in stimulating the economy, and the President said no. He said that while he agreed with us that cutting the capital gains tax and making the tax cuts permanent and doing things of that sort would really help to stimulate the economy and protect jobs, he was not going to propose that in his package because now that we are in a time of war, he believed that he had to act in a bipartisan way to promote unity among our leaders in Washington, and to get both Democrats and Republicans to quickly agree on a package we can pass in Congress and he could sign into law. That is what is needed for the American people. He said, I am going to propose a package that includes a few of the things that Republicans think are good ideas to stimulate the economy and a few of the things our friends on the Democratic side believe should be in such a package, and I will present that in a bipartisan way.

He did that on October 4 and 5. There were ideas that represented the main themes of both political parties. Republicans had primarily asked for a repeal of the corporate alternative minimum tax, acceleration of all marginal income tax reductions, and accelerated enhanced depreciation. Those were the kinds of things that Alan Greenspan and others who came before our Finance Committee said would help stimulate the economy and get over what he defined as an "investment recession." In other words, businesses were not doing enough to make capital expenditures. These kinds of provisions would help provide the incentive for those capital expenditures.

Democrats had called for other things: Payments to nontaxpayers who were not part of the rebate program from the original tax cuts of 2001, an extension of unemployment insurance, and grants to States for health benefits for displaced workers.

The President said: I will take those three components that our Democratic friends supported, I will take the three components that some Democrats and Republicans support, and I will put them together in a bipartisan bill in the hope we can quickly, in a unified, bipartisan way, enact this package for the benefit of all Americans.

By the way, the House quickly passed a version of what the President proposed, but not exactly what he proposed. The majority leader in the Senate said no.

Let me fast forward, before going through the rest of the history, what the majority leader and the assistant majority leader have talked about this morning, something they call a lowest common denominator package, something to which both sides agree. They have defined it that way. What they have done is take the things from the President's original proposal that they wanted and said: We agree to those, so that is our package. By the way, we will take one of the things the Presi-

dent wanted and stick it in there. That means we have a bipartisan, lowest common denominator package. Why can't we just pass this little bill? At least we both agree on it.

As the assistant majority leader said: Maybe there should be more stimulus in the bill. Indeed, there should be more stimulus in the bill. There is only one item in the bill that provides any kind of stimulus to the economy, only one item, the accelerated depreciation—which we still don't know the details of—that provides investment incentive to protect and create new jobs. It is clearly not a stimulus package.

However, by defining what we have agreed upon as what you have agreed upon, they have tried to hijack the President's proposal and recharacterize it as something it is not. It is not something we have agreed upon. The President would never have proposed just the items in this bill and said, that is good enough for me, it is a balanced package.

It is designed to provide benefits to people who are unemployed. That does not stimulate the economy. But the President believed that was important to do. At the same time, it included limits that would actually provide more incentive for investment—that critical element of capital that is needed to spur the economy and protect and create jobs.

The Democratic leader has said: Fine, I will take one part—the part I like—say we have not agreed on the rest, and define that as a bill upon which we have all agreed. It reminds me of the old saying: What is mine is mine, and what is yours is up for grabs.

They basically pocketed what the President was proposing as a compromise, a bipartisan proposal, taken the part they liked, rejected what they did not like, and then said: Why not bring that to the floor and have a vote on it? After all, it was part of what the President proposed. Exactly. It was "part" of what the President proposed, but not, importantly, the part that would stimulate the economy.

I am all for helping those who are unemployed. The President made a big point of wanting to help those who are unemployed and therefore to extend the unemployment benefits. However, I think we all agree, people would rather have a paycheck than an unemployment check. This bill does virtually nothing to stimulate the economy, to protect jobs, and to create new jobs. It would be a sham.

When the minority leader yesterday said, you bet it will take beyond next Tuesday to get this right, all he was doing was stating a fact that, without amendments to this bill which provide real stimulus, of course we could not, with a straight face, vote on this bill and call it a stimulus package. Of course, the President is right next Tuesday to urge us to do what he asked us to do in early October, throughout the month of October, throughout the

month of November, and then December, until we finally went home on December 22 without having acted on a stimulus package.

The economy is still not doing very well. People are still out of work. What the President is going to be asking is to please get on with the job of enacting a bill and to not redefine this by simply taking what you like out of his proposal and recharacterizing that as a lowest common denominator agreement upon which we both agreed.

I see the distinguished majority leader is here. Before I conclude my remarks, let me make this statement. I think the proposal he has made here treats the President in a very unfair way. I know the President was trying to reach out to the other side, to include things the other side wanted, and that he wanted, in an effort to be bipartisan, in an effort to try to get this done quickly, so we wouldn't be into next year, the year 2002, when we finally passed a stimulus package. I do know for a fact, he left things out I would have liked to have seen in there. I don't think the distinguished majority leader probably would have liked them very much. The President knew that. He didn't want to have a highly partisan bill. He didn't want to have a particularly controversial bill. That is why he proposed a balanced package.

I think it takes unfair advantage of the President, in his offer to be bipartisan and to try to get this done quickly, to just take the part you like and say, that is the part we agree with, we reject almost all the rest of it, but why not pass that?

Let me go back a little bit in time to review what happened. After the President made his proposal on October 4 and 5, the House passed a bill. The Finance Committee, on which I sit, began to work on the bill. By the way, remember, the Finance Committee enacted a bipartisan tax cut proposal earlier in the year, so it is a committee that has in the past and even began last year working together in a bipartisan fashion to get things done. I thought I could do that with the stimulus package, taking the President's proposal, perhaps modifying it, but trying our best to come up with something that would be passed in a bipartisan and quick fashion. It turned out that the Finance Committee was not going to write the bill. It would be written in a partisan fashion by just one party, not both. When the package finally came before the committee, I thought it was interesting, I never could figure out who claimed parentage of it.

Several leaders on the Democratic side said actually they didn't write it, and with good reason: It was not something of which to be proud. It had \$54 billion in new spending; only \$21 billion could be characterized remotely as stimulative measures. Out of a total of \$117 billion in the bill, it had \$5 billion in extra agricultural spending, provisions added in the dead of night to

bring Democrats on board—and also, in my personal view, as a means of getting some of the special interests on board on the bill.

For example, the Commodity Purchase Program, and expenditures for things such as soybeans, pumpkins, snap beans, rum, tuna—all kinds of things—special tax credits for Amtrak, almost all of which have virtually nothing to do with getting the economy going again as a result of the September 11 events, but all of which were designed to bring more people on to support the bill.

Needless to say, that bill could never pass. It was voted out of committee on a strictly party line vote and obviously did not pass before the end of the session. The President, in an effort to try to move this thing along, kept encouraging us to develop a bill that could pass. The House passed another bill which I thought was a much better bill than the first bill they passed and much more along the lines that some of our colleagues on the Democratic side were proposing. Still, that bill did not come before the Chamber.

Finally, in desperation, in mid-December, a group of Democrats and Republicans in the Senate—the so-called centrist group—got together and developed a proposal that they thought would at least be an approach to stimulus as well as taking care of unemployed workers and be representative of the compromise that might bring about the President's agreement, and which they could then propose to the Senate and get it passed.

They took it down to the White House and met with the President. He said: OK, you have a deal. It isn't what I originally proposed, but it is a great effort at compromise, and I will agree to it, and I will agree to sign it; it is passed.

The President urged those of us on the Republican side of the aisle in the Senate to lay aside the other things we wanted to try to accomplish in this bill in an effort to get this finished before we went home for Christmas—to agree to the centrist coalition approach the Senator from Iowa, Mr. GRASSLEY, described, part of which was in his remarks earlier.

I also confess that I wasn't enamored by some of the provisions of the bill. I thought it did far too little to stimulate the economy. But in an effort to reach bipartisan compromise and get this done before the end of the year, as far as I know, virtually all of my colleagues on the Republican side of the Senate agreed to support that centrist, bipartisan approach which the President said he would sign.

Still, the majority leader said no. Instead of taking that proposal up, we took up the railroad retirement bill, a big agricultural spending bill, and some other items before we went home for Christmas and the New Year's recess. We didn't do a stimulus package.

Now, we come back in January after the recess when a lot of criticism has

been heaped upon those who prevented us from getting a stimulus package voted on, passed, and sent to the President. The American people are not happy with the status quo. I think they understand with the President that we should have done something a long time ago but that it still is not too late to try to help our economy. People continue to be laid off around the country. We have to help them, not only by temporarily extending their unemployment benefits but, as I said before, to get them a paycheck and not just unemployment checks. That means providing the capital for investment that will create the jobs that will put them back to work and get the economy moving again.

That is what the President proposed today. It is what the second House proposal did. It is what, at least to some extent, the centrist coalition proposal would do, and it is necessary that we get on with that job.

What is before us today is not that kind of proposal. What is before us today is not a compromise. What is before us today is not something that has been "agreed to" by both sides. It has been characterized by our colleagues on the other side of the aisle as moving forward on what we agreed on. That is a mischaracterization. As I said before, it is taking some pieces of the bipartisan proposal the President suggested, pocketing those, and saying: Well, we both agreed on that. We are going to reject the rest of what you proposed, Mr. President, but since you proposed this as part of your package, we will characterize that as what we agreed on, and that is what we will vote on here.

That is incorrect, and, as I said before, I think it is taking advantage of the President's good faith efforts to try to move something forward with which both sides could identify and which would have gotten the economy moving back in October of last year.

That is why on this side we have said we are happy to now have this stimulus bill on the floor. We can finally begin debating what is necessary to get this economy moving again, take care of the people who are unemployed today, and make sure we can get them back to work tomorrow. That is the key. But in order to do that, we are going to have to put something in this bill that actually provides stimulus and will help to actually put more capital investment into the system so jobs can be created and people can go back to work.

We can't simply accept what has been put on the floor here, which, as I said before, has essentially no stimulus effect in it. That is why we are not going to agree to a process which would terminate our ability to offer amendments which we see as necessary to try to get this bill back to a more balanced kind of a bill and to try to provide something that will actually stimulate the economy.

I will have more to say about this. I see some of my colleagues on the other

side. I am, frankly, curious to see what their approach to this is, given the fact it should be very clear by now that they can no longer characterize this as a bill comprised of things we agreed upon, because we don't agree to them.

Three of the four items were in the President's package. In one form or another, they were in packages we were willing to support as long as they were accompanied by other provisions, but not standing alone. Standing alone, there will be virtually nothing to stimulate the economy. And I don't think we can with a straight face, therefore, say this is a job creation, stimulus package. With the amendments we could propose, we could get them. If our colleagues on the other side will be open minded about some of those amendments, I think we can get there.

As a matter of fact, we have a couple of amendments ready to go. We will, I think, have majority support on the other side of the aisle. I regret that probably it is going to take 60 votes to pass any amendment because of the rules of the Senate. I am not objecting to the rules. I understand those rules. But because any amendment is probably going to take 60 votes, it will be very hard for any amendment to pass. As a result, we will probably be stuck with the bill that has already been laid down.

But I think it will be interesting to see whether a majority of our colleagues will actually agree to certain proposals such as that offered by the centrist coalition. That should suggest there is a bipartisan way to proceed here.

I just hope my colleagues on the other side of the aisle will agree that in that circumstance, if at least a majority of the Senate is willing to vote on a compromise package that will have a stimulative effect, we have an obligation to get this done for the sake of the American people sooner rather than later and that maybe we could work together and accomplish this result without too many more days having elapsed.

I will have a little more to say about this in the future. I hope very much that we can over the next few days get to a point where we can pass a bill, go to conference with the House of Representatives, and quickly present the President with a bill that will get people back to work in this country and get our great economic engine moving forward full steam ahead.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that I be able to follow the majority leader.

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

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

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

The majority leader is recognized.

Mr. DASCHLE. Mr. President, about an hour ago I noted that we have a lot of work to do in a very short period of time. We have talked jointly—Republicans and Democrats—about the need to do not only economic stimulus but the farm bill, the energy bill, and the election reform bill. We have 2 days this week. We have only 2 days next week. And then we have 2 weeks before the Founders' Day recess.

I do not know how we can accommodate all of those unless we can move this legislation forward. We had lengthy debates about the economic stimulus bill for weeks in the remaining period prior to the end of the last session.

I suggested to Senator LOTT yesterday that perhaps one way we could expedite the consideration of this bill, without any time limits, is simply to get a limit on amendments. I have been told there are some on the Republican side who would rather not complete work on this bill perhaps not only not this week or next week but until the week after. I hope that is not the case.

There is much to be done. As I said, I think there is mutual advantage to getting it done. So I indicated about an hour ago that I would propose a unanimous consent request that would simply recognize the facts I have just stated. I am not wedded to the particular amendment limit I have suggested in this unanimous consent request. I am going to be proposing we limit amendments on either side to four each. That would accommodate Senators on either side who may wish to add to this common ground package I have suggested. They can offer a substitute. They can do any one of a number of things. If four does not work, I am happy to entertain an alternative number. But we have to start with something. So that is my intention.

UNANIMOUS CONSENT REQUEST

Mr. President, I now ask unanimous consent that there be four first-degree amendments in order for each leader or their designees to the pending matter; that if the Senate passes H.R. 622, as amended, then the Senate immediately turn to the consideration of H.R. 3529, the House stimulus bill; that all after the enacting clause be stricken and the text of H.R. 622, as passed, be substituted in lieu thereof; the bill be read a third time and passed; the Senate insist on its amendment, request a conference with the House, and the Chair be authorized to appoint conferees.

The PRESIDING OFFICER. Is there objection?

Mr. KYL. Mr. President, I object and just note that I do so on behalf of the minority leader as well as myself. I note there is no intention to delay. If we could pass the bipartisan Centrist Coalition amendment and not have a point of order raised on that, we could have this done by this afternoon. So

the object is not to delay. The object is to try to make sure we have a good bill.

The PRESIDING OFFICER. Objection is heard.

Under the previous order, the Senator from Minnesota is recognized.

Mr. NICKLES. Will the Senator from Minnesota yield just for a couple of minutes?

Mr. WELLSTONE. I will be pleased to yield. I will follow the Senator.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. I tell my good friend and colleague, the majority leader, his request was to take up the bill he introduced and have a few amendments on it, and objection was heard on that—I think for good reason. But I will tell my friend and colleague, if the majority leader is willing to take up the House-passed tax bill, I will work with him to come up with a limited number of amendments and see if we can't get that passed in the next couple of days.

So if he will modify his request, and instead of using the bill he introduced, to make that the House-passed tax bill, I will work with him to come up with an agreement to limit the amendments and try to get it passed in a very expedited fashion.

I yield the floor. I just wanted to let my colleague know that.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. WELLSTONE. If the majority leader wants to respond, I will withhold for the majority leader.

Mr. DASCHLE. I thank the Senator from Minnesota.

I will be brief. Let me just say, the whole purpose in this exercise is to find common ground. If this isn't the common ground, I am willing to entertain any amendment that might be viewed as better common ground. But we know that whatever common ground proposal we find has to attain at least a 60-vote threshold.

We know the House-passed bill will not reach a 60-vote threshold. We know the Democratic proposal will not reach a 60-vote threshold. So simply to take up a bill that we know will fail does not get us any further along.

The whole idea, as I said at the beginning, is to seek some compromise that would allow us a 60-vote threshold. So we are still waiting. We are still searching. We are still hoping we can offer amendments in the effort to accommodate that goal—a 60-vote threshold.

So I appreciate the kind offer of the Senator from Oklahoma, but I think he knows, as I do, that isn't going to get us where we need to go if we are going to complete our work on this bill.

Mr. DORGAN. Will the Senator from South Dakota, the majority leader, yield?

The PRESIDING OFFICER. The Senator from Minnesota controls the time.

Mr. DORGAN. I ask if I might inquire of the majority leader.

Mr. WELLSTONE. Please.

Mr. DORGAN. I just listened to a rather lengthy discussion by the Senator from Arizona about where we are and how we got here. He characterized the position of the majority leader as having been unwilling to compromise on virtually anything at any time for any period of time. That, it seems to me, is at odds with what has happened in the last couple months in relation to economic recovery or the stimulus package.

I wonder if the Senator from South Dakota could respond to those rather lengthy comments about his so-called failure to compromise on these provisions.

My observation, I would say, has been that the majority leader has been willing to compromise on virtually all of these provisions in order to try to reach an agreement. But despite those compromises, there has not been any budging on the other side.

Could the Senator from South Dakota, the majority leader, respond to the assertions we have just heard from the Senator from Arizona?

Mr. DASCHLE. Unfortunately, I was not in the Chamber when the Senator from Arizona made his remarks, so it would be difficult for me to comment specifically. But if that is the tenor of the comment made by the Senator, let me simply refer him to my opening remarks today which I made about an hour ago.

I had a chart that showed, in a circle, the proposals made by the Republicans and, in a circle, the proposals made by the Democrats. There is an overlap of those two circles.

The list of items in that overlapped part of the two circles is what we have before us. They are not word for word identically proposed. They are different. The concepts are different.

I appreciate the senior Senator from Minnesota helping me with my visual aids, handing me this chart. On this chart is shown the common middle area which comprises several issues that are common to both Republican and Democratic proposals.

We both have proposed unemployment benefits. We both have proposed tax rebates. We both have proposed bonus depreciation. We both have proposed fiscal relief for States.

Mr. NICKLES. Will the Senator yield?

Mr. DASCHLE. As I said, they are not identical, but the components are found in both bills. If that isn't the definition of "compromise," I honestly do not know what is.

All I am suggesting is, we take that as the base vehicle and use it as the subject for whatever amendments Senators wish to offer. So that is really the issue.

The Senator from Minnesota has been very kind with his time. I appreciate him yielding to me.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I just will build on what I think the ma-

jority leader was saying. I will be very honest. I was listening to him propound this unanimous consent request, and I was thinking: We are talking about four provisions. I don't know how any Senator can disagree with any of them: The tax rebates, the business relief—we can go over all of them—the State stimulus which is critically important for Medicaid, and the extension of 13 weeks of unemployment benefits.

Then I think the request was saying there would be two—how many amendments on each side?—four amendments all together.

Mr. DASCHLE. No. No. If the Senator will yield, let me make sure everyone understands the proposal. The proposal was that either caucus have a minimum of four amendments to offer in addition. So there would be amendments to the package proposed as the common ground vehicle.

Mr. WELLSTONE. So what I was thinking about was: Look, I can think of a number of amendments I would want to do alone, which would extend unemployment benefits beyond 13 weeks, which would bump up the benefits, which would increase the eligibility. What about health care assistance? I am thinking that might not be enough.

But then I was thinking: Look, here is what we agree on; and then Senators from both sides of the aisle can bring other amendments to the floor. And I am sure the distinguished Senators from Oklahoma or Wyoming have other ideas. So do several other Senators. And then we just move forward. We have amendments. We vote on them.

We are all accountable for our votes. But we do the work of democracy as opposed to one big, gigantic stall, which is what we are actually experiencing right now. That is what this is about.

I simply want to say that, to me—I keep struggling to do this. I keep struggling to connect all this sort of strategy and tactics with people's lives back home. Sometimes it is hard to do it. We get here and get so caught up in how we are going to get it done.

The majority leader is trying to move this forward now. But I will tell you, there are so many people who are flat on their backs through no fault of their own. They are running out—if they have not already—of unemployment insurance. They do not have any health care coverage.

The States are in a world of trouble right now in terms of their own budgets and Medicaid costs. We could pass this. And maybe there will be some amendments that will be introduced on both sides that will improve upon this. Political truth is elusive.

My guess is the definition of "improvement" of several of my colleagues from the other side might not be my definition. I will have amendments. I will want to make sure that families can afford to purchase health insurance for themselves and their loved ones. I will want to make sure that part-time

workers and working poor are eligible for unemployment insurance and that they get better benefits. And colleagues from the other side will have other amendments.

Let's be very clear about this. This is one big, gigantic stall. The whole idea is, let's just put it off. Let's not move forward. It is just one big coordinated political strategy. Maybe it is a great political strategy. But from the point of view of people back home, it is not.

I heard my colleague from Arizona—and this is the last thing I will say about the past; then I will look forward from today on—about how we didn't do the work before the break and how the Democrats didn't do this and didn't do that and there was no "stimulus plan." If my memory serves me correctly—again, the Senator from Arizona might not agree—indeed, we had an economic recovery plan. There were 53 votes or maybe 54 votes, and it was blocked on a procedural point. Some would view it as filibuster. We didn't get 60 votes. We had a plan. There were some Republicans who supported it. It was terribly important, and it was blocked.

Now my colleagues are just dying to bring over the House measure. I can't remember whether it has the big Enron bailout money in it now or not. Frankly, the House of Representatives tried so hard to reach back to the mid-1980s and get as many billion-dollar or half-a-billion-dollar breaks to this large company or that large company or this family with an income over \$500,000 or this family with an income of \$1 million, I can't even remember all they were trying to do.

With all due respect, "Robin Hood in reverse" tax cuts with 50 percent plus of the benefits going to the top 1 percent, not even scheduled to take effect for a couple of years, much less giving \$1 billion here and \$1 billion there to a different multinational corporation, Enron at one point in time included—that may be too embarrassing to do any longer—I don't think it has a heck of a lot to do with economic recovery.

Economic recovery is the here and now. Economic recovery is how you help people who are flat on their backs. Economic recovery is how you help people consume. Economic recovery is Keynesian economics. Economic recovery is how you have a stimulus that really jump starts the economy now. Economic recovery is strategic investment in the economy to get the economy going, not "Robin Hood in reverse" tax cuts, not \$1 billion here or a half a billion there for this big company and that big multinational corporation, not even scheduled to take effect right now, having nothing to do with getting the economy going right now.

But I will tell you what it does do. We will see a lot of this over the next couple of weeks. What it does do is assure a huge, ideological victory for Senators who believe that when it comes to the most pressing issues of people's lives, there is not much the

Government can or should do which, by the way, is a great philosophy when you own your own large corporation. It doesn't work for the vast majority of families and working people in our States.

If we go forward with what my colleagues are talking about—and I certainly would love for us to go forward; I would like for this unanimous consent request to be accepted—we will start with what Senator DASCHLE has offered. I don't think very many Senators are opposed to any of these provisions. The Senator from Oklahoma is. In which case, we will have debate. Then we will have an up-or-down vote. Then there will be other amendments. And all of that will work out.

But the other part of this is, with all due respect, I think what is happening here right now is, it is about more than economic recovery. That is part of it. This is a big, gigantic stall. My colleagues from the other side of the aisle don't want to move forward on this economic recovery package. We could move forward. We have a minimum of four amendments on each side. We debate them, and we vote on them. And people back home hold us accountable. In addition, what we can agree on, we agree on, which will provide at least some help for people and maybe even some help for the economy.

I am not sure actually whether or not we have anywhere near enough of an economic recovery package here, but I sure would like to start with what we agree on. I would sure not like to see this stalled out.

The other agenda I want to speak on for a minute or two is this gigantic stall today in the context of trying to add on to the tax cuts which are going to bleed this economy. The truth is, all this discussion, CBO analysis about deficits and where we are going, not only raises questions about the surplus, but you are going to see it in the President's budget plan. You will see a budget plan that basically is going to say, forget the commitment to fully funding IDEA, kids with special needs, and helping out schools and education in our States.

That is all I am hearing about back in Minnesota. When I go to the school board meetings, 1,000 people show up at a time. The surpluses are gone. Teachers are being eliminated. Class sizes are going up. Afterschool programs are being eliminated, huge fees for co-curricular activities, be it music or athletics, on and on. And people are saying to me: PAUL, thanks. The Senate did a pretty good job on this, a real good job, bipartisan, voted for full funding for kids with special needs. It would have been \$2 billion more for our State over the next 10 years. It would have made a difference. It would have been \$45 million this year.

It was blocked by House Republican leaders, blocked by the administration. I do no damage to the truth. That is what happened. Do you think now we are going to get more of a commit-

ment? Are we going to get anywhere near full funding? Are we going to get anywhere near the resources from the Federal Government back to our school districts, including what we promised? No.

And now my colleagues want to add even more "Robin Hood in reverse" tax cuts, going to the top 1 percent big multinational companies. That means we have no resources. That is what it is all about. If you don't think we should be doing much by way of education and you don't think we should live up to our promise of prescription drug benefits for the elderly, building on to Medicare, and if you don't think we should do anything about the crisis in affordable housing, I argue to the Chair, who does so much work in education, that affordable housing is becoming the second most important educational program in the country. When 8-year-olds are moving two and three times a year because their families can't afford housing, it is real hard for them to do well in school.

I could go on and on because, frankly, it is going to all go on and on. You are going to see it when it comes to the commitment to transportation infrastructure. Veterans are going to ask, what happened to them; how come people are not saying this to them any longer, above and beyond the Fourth of July parades? Across the board, that is what we are going to see.

We are heading for a huge debate where the differences make a difference. That is fine with me. It doesn't need to be done. The Senator from Oklahoma came by. We shook hands, had a good time. I like to mix it up with people. It is my nature to like people. But we will just have the differences.

The Senator from Texas is out here. He knows what that is about. That is fine. It will be an intellectually honest debate about the role of government, about pressing issues in people's lives, about priorities, about where we make our investments, about how we raise money, about who we support, about how we invest in the economy, about what we do for our children, about whether or not we protect the environment. All of these issues can be debated and should be.

What I am little bit skeptical about now is just a big stall. This isn't like a big debate. This is a big stall. That is what my colleagues on the other side of the aisle are about right now.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. DORGAN. Mr. President, I listened with interest today to my colleague from Arizona, and now my colleague from Minnesota, on this subject of economic recovery. This is a critically important subject. This is not the normal run-of-the-mill policy that we debate here in the Senate. Our economy is in some trouble, and I am not sure any of us quite understand how much trouble. It is a new economy. We

don't have models by which we can judge what happened in the past and therefore project what might happen in the future. This is a new global economy that operates and behaves in ways that are different than perhaps represent our conventional understanding.

I know my friend from Minnesota mentioned that our colleague from Texas, who is in the Chamber, came from a background of teaching economics, I believe, in college. I, too, briefly taught economics in college. I like to say that I have gone on, nonetheless, to overcome that experience and lead a reasonably productive life.

The field of economics is not much more than psychology pumped up with a little helium. We have all kinds of economists in this country who will give us their best guess of what has happened and what will happen. But nobody really knows.

We have heard suggestions from respected economists in America, Nobel Prize winners no less, that we have an economy that is in a recession; that we have rather substantial overcapacity in this economy, and the most effective way to jumpstart this economy is to do the kinds of things that represent a boost in consumption. This morning, one of my colleagues talked about increasing business investments. Perhaps there is a need for some of that. But most economist will tell you that during a time of recession, when you have overcapacity, the quickest way to jumpstart an economy is to boost consumption.

What menu of plans has been introduced that would do that? One of my concerns is that there is almost no room to be critical of a plan these days because if you are critical, somehow you are taking on the President in an unfair way.

I gave the response to the President's radio address a couple weeks ago, and I received a letter from a guy who said he was listening and almost drove off the road when he heard me. It was a shrill, partisan letter. Some of us receive those periodically. My response to the radio address—about the first one-third of it was about what a outstanding job this President has done prosecuting the war against terrorism. I complimented him and Secretary Powell and Secretary Rumsfeld and others. I talked at great length about that.

Then I said, on the subject of economic recovery, that we have differences. I talked about those differences. I debated the differences in policy. Norman Vincent Peale once said: Most people would rather be ruined by praise than saved by criticism.

There is nothing, in my judgment, that injures this country by having a full-scale debate break out on something that represents important public policy.

Let me talk a bit about some of the ideas that have been brought forward on the subject of economic recovery. In my judgment, the goofiest idea, if I can

use that term, came from the House Ways and Means Committee. We just had a colleague suggest that we start with that bill here on the floor of the Senate. The proposition is that we go back to 1988 and provide tax rebates to large corporations for the alternative minimum taxes they paid over the last 14 years. Somehow that is represented to be a piece of economic recovery policy.

That is not going to promote economic recovery. It doesn't have the foggiest thing to do with economic recovery. It has everything to do with writing a very big check to some of the biggest corporations in this country. They paid tax under what is called a "minimum tax" because in the 1980s we decided we didn't want to have companies making billions of dollars in net profit and paying zero in taxes. We thought there ought to be some minimum at least. That was the proposition.

But, of course, the House Ways and Means Committee, on which I used to serve, wrote a bill that said, by the way, let's provide rebate checks to all those companies that had to pay minimum taxes dating back to 1988, such as IBM. We will give them a \$1.4 billion check. Ford Motor Company—give them a billion-dollar check.

Does anybody think that will promote economic recovery in this country, when we are in a recession and have overcapacity in the economy. No, that is just a giveaway. I will not apologize to anybody for having passion about public policy and saying, when somebody recommends doing something that will increase the deficit, that augurs against the interests of the average American citizen and will do nothing to help the economic recovery but will enrich those who don't deserve that by giving them rebates for taxes they should have paid—minimum taxes, not regular taxes. Nobody deserves an apology from those of us who say that makes no sense; that won't help this country.

So we have a debate about those kinds of policies. I use that just as one example. My colleague, the majority leader, said let's take those areas of intersection between what the President and others have proposed, and where there is common ground, let's offer that, have amendments to it, and pass it.

One area is extended unemployment benefits to those who have lost their jobs. Two months in a row, we have had news that 400,000 American people have lost their jobs. So 400,000 additional Americans came home from work one night and had to tell their families that they got a notice that they had lost their jobs.

Do you know who most of them are? Most of them are families who know about second shifts, second jobs, secondhand, and second mortgages. These are the families at the bottom of the economic ladder, and they know about these things. They are the first to lose jobs in a recession.

Now, we asked 11 of the leading economists in this country what we could do to give this economy a boost, what would really promote economic recovery. Virtually every single one of them said this: If you extend unemployment benefits to those who have lost their jobs during an economic downturn, that money is immediately spent by those who receive it because they need it. They need a helping hand during tough times. When they are down and out, they need a hand. They will spend that money immediately. That is exactly the kind of help that stimulates the economy. That is what we have done in every economic downturn in the last 25 years.

So that is a provision the majority leader brings to the floor today that says: Look, the President says he supports that; we support that. Let's take that provision and pass that provision. Three additional provisions represent the same approach—common provisions agreed to by virtually everyone. He says let's move that which we can move, allow people to offer amendments to it, but let's not drag our feet any longer on these issues. Let's have some movement and action to try to give the economy a lift, with policies that we know and which economists tell us will help this economy recover.

We talked a great deal in this Chamber about policies in kind of an anti-septic way. There is not much about real people and the effect of policies on real people. Just take one of those 400,000 people who, in October, had to tell their family they had lost their job, or one of those 400,000 people, in November, who had to tell their family: I have lost my job, but it wasn't my fault. This economy is in a recession.

It was in a recession prior to September 11, and then those two airplanes that ran into that World Trade Center and murdered thousands of innocent Americans. That act of terror and mass murder cut a hole in this country's belly and created additional victims. They are people who lost their jobs because this economy continued to slow down even more following those terrorist attacks. So those people came home at night to say to their families: I have lost my job, my ability to make a living.

It is said that the unemployment rate is 5.8 percent. For someone who goes home having to tell their family they have lost their ability to make a living, their unemployment statistic is 100 percent. They have lost their job. That is pretty tragic for families to have to explain to others that they no longer have a paycheck coming in. In most case, these are hard-working Americans. They are at the bottom of the economic ladder, scratching and clawing and trying very hard to move up and do well for their families.

In a recession, in an economy that turns sour, it almost always injures them first.

That is why this provision at the very least ought to be embraced by everyone immediately.

Mr. President, I will make one additional comment. If politics was hot air, there would be enough to lift this building. I understand all that. But, frankly, on both sides of the aisle, we have men and women of good faith who really want to do the right thing. Let's try to find a key today to unlock this and find a way for Democrats and Republicans, conservatives, liberals, and moderates to understand that we all live in the same country. We all live on this same spaceship Earth. We are all Americans, and we want what is best for our country.

It is not disloyal to break out in open debate about one policy or another, but at the end of the day, we must compromise. We must find a way to reach common agreement in ways that will help the American economy. I hope that is the case.

Let me finish as I started. I think this President deserves the praise of the American people and this Congress for many things in recent months. I think the leaders of this Congress—my colleagues, Senator DASCHLE and Senator LOTT—deserve praise in many ways for a lot of the things they have done to bring us together to deal with the threat to our country. I want to provide the same kind of praise to all of us for coming together—the President, yes, Senator LOTT and Senator DASCHLE—to reach agreement now on an economic recovery package.

What the majority leader has proposed makes good sense to me. He said we have all kinds of plans out there. Let's take that area where those plans intersect and we have reasonably common agreement. Let us move those and then come back and see if we can reach agreement on others, or take those areas of common agreement, offer some amendments to them, and see where the votes are and then move forward.

What the majority leader has proposed makes good sense. I hope others will embrace it today.

In the end, I am not interested in what is good for the Republican or the Democratic Party or the President or Congress. There is not a Republican or a Democratic way to go broke. There is not a Republican or Democratic way to lose your job. It is not a partisan thing to have to tell your family that you lost your job yesterday.

This is not about politics. It is about whether we are going to do the right thing for the American people. Yes, for businesses, many of which are struggling, and especially for families, many of whom have received the news of a job being lost in an economy that has turned sour.

What can we do to help this economy? A lot of the problems of this country we have talked about in recent days will be solved by a growing economy that provides opportunity and hope once again to families, to workers, and to businesses.

It is interesting, there is one story going around about a corporation that failed in this country. That is a tragedy as well. But it is always the case when we see these situations, somehow those at the top end up doing real well and those at the bottom end up losing their shirts.

In many cases, that is what happens in a recession as well. I hope we can understand that as we grapple with the questions of how do we pass legislation that gives this country's economy a chance to survive and how do we give American families and businesses some hope that tomorrow will be a better day, that they understand the American economy will offer opportunities for them again in the future.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I want to begin by talking about the history of how we came to where we are today. Then I want to talk about where we go from here.

When it became clear that the country was in a recession—in fact, before many people in Congress recognized that we faced an emergency situation—the President started to talk about a stimulus package. The President met with Democrats and Republicans.

I remember a day I went down to visit with the President as he was soliciting advice as to what should be in a stimulus package. My advice was that there are two things we could do that would dramatically help the economy and that during the recession not only would not cost us money, but incredibly would probably put money in the Treasury. Those two proposals—not surprisingly, given that I made them—were to cut the capital gains tax rate and to make the tax cut permanent.

From the time of John Kennedy, in each and every case where we have reduced the capital gains tax rate, we have encouraged people to more efficiently manage assets, we have encouraged investment, and people have actually paid higher taxes—at least in the short run and often in the long run—as a result of those changes.

It seemed to me then and it seems to me now that cutting the capital gains tax rate would be the cleanest, most efficient, least expensive way of stimulating the economy. In fact, for the remainder of this recession that action would almost certainly put money in the Treasury, not take it out.

In terms of making the tax cut permanent, what could be more destabilizing than having a Tax Code that is going to expire in 10 years? We tell people about how we are cutting their tax rates, we are eliminating the marriage penalty, we lowered the 15 percent rate, we will repeal the death tax, and yet everybody who has read the fine print knows in 10 years, because of a budget technicality, the old Tax Code comes back and a massive increase in taxes occurs in 1 day.

In fact, there is the absurdity that if you die today, you face one set of taxes

on your small business or your family farm that you built up; if you die 9 years from now, you face no death taxes; and if you die 10 years from now, the Government takes 55 cents out of every dollar you have earned in your lifetime and takes it away from your family, often forcing people to sell their small business or sell their family farm.

What do you think people think about the prospects that if you die in 9 years, you pay no death tax, but if you die in 10, the Government takes 55 cents out of every dollar you earn? I, quite frankly, am concerned as to what is going to happen in that ninth year, with the kind of perverse incentives we have created.

I proposed to the President that we make this tax cut permanent. Supposedly, we intended it to be permanent and I thought the stability that would come from having that certainty would help the economy.

The President's response was that we had to come up with a package that was going to be bipartisan and that he did not believe those policies would be accepted by our Democratic colleagues and that they would become a lightning rod in the debate. Obviously, I did not agree with that, but the President came up with a proposal where over half the proposal came not from recommendations that Republicans made but from recommendations that Democrats made.

The President, however anybody wants to criticize him, basically sat down thinking that after September 11, something had really changed. I remember a colleague of mine sitting in my office saying: After the 11th, things have changed forever. I suggested that forever is a very long time. By January, the things that had changed in Congress about cooperation had pretty much changed back, unfortunately. But the President—and I say this as a great compliment to him—when he wrote his initial stimulus package, tried to take Democratic ideas and Republican ideas and come up with a bipartisan compromise that he thought might be adopted on a bipartisan basis.

So the debate started, and the House passed a bill. They passed it on a bipartisan basis. We had a debate in the Senate, but nobody could get to the 60 votes necessary to pass a bill, and we had an impasse.

Then a series of our more moderate Members—I was not a member of this group—got together, Democrats and Republicans, and came up with a bipartisan proposal. That bipartisan proposal basically picked and chose among various stimulus proposals that had been made. Based on the fact we clearly had a majority of Members of the Senate who were for this bipartisan proposal that emanated from the Senate, the House of Representatives passed that bipartisan proposal in the waning hours of the last session. That proposal then came to the Senate. However, Senator DASCHLE decided to

not allow it to be considered, even though clearly a majority of Members of the Senate—Democrats and Republicans—were for that bill.

That is the way the last session ended. We are now in the new session. Senator DASCHLE approached our leadership and said: I am willing to bring up a stimulus package. But he was not willing to bring up the stimulus package the President proposed. He was not willing to bring up the stimulus package the bipartisan coalition proposed. What he wanted to do, in essence, was to take the provisions from the President's proposal that he agreed with, all of them in one form or another things the majority of Democrats were for, and he wanted to bring that up.

Now we are perfectly supportive of bringing that bill up. The majority leader ultimately can bring up any bill he wants to bring up, but our basic position is simple and straightforward, and I think anybody who is trying to be objective about this will see it makes sense. If we bring up the bipartisan bill that was put together by moderate Republicans and moderate Democrats, I think within that context we could have an agreement limiting the number of amendments we would debate. Senator DASCHLE and others would have an opportunity to offer a substitute or other amendments. Those of us who might want to strengthen the package from an economic stimulus point of view would have an opportunity to offer a couple of amendments, and that would be it. That would have been a reasonable and acceptable proposal.

The proposal the majority leader made, however, was to bring up a totally new bill, one-quarter of which—giving money to the States—was never in any of these other proposals I have seen. The President did not propose that. The House did not adopt that. Where that came from, I do not know.

The point is: We have a bill before the Senate, and my suggestion is we let the Senate work its will; that we have a series of amendments, a Democrat amendment, a Republican amendment; that we debate these issues. There clearly will be an amendment to expand the accelerated depreciation part of this bill. We have a bill before us that provides accelerated depreciation for about 9 months. We had a proposal initially for 3 years. There will almost certainly be an amendment on that and it ought to be voted on. We have had a lot of debate about overturning the tax cut, not letting it go into effect. Clearly, I think we can provide some certainty to investors and to consumers by having the Senate go on record that we are not going to overturn the tax cut.

I personally believe we will benefit the economy if we have the Senate make the repeal of the death tax permanent. I would like to have a vote on it. I am sure there will be many amendments, or some amendments, on the Democrat side, but it seems to me that

if one wants to make up their own proposal—and when they are the majority leader, they have the right to do that—they have to recognize other people may not support it and they will want an opportunity to present their ideas. That is how the Senate rules work.

If we had gone to something that had been agreed to by the majority of our Members to begin with, I think we might have limited amendments, but now I think what we need to do is to simply start the process of offering amendments. I do not know how long this is going to take. I do not think, quite frankly, it is going to take a terribly long time. I think there are issues that need to be voted on.

Finally, let me say we have a deficit. We have a deficit primarily because we have a recession. The second largest cause of the deficit has been the explosion in spending, most of which occurred in the last 3 months of the Clinton administration. An increase of over \$120 billion in spending above the level we set out in the bipartisan balanced budget agreement occurred in a 3-month period, with a Republican Congress. I am not only pointing at Bill Clinton. A Republican Congress and Bill Clinton had a spending orgy, the likes of which I have not seen in almost a quarter of a century in the Senate.

The third thing is we have adopted a tax cut of \$38 billion. Altogether, we have had over a \$300 billion decline in the surplus. Some of our colleagues say the problem is the tax cut. But, that is only about one-tenth the size of the collapse of the surplus.

I know there are people on the Democrat side of the aisle who would like to raise taxes and to eliminate that tax cut. We certainly will have an opportunity to vote on that. But the bottom line is, we need a stimulus package. We are in a recession, and every penny we use to stimulate the economy we are going to have to borrow. That is a dollar we are going to be taking away from somebody who might have used it in another way. So if we are going to have a stimulus package, I think it is very important it be a package that stimulates the economy.

I find it incredible—some people might find it unbelievable, and in some ways it is both—that if we look at the Daschle proposal that is now before us, if someone paid income taxes last year as an individual, they will get no benefit from this stimulus package. We give big tax cuts to people who do not pay taxes. We have massive increases in spending, but if someone paid taxes last year; if they are working and saving and investing; if they are anybody who is currently making the American economy go and paying taxes in the process, this bill does not deem them worthy of having a stimulus provision that would encourage them to work more or save more or invest more.

I do not know how the economy is stimulated without providing incentives for people who are engaged in pro-

ductive activities. I do not understand that. I know the proposal that was in the bipartisan package and that was in the Bush proposal that would accelerate the tax cut that is coming for individuals who make more than \$28,000 a year—that there was opposition to it. I do not understand, if the objective is to get people to work and save and invest, why no incentives are provided for people who are working and saving and investing.

So some will remember that when this bill was presented yesterday, these two intersecting circles—the Republican proposal and the Democrat proposal—were presented, and where the union of those two circles was, was supposedly what Senator DASCHLE was proposing. Well, it turns out a quarter of it I have never heard of before; and that is, we have a bigger deficit than all the States combined, but now we are going to run a bigger deficit to give them money.

I don't understand it. What it really looks like to me, looking at this so-called stimulus package, is spending. You look at the words "spending" and "stimulus," and the only similarity is they both start with an "S."

Here is my point and I will conclude: We can stand and talk about provisions that were in old bills that nobody has debated in months. I could rant and rave about stimulating the bison industry. That was a provision dealt with and laughed out of the of the Democratic version of the bill. I could taunt my Democratic colleagues with it forever, but what good would it do in this debate? None. Bringing up retroactive provisions in the original House bill that have never been considered by the Senate, that no Republican Senator has endorsed, that are not in the bipartisan consensus bill, I don't think is very productive, either.

The path we have chosen, quite frankly, I think is the hard path. If we had brought up the bipartisan bill, we might have adopted it; it might have gone to the President and been signed. Instead, we brought up a bill nobody has ever seen. It will be amended, probably at great length. Then if it is adopted, it will go to conference, where there might be more mischief and the potential of not getting a bill. If there is an easy way and a hard way, we have decided, it seems to me, to do it the hard way.

I think it is important to start the amendment process. I urge my colleagues on both sides of the aisle, we have a vehicle before the Senate. Whether Members are for or against it, everybody claims—with the exception of two or three Members of the Senate—that they want a stimulus bill. We have a proposal before the Senate. If we do not like it—and I don't like it—we should offer amendments to it. I believe we will be ready, hopefully this afternoon, to begin that amendment process. It may be, as we start debating amendments, as we start voting on them, that we could yet form a con-

sensus and adopt this bill. That would be very beneficial if that were the case. I hope it will be the case.

I yield the floor.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. BREAU. I thank the Chair for recognizing me for a moment or two. I will use a few minutes to talk about where we are on the question of economic stimulus. It is appropriate to say where we are is where we have been. The phrase "been there, done that" comes to mind, and I think it is very appropriate. When we left for the holidays, the recess that we enjoyed back home with our families, we left the Senate in a situation where neither side had a sufficient number of votes to move on something that was significantly important to the American people.

It is clear we as a nation are in difficult economic times. I imagine people back home wonder whether Congress is going to do anything about it. I wonder whether sometimes we have the capacity to do anything about it because of the situation we find ourselves in.

It is interesting and important to point out that neither side has the ability to do whatever they want. We as Democrats do not control the White House. We as Democrats do not control the House of Representatives. We as Democrats do not have the 60 votes in this body in order to accomplish things that we might like to do if the other side insists on filibustering that effort.

On the other side of the coin, it is also important to note that the Republicans do not have the ability either to do whatever they want in these areas. They, too, do not have 60 votes to push through what they think is an appropriate remedy to the economic conditions we find ourselves in.

It is, therefore, obvious, in order to get anything done we will have to reach some type of a middle ground or an agreement that takes the best of both parties and puts them together in a package that might do something on a positive note for the American people who are suffering a great deal because of the downturn in the economy.

It is true that the two parties have fundamentally different approaches on how to assess this. I have tried to compare it to the question of people who make widgets and people who buy widgets. It seems appropriate to point out that the other side tends to say if we are going to get this economy going, we will have to help the people who make the widgets. We will have to help the businesses that produce the products because they are not producing at full capacity. We will have to help the companies that make the widgets. We have to help them with bonus depreciation, and we have to help them with net operating loss carrybacks. Those are some of the ideas we have talked about. We will help them with alternative minimum tax and remove that burden so that these companies can make more widgets.

On the other hand, on my side of the aisle, we tend to concentrate on those who buy the widgets and say it doesn't matter how many companies make how many widgets. If you don't have individuals able to buy the widgets, they are not going to be able to sell the widgets. Therefore, it is important for economic recovery to do something for those actually trying to buy the products who find themselves in an economic situation of not being able to do so.

We said, all right, we have a lot of people unemployed and we have to help them with unemployment insurance, to give them a longer period to try to find a job. We will help those people who are without health insurance because they cannot be productive citizens if they do not have health insurance for their children and families. We want to do that. We also want to help the most unfortunate among us by making sure we give them some benefits because they did not receive those benefits during the last tax cut. We do that by providing \$14 billion worth of rebates in terms of direct grants to those individuals.

That is where we were when we left. That was the Democratic position and that was the Republican position. Neither side had 60 votes. We come back after the recess and we are right back where we were: Been there, done that. We can continue to do that and face each other off and blame the Republicans for failure because they don't agree with us and listen to our Republican colleagues blame us for failure because we don't agree with them. They think they are right and we think we are right. But outside the beltway and outside Washington I imagine there are an awful lot of people who are scratching their heads and saying: Look, these are grownups that we send to Washington and the job that we send them to do is to make government work for those who are not in government. Unfortunately, what they see is that in too many cases, we cannot simply compromise to the point of agreeing and getting something done.

Last year, Democrats filibustered the economic stimulus bill. Republicans filibustered the farm bill. Neither side was able to accomplish anything in these two important areas. We can continue to do that. We can continue to take the position that we want to help the people that buy the widgets, and we are not going to move. And our Republican colleagues can say, we will continue to try to help the widget manufacturers, and we will not compromise. We can continue to make the arguments and continue to blame each other for failure. But the end result is the people that need the help do not get the help they need.

I commend very strongly the majority leader, Senator DASCHLE, who has said, I will not continue in that vein. I want to break this logjam. I want to end this gridlock. What I am willing to do is to give up some things that those

who want to take care of the widget buyers are really interested in, like health insurance for unemployed people—a very big issue and one to which I think there is an answer. I am willing to step aside and give that up in order to get this process moving. But the other side will have to also give a little in order to get a package that can pass this body.

Senator DASCHLE has said: Enough of business as usual. Let's make the first important step toward getting something done that can, in fact, help the people we intend to help. He has suggested that we have extended unemployment insurance. That is important. We don't know how long people are going to be unemployed. It is obvious Congress will have to address this. He does it in his proposal. And I add, the other side has agreed on that. He says we will give some additional help to people who did not get much help the last time, and has proposed \$14 billion in rebate checks.

The other side has said they could support that. They said that before we left for the recess. Some people say you are trying to help people who do not pay taxes. Those people may not pay income taxes, but they certainly pay payroll taxes. I am not sure if one tax is less painful than the other. If you are paying taxes, you are paying taxes. Therefore, we ought to help those people who are paying taxes. The rebate proposal is a common idea to which both sides have essentially agreed.

We said we are going to help States. The Senator from Texas was pointing out that Texas is in bad shape, as well as some of the other States. But States have different problems and additional problems. We can, in fact, operate at a manageable deficit on the Federal level, which I do not have problems with. We are in a position to help States. The concept was to say, all right, we are going help States with Medicaid by giving them a little bit more of a Federal share to help pay for the health care of indigent people who need the greatest amount of health care of all.

I think the proposal says we are going to give a 1.5-percent increase in the amount of Federal money paid for the purpose of helping Medicare. That would allow States to do a better job in helping people who are sick and poor, and also perhaps give them some additional money from the Federal share which they could use for other priorities within the State. That is something that has been sort of a common idea that both sides have said in the past they could support.

Another thing in the Daschle proposal is something to help the widget manufacturers.

I had dinner last night with a group of high-tech chief executive officers, who are some of the best and brightest in the country. Every one of them said: If you could do something on bonus depreciation to help us buy new equipment this year to help us expand or

grow our businesses, that would be very important. These are the top people in their industries. Telecommunications and computer manufacturing are American companies. They said that bonus depreciation would be very important for them.

I think the House said they are going to do a bonus depreciation bill for 3 years. The Senate said 1 year. Is there not a number in between 1 and 3 on which we could probably agree? Of course, I think that is an important ingredient.

Some of my colleagues on this side said if you add it up—it is like the score for a football game. If you have three things the Democrats like and only one thing the Republicans like, that is not really fair. The bonus depreciation is part of the \$69 billion. The 1-year package is about \$42 billion.

One item that Republicans like—I like it, too—was the most expensive by far of the four. It is \$42 billion for bonus depreciation with a 40-percent accelerated bonus depreciation for 6 months and 20 percent for the second 6 months. It averages out to 30 percent.

There is some flexibility. I think the majority leader indicated this is something which is a good concept for the widget manufacturers and for business and people who produce products in this country.

As has been referred to, we have a centrist plan. I plead guilty to being a part of that effort and will continue to do so because I think it brings together centrists in both parties to try to break the logjams in which we find ourselves far too often.

We had a plan that addressed health care needs. It is not in here. I wish it were. I think we suggested it in terms of a tax credit for unemployed people without health care insurance. It is an incredibly positive thing that Democrats should embrace and run with. It is something that will eventually happen at some point. Some said: Your plan only said the Federal Government was going to pay for 60 percent of the cost of premiums for unemployed workers' health insurance. That means the poor worker would have to pay 40 percent of the cost of his premium, and they probably can't afford that.

Let us think of what the current situation is. Right now, unemployed people who lost their jobs can continue their health insurance, but it is at their own expense—100 percent. You have to pay 100 percent of the cost of the premium. For the very first time, we were saying the Government should pay 60 percent of the cost of that premium. That is 100 percent more than they pay now.

I think it is a movement in the right direction. I think it has merit. I think it should apply to people who do not have a job and can't afford health insurance, whether or not they are a so-called COBRA-covered person who had health insurance at their previous job.

It is another subject, but I think we ought to have mandatory health insurance in this country. It is the best way

to help solve the problem. That is something about which we as centrists felt very strongly. That is not in here. But am I going to say, because it is not in here, I will not support this package? Of course, not.

Let me move towards concluding my remarks by saying what Senator DASCHLE has done is create a strategy and a process that will allow us to get to the next step. We can continue to stop everything we do and continue to not let anything else come up the rest of the year until we craft a package in the Senate to which 100 percent of the people can agree. If we take that approach, we will not get anything done, not only on the stimulus package, but we don't do anything else in the year. We don't do an agriculture bill or anything else important, such as an energy bill, or any other high-priority item. It is absolutely critical that leaders are able to say we are going to make some moves here. We want to make this Senate function as it should.

I think what Senator DASCHLE said was, I am going to offer a streamlined package. We give up a lot of things that we would like to see in it. The other side will have to give up a lot of things they would like to have in this bill. But let us at least get this package through the Senate, take the common ideas and pass it, and do it today, tomorrow, but do it, and quickly, in order for us to get to a conference with our colleagues in the other body. That will be a very difficult conference because their bill is far different from ours. It is far different in emphasis. It is far different in costs. It is far different in whom it attempts to help and how it attempts to help them. But we have to get to conference if we have any hope of reaching a conference agreement. This strategy allows us to do that.

I would say to the conferees that it doesn't do them any good if we get to that point and bring it back to the House or the Senate with things in it that are not going to be adopted. I will take half an apple rather than no apple at all. I think if you can't get everything you want, you get as much as you can in an agreement and then save the rest for a later date. But last year we got nothing. The people who were unemployed last year still do not have health insurance. They still have not received any rebate help or assistance from the Federal Government. They still have not received any health insurance or extended unemployment insurance benefits. What they got was an argument. As I said before, you can't take an argument to the grocery store and buy food. They do not accept that. You can't walk into a store and say: I need to buy groceries for my family this week, and, by the way, I will pay for it with the promise that Congress will do something to help me in the future. It doesn't work that way. We actually have to get something done. Arguments don't buy food. Blame does not buy groceries.

It is incumbent upon us to try to reach an agreement with which we can get to conference and let the conference work its will. I urge all of those who say we have to have it just like I like it or we are not going to have it at all—that approach on both sides of the aisle does not help the people we were elected to help. I think they are sort of getting wise to the ways of Washington. I want to change their thinking. I want to give them the encouragement to say Congress can at times work out difficult problems with positive solutions, with both parties reaching out to each other, recognizing that we have to give a little in order to get a lot.

Senator DASCHLE's proposal in fact does that. It is a good proposal. It is not the final proposal. It is not the final answer to this difficult problem of economic stimulus. But at least let us move one step down the line in order to try to reach an agreement that can actually be something everybody can be proud of, and, even more importantly, get the job done for those who need the help.

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

The PRESIDING OFFICER (Mrs. CARNAHAN). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. SCHUMER. Madam President, I see my friend from Oklahoma, the minority whip, is in the Chamber. I will try to be no more than maybe 6 or 7 minutes. Would that be OK, because a Democrat spoke last?

I thank my friend from Oklahoma.

Madam President, I would like to address two issues. The first is this stimulus package of the majority leader, Senator DASCHLE.

Let me just say, in a town that is wracked by partisanship, and where the differences often seem insurmountable, only one person has cut through that to try to come up with a compromise that is not going to make either side or any Senator 100-percent happy but is the basis for moving forward and getting a stimulus package. That person is Majority Leader DASCHLE.

I cannot heap enough praise on the majority leader for this effort. We know our economy is squishy. Every one of us goes back to our community and we hear of layoffs, of consumer uncertainty. We hear people are afraid the next 6 months will be considerably worse than the present, and they are looking to Washington for leadership, not only for a stimulus package in terms of the number of dollars that it will put into the hands of people and businesses, but also for a sign that we can work together to give them a sign of confidence, a sign the stewardship of the economy is in good hands and par-

tisan differences are outweighed by what is good for the Nation.

I have to say, the only effort that has had some traction, the only effort that has made some sense in this regard is the effort of the majority leader. I am sort of confounded by the many attacks upon him. This is a man whom we all know well. These editorials and things like that do not comport with the real TOM DASCHLE who is somebody who always goes out of his way and takes that extra step for a compromise.

I do not like every piece of the package he has put forward. I wish there were other pieces that could be in there—I will talk about one in a minute—but I certainly think both sides of the aisle should be on their feet applauding the effort, the effort to break the logjam and get us moving.

Let anyone who starts saying that TOM DASCHLE is "Mr. Partisan" or "Mr. Obstructionist" look at the actions that have occurred in this Chamber today and look for the one Senator, of the 100, who has stepped forward and said: Here is a basis for compromise. I am not just saying it has to be my way. I am not just saying why I don't like what the other side or another Senator does, but rather here is a place where we can meet pretty much in the middle of the road.

I think I speak on behalf of many of my fellow Senators and many millions of Americans in thanking Majority Leader DASCHLE for trying to bring us together, for trying to create compromise that can move us forward, for trying to give us that basic centerpiece we can then use as a way to get a stimulus package done and add other pieces that are necessary.

I mention to my colleagues one piece that I believe is necessary to add. I know we have been apart for a little more than a month. Every one of us went back to our State and back to our family. I, for one, was glad to be home every night with my girls. I was glad to be in my State seeing everybody and touching base with them. But as you may remember when we left—I believe it was December 20—we were very close to passing a bipartisan House-Senate compromise to help Lower Manhattan with certain kinds of tax breaks that would encourage businesses to go down there, that would encourage businesses to stay there. It was worked on by Senator BAUCUS and Senator GRASSLEY. It was worked on by Congressman THOMAS and Congressman RANGEL. We were almost there. But at the last minute, because we were doing things in the final moments, people said they needed a little more time to study it.

First, let me discuss the need. It is urgent. Even though we lost close to 30 million square feet in downtown Manhattan, we have many businesses that left and are unwilling to come back yet. Businesses—large and small—were scratching their heads and saying: Does downtown Manhattan have a future?

Our Governor and our new mayor are rapidly putting together plans to try to

figure out how to rebuild downtown Manhattan. But the question on everybody's lips is: Will the kind of very necessary tax breaks to bring businesses back to downtown Manhattan—given the fear factor and given everything else that has occurred—be forthcoming from Washington?

This is not a partisan issue. We have had support from both sides of the aisle. This is not even a bicameral dispute. The House has passed a bill already. I certainly give the White House credit for being amenable to a compromise.

All I can speak to is the necessity. The attack on the Twin Towers on September 11, of course, is still with us. It was not an attack on downtown Manhattan or even New York State. It was an attack on all of America.

It would be an admission of defeat—we have had such success overseas—if downtown Manhattan does not rise up, rebuild itself, and be revitalized. What could be a stronger message to the terrorists of the world, to the anti-Americans of the world, to those who hate us for our very freedom, than if downtown Manhattan rises anew like a phoenix? I can tell my colleagues without these tax breaks it is going to be hard to do.

I have spoken to Senator CLINTON. We will be working very hard to get these breaks passed, hopefully, as part of the stimulus package; and if there is no stimulus package, then in some other way. I hope all of my colleagues will be supportive. We need the help.

All of America has admired the bravery of the victims' families, many of whom the President graciously invited to the White House yesterday—the firefighters, police officers, and rescue workers, and just average New Yorkers who rose to the occasion. We now need to back up our admiration with real help. The future of downtown and Lower Manhattan depends on what we do in this body in the next month, the House having already acted.

I urge my colleagues, if they have any questions about the compromise proposal that has been put together, if they have any changes they seek to make, if they have any objections to any of the small parts of it, please let us know ahead of time. At the end of December 21, when we were very close to passage, many of my colleagues came to me and said: Look, I am very sympathetic. I just want a little time to study it.

Well, now we are in studying time. But soon it will be time to act.

Again, I plead and beg with my colleagues to make sure that we don't hold up this package so necessary for downtown Manhattan's survival, so necessary to send a concrete message that we are not going to let the terrorists destroy any part of our country.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Madam President, I appreciate the comments of my colleague from New York. He mentioned

his desire to bring up the New York City package. I requested earlier that we take up the House-passed tax bill that has a New York package in it. We are having a debate right now as to what should be the underlying bill.

So people understand, I suggested that we take up the House-passed bill. That would be the logical thing to do. If we are going to pass a stimulus package, the House has already passed it. I told the majority leader I would work with him to come up with a finite list of amendments, a mutually agreed-upon list of amendments or number of amendments, and work to pass it. He wasn't agreeable to that yet. Maybe a little later he will be. Instead, he wanted to come up with a list of amendments he thought were mutually agreeable.

I don't think there is a consensus on a list of amendments. I will just go over a couple of them.

The underlying bill I wanted to take up had New York in it. I will tell my colleague from New York, this amendment does not have New York in it. That doesn't mean I agree with everything that is in the House bill; I don't. So if we start with that as the package, I will probably try to make some changes and some deletions to the House bill.

I look at the package the majority leader wants to bring up, and I say: Wait a minute, where is the beef? Where is the stimulation? There is no assistance for New York. I am looking at the bill that was just introduced yesterday. I am almost amazed. I heard one of my colleagues say Republicans are filibustering this bill. We are not filibustering this bill. We didn't object to bringing it up.

A bill we have never seen before is now pending on the floor of the Senate. We could have asked for it to be read. We could have asked for a vote on the motion to proceed. We didn't do any of that. We wanted to take up and pass a stimulus package. But we would also like to know what is in it. And just for elementary purposes, we would like to have it stimulate the economy. We would like to have it create jobs.

I looked at the package the majority leader introduced. It fails in that regard.

I will go through the various elements in this package for my colleagues.

Mr. SCHUMER. Will the Senator yield?

Mr. NICKLES. I am happy to yield.

Mr. SCHUMER. I thank the Senator. I don't want to get into any disputation about the underlying package. The Senator was very helpful to us in the final moments of the session last time about getting a New York package. I thank him for that and hope we can work together in whatever comes out to get a New York package done early this year.

Mr. NICKLES. I appreciate my colleague from New York. I will tell him I read with interest today an article

from the Washington Post that said that not only did we pass the legislation that my colleague and friend from New York alluded to to provide tax relief for the victims of the New York and Virginia disaster but also the Oklahoma City disaster, so they wouldn't have to pay taxes in the year 2001 or in the year 2000 for this recent 9-11 tragedy, but also in Oklahoma it is for 1994 and 1995.

The Washington Post said we also passed the \$5 billion package of benefits. That wasn't accurate.

Mr. SCHUMER. If my colleague will yield, if it were only so.

Mr. NICKLES. I understand.

Looking at the package that the majority leader has introduced, there is only one thing that anybody could remotely say is really stimulative. There are four elements to the majority leader's package, one of which deals with accelerated depreciation. Then there are three others that would fall into spending categories.

Some people say it is rebates of tax cuts, \$14 billion; people who didn't get anything from the tax cuts. They didn't get anything because they didn't pay taxes. Anybody who paid Federal income taxes got a tax cut of \$300 for individuals, \$600 for a couple. We have already done that. What we didn't do is give tax cuts for people who didn't pay taxes. That is the proposal pending.

Some people say everybody has agreed with that. I don't agree with it. I don't think it is good policy for us to go out and borrow \$14 billion to have to pay over \$1 billion a year in interest basically to hand out money and call it a tax cut when they didn't pay taxes. I find that objectionable. Maybe I am unique in that way. Maybe the majority will pass it. That may well be. It did pass the House of Representatives. I don't think it is good policy. I think it does spend \$14 billion. It does add that much to the deficit, to the amount of national debt.

We don't have a surplus anymore. Some people say it made sense last year when we were distributing the surplus. But to me, it doesn't make sense today. I don't think that should be in the package. So not everybody agrees with everything in the majority leader's package.

It has the extension of unemployment compensation. That will increase spending and will not stimulate the economy. It also gives the States \$4 or \$5 billion. I am sure they would be very appreciative of that. States are going through some difficult times; so is the Federal Government. I don't know if this is the right time for us to be implementing a new revenue sharing approach.

The House has done it. Now it is being proposed by some on this side. Maybe the votes are there. We may find out. I am not particularly excited about it. I am not sure it is the right thing to do. Some people would easily say we are taking money out of the Social Security trust fund and giving it

to the States. I am not sure that makes good sense to do that either.

If we look at those three proposals, extending unemployment compensation, that costs money, it is a spending program; \$14 billion in checks to people who didn't get checks last time, but they didn't pay taxes last time, so basically a spending program for \$14 billion to low-income people for last year; and then a new program to give the States some money, maybe calling it Medicaid, maybe calling it revenue sharing, basically contributing, I believe, under Senator DASCHLE's proposal, about \$5.5 billion. The House passed \$4 billion. Those are the three spending proposals, and then the accelerated depreciation.

Accelerated depreciation is the only thing that anybody could say legitimately is going to give incentive to create jobs. Looking at this proposal, I have heard people say the House-passed bill had 30 percent depreciation for 3 years, 30-percent accelerated depreciation. That means if you have 100-percent depreciation for the life of the asset, and you have to depreciate it over X number of years, let's say 10 years, you can put a greater percentage of that in the first year and expense it. That will encourage investment. The House did that with 30 percent for 3 years. So any investment made in the next 3 years could qualify.

Senator DASCHLE's proposal says it is 30 percent for 1 year. I just looked at the language and it says: Special allowance for certain property acquired after September 10, 2001, and before September 11, 2002.

January has already gone. You are talking about, if we enacted this tomorrow, maybe 7 months. But by the time people understand it and by the time it passes the conference, by the time it gets out, you are looking at a provision that is probably less than 6 months. In other words, hurry up and purchase your equipment or whatever you are going to do in the next few months.

That might be good for disposable items, but for anybody who is going to purchase something that needs to be manufactured, it is not enough time to do any good.

The proposal Senator DASCHLE has introduced has a worthless stimulative impact. It will not create jobs. It fails the test, and I don't think we should pass it. Why don't we take the bill the House passed and have some amendments to it?

I count votes around here. At one time, that bill had well over 50 votes. It may not have had 60, but it had over 50. It had a lot of provisions that some of us didn't like in there, but it had a majority of votes, I believe. Senator DASCHLE doesn't want to take up that bill. As a matter of fact, he wants to take up a different House bill, strike the language—take out House bill 622; insert his bill in it, amend it for a little while, and then, when we are finished, take up the House-passed bill, strike that language, and put this bill in.

I suggest, why don't we take up the House-passed stimulus bill and amend it? We can go through the regular order and have amendments. I will help him get a limitation on amendments. Or we don't have to have that; we can just take it up, debate it, amend it, and pass it. That would be the regular order. I don't want anybody to say the Republicans are filibustering. I am ready to amend Senator DASCHLE's proposal. But I think we ought to take up the House-passed bill. Then I will work with him to come up with language. But to say we have a consensus bill and call it stimulus—when three or four elements of the bill are spending provisions, and the one thing that might be considered stimulative—accelerated depreciation—doesn't last long enough.

Senator BREAU suggested a compromise of 2 years. That would be a lot better than the 6 months I have seen for the accelerated depreciation. 4 or 5 months have already gone by since September 11. There is not much time left. There is not much stimulus to this bill.

The other side wants to act as if they tried to bring up a stimulus bill and get it done, but because they could not get a unanimous consent agreement to pass it in 2 days, they will pull it down and say: We tried; it was their fault.

There is no stimulative impact to that bill whatsoever. The Democrats held up the package for the last couple of months. President Bush asked for it in early October, but we didn't get it done, even though we tried to get it up in November and December. And there was some criticism—I think rightfully—delivered toward the Democrats for not letting that happen.

I heard Senator GRASSLEY say let's take up the bipartisan bill—Democrats and Republicans supporting the bill—on which the administration worked. That bill is H.R. 3529. Let's take that up, amend it, and pass it, and see if we can't do some good.

Tax legislation happens to be important. Then I look at Senator DASCHLE's accelerated depreciation, and I want to see the good in this bill, I want to see something that will create jobs and provide economic relief. I don't think this will create very many jobs. I am disappointed in it. We can do better. We must do better.

Some people say let's just pass something and send it over in the House and maybe we will fix it in conference. I would like to do better than that in the Senate. We should do better. We should be embarrassed if we can't do any better than that. We should not call this a stimulus package. You can call it a spending package, aid for States or for unemployment extension; you can call it expanded welfare payments for people who didn't pay taxes—we are going to give \$14 billion out—or if you cram through a purchase in the next 6 months, we might give you a little better deal. You can't call this a stimulus package.

It is political cover for the Democrats to claim they tried to do some-

thing and didn't get it done. It is unfortunate to try to blame the other side. I would like to see us take up a package that would, hopefully, be agreed to by Democrats and Republicans, work on it, amend it, improve it, pass it, send it to conference, and see if we can't get a bill out of conference in the next couple of weeks to create jobs.

If we are not going to create jobs, let's not do it. We don't need more excuses to spend money. We are spending a lot of money. The President is coming up with a budget proposal that has more money for national security, defense, and homeland defense. We spent a lot of money last year. We don't need excuses to spend more money and use the guise of a stimulus bill with the title of a stimulus bill.

This bill that Senator DASCHLE introduced, in my opinion, fails the test. It has the title: "To provide incentives for economic recovery, and for other purposes." The other purposes are "let's spend more money," because it does very little, if anything, toward helping stimulate an economic recovery.

I really hope we will work together and try to come up with a package. I don't want to stall anything. I am happy to begin considering amendments if that is Senator DASCHLE's request. We can have amendments on the floor. I see Senator GRASSLEY is on the floor, the ranking member of the Finance Committee. We can start considering a lot of amendments today. I know Senator WELLSTONE mentioned he has some, and I have some. They probably won't be the same but let's consider them. Let's get to work on a true economic stimulus plan.

I yield the floor.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. REED. Madam President, I thank the Senator from Iowa for his graciousness.

This morning and this afternoon, we have engaged in a discussion with respect to the stimulus package. Senator DASCHLE, the majority leader, has fought for a sensible position which represents, really, as he says so well, the common ground that exists between both parties. Recognizing that we need 60 votes to move to passage of a legislative initiative, his approach has the most merit and the most probability of passing. So I encourage my colleagues to support the proposal of Senator DASCHLE.

In a sense, what he has done is combine the common elements of both Republican and Democrat proposals to find the provisions that will garner the necessary 60 votes to go forward so we can provide real relief in a timely fashion to millions of Americans who are facing difficult economic times.

At the core of his proposal is extending unemployment benefits for an additional 13 weeks. Routinely, during previous recessions, we have done so. This is a recognition that there are literally millions of people who have been

thrown out of work because of economic circumstances as well as the areas of New York City and around the Pentagon, in some cases, because of the attacks of September 11 and the recession that began in March 2001.

The reality is that there are millions of Americans who need assistance. The unemployment rate is growing. More important than that, perhaps, for our consideration is that the number of people who have been unemployed for a long period of time is growing. In the robust economy of the nineties, when people lost jobs, they quickly found other jobs. Today, they find themselves, if not permanently, then in many respects for a much longer period of time, without access to work. They need these benefits.

Extending unemployment compensation also stimulates the economy. Typically, someone who is relying upon unemployment benefits will take those checks and immediately pay their bills, go to the store, provide food for their children, pay their rent, immediately infusing those dollars into the economy, increasing the consumer spending, the lack of which is one of the causes of the recession we face. So it is a proposal that is commendable on two major points: It helps hard-working Americans and will get our economy moving.

Similarly, the Daschle approach talks about tax rebates for those people who did not enjoy the previous tax rebates enacted last spring.

These are individuals who may not pay income taxes, but they pay a great deal of their hard-earned wages in payroll taxes. For those individuals, they deserve the kind of rebate that others received.

There has been an insinuation in some of the discussions on the floor today that these people do not contribute to our economy, that somehow they are not part of the great economic enterprise in our country, I must disagree very strongly with that proposition. These are the men and women who get up each day, go to very difficult jobs in hotels, driving trucks, small businesses, running them and sometimes working in them. These people deserve the same kind of benefits others receive.

In addition, a rebate for these individuals also achieves a second important goal. Typically, money received by wage earners will go right back into the economy because in a household living on minimum wage or near minimum wage, struggling to raise children, struggling to get by, there is always the opportunity to spend a little bit more on the children, to spend a little bit more to defray the cost of life.

Again, Senator DASCHLE's proposal has touched upon a topic that is very important to both sides, and that is bonus depreciation for business: Give business incentives to make sure they go back into the capital markets, to go ahead and buy capital equipment, to make investments which we hope will

be both productive and also get the economy moving.

One of the key differences between the Daschle proposal and other proposals is that Senator DASCHLE recognizes that in order to be effective as a stimulus, it has to be timely, it has to be limited to this year, not 2 and 3 years from now when this recession, we hope—indeed, we believe—will be something in the past. If we want to be effective, if we want to stimulate the economy, then we have to focus and target this bonus depreciation for business.

The final element in this package is fiscal relief for the States. We have to recognize that the States are under extraordinary pressure because of this recession. Their tax revenues have fallen, but their commitments to human services and to a host of other programs will not abate. They must have the resources to provide for medical assistance for working Americans. They must have the resources for the child protection system, which the States run. They must have the resources for education, which the States primarily run.

Those obligations will not be held in abeyance during this recession. We have the opportunity, if we support this initiative, to provide resources to the States, and if we do not provide those resources, many States—most States—will be required constitutionally to balance their budget by raising taxes or slashing their social services budgets, which will only worsen the impact of the recession on some of our most vulnerable citizens.

One of the ironies of our debate today is that while many of my colleagues are talking about accelerating tax cuts, if we do not provide assistance to States, we may very well see the States raising taxes which will be a further check on our recovery.

Senator DASCHLE's legislation makes eminently good sense on economic grounds, and it is the only proposal which has received the support of a sufficient number of Senators so that it can be enacted into law, or at the very least passed by this body and sent to conference with the other Chamber.

The resistance to moving forward quickly on this package, is truly something to behold even in light of Senator DASCHLE's offer to allow for amendments from both sides of the aisle. But frankly, this is the core of the economic initiatives that we agree upon and which will provide real relief, first, to struggling Americans and, second, overall to an economy that is in recession.

Madam President, I have the responsibility of serving as the vice chairperson of the Joint Economic Committee. Our staff has been doing an outstanding job trying to pull together the economic analysis that should provide us at least a roadmap, if you will, for any economic stimulus legislative. Let me summarize the consensus view of our current economic situation.

First, despite some encouraging signals about the economy, it remains weak. Just ask anyone who reads the newspapers and they can tell you that. When Ford Motor Company lays off thousands of people, when a major retail chain, Kmart, goes into bankruptcy reorganization—interestingly enough, I was talking to someone who is connected to one of our larger toy manufacturers in the United States, who told me there are only four major distribution channels for toys in the United States, the four major department store chains, and one of them, 25 percent of the retail market, is in bankruptcy reorganization. So we have a very weak economy.

There are many conditions in place already for a recovery, and most forecasters believe that within 3 to 6 months, there will be an economic recovery. But most also believe this recovery will be rather anemic, rather weak; it will not be the kind of robust growth that we saw in the nineties.

Indeed, all of these forecasts are based on some significant uncertainties. Two significant uncertainties are the condition of foreign economies such as the economic meltdown in Argentina. The question is: Will it be contained to Argentina? Will it spread to other parts of South America? Will other countries find themselves in economic distress?

Generally speaking, this recession is not unique to the United States. It is a worldwide phenomenon. Those economies will affect whether we come out of this in a robust fashion and when we will come out of this recession.

There is something else, too, that is an uncertainty: consumer spending. Will it bounce back to the levels that have sustained this economy over the last several years, or will people for many reasons, because of concern about their safety, because of a sense in this moment of national danger? Will those psychological factors and sociological factors undermine a robust response by our consumer sector? It may be that the patterns of past economic recoveries are not applicable today.

Even though forecasters are projecting recovery, there is much uncertainty. Even when the recovery comes, one of the great tasks will still be undone, and that is to provide support and help for those who are out of work today, who deserve the opportunity to support their families while they wait for this economy to recover.

One of the interesting facts about economic trends is that even when the economy begins to respond, when gross domestic product becomes positive again and starts growing, usually unemployment continues to increase for many months after that. In the nineties, when the recovery took hold unemployment continued to increase for about 15 months.

For most Americans, the economy is measured by one simple fact: Do I have a job? And, collectively, what is the unemployment rate for this country?

We can foresee even with a modest rebound this year or next year the single factor that confronts most families, their economic index—do I have a job?—is still going to be questionable. So we have to act.

Again, Senator DASCHLE's proposal, at its core, at the heart of it, has a very simple, time-tested provision: extending unemployment benefits. At a minimum, we should be able to agree to do that this week.

I mentioned there were some encouraging signals about the economy, and it is fair and, I think, appropriate to mention those.

First, we have seen an increase in the average weekly hours worked in manufacturing. Up until recently, those hours were declining, signaling a weakness in our manufacturing sector, which because of the relatively high pay of that type of work is a pillar of our economy. And we are beginning to see that initial claims for unemployment are not increasing with the same level each and every week.

We have seen some increases in new orders for capital equipment, particularly information technology. Again, a great deal of the boom over the last decade was fueled by increased investment in information technology, computers and routers and service and a host of other equipment. That appears to be coming back.

Once again, it is very fragile. If we listen to the commentators on the business channels, one week Intel will do well because they are shipping a lot of chips, and the next week their projections are down and their stock goes up and down. So we are certainly not out of the woods, but there is some encouragement.

There also seems to be increased optimism among the purchasing managers in the country. Those business men and women who are in charge and want to go ahead and order equipment, seem to be much more optimistic. So there is encouraging news.

All of this is good news, but as I said before, our economy is still weak and a well-tailored, well-timed, and well-targeted stimulus package would still be a boost to our economy.

The economy is weak in many different ways. The unemployment rate rose to 5.8 percent in December. That is 8.3 million people; not statistics, people, 8.3 million people who were told they did not have a job, who had to go home in the evening and tell their spouse they did not have a job, who had to look at their children knowing they did not have a job. They deserve our assistance now, not our rhetoric.

As I indicated before, within those statistics one of the most alarming trends is the increase in long-term unemployment. Nearly 1 in every 7 of those who are unemployed, 1.2 million people, had been jobless for more than 26 weeks, exhausting their benefits or on the verge of exhausting their benefits. So not only do they not have a job, they do not have an unemployment check either, unless we act.

We were looking very closely last December at the holiday sales. They seemed to be better than expected, but I might point out still much weaker than a year earlier.

So we are in a position economically where there are mixed signals, weakness but some encouraging signs. There are also some structural issues that will, I hope, bode well for the future.

First, inflation has been relatively stable. That has been a situation that has allowed the Federal Reserve to employ a very aggressive monetary policy of lowering interest rates to try to stimulate this economy. That is a good thing for us and a good thing for our economy.

Short-term interest rates are as low now as they have been since the 1960s. Although long-term rates have not fallen as much as we would like, they are lower than a year ago. Business inventories are low as well, which is a sign that we are beginning to work through the buildup in inventory which was hampering further production. There are no obvious supply bottlenecks, but the reality is monetary policy alone may not drive us out of this recession quickly enough or robustly enough.

It is interesting to note the remarks of Chairman Greenspan over the last several weeks have been cautious about the timing and the scale of our economic recovery. His recent caution is in marked contrast to his and others past comments. So I think we are beginning to recognize our action would be very helpful to our economy.

I urge, as I have repeatedly, that we act and we act on those sensible proposals offered by Senator DASCHLE.

As I said, most economists predict a recovery will begin late in the spring. Even if that recovery begins, we still need to assist those Americans who are unemployed today and who will continue to be unemployed. As I mentioned, in the early 1990s, at the end of the last recession, unemployment increased for 15 months after the recession was officially over. It is also typical that those long-term unemployed are the last to find reemployment. So they are in a very precarious position—without benefits, without the prospect of a job, usually the first to be fired and the last to be rehired. We can help them. We must help them. I hope we do help them this week as we consider quickly this legislation before us.

By extending unemployment insurance benefits, we can assist them and we can do it in a way which will not be detrimental to our looming deficit problem because unemployment insurance is a countercyclical program. As the economy recovers, as employment grows, people do not receive unemployment benefits. Today they need them. Hopefully, with a robust economy in 6 months or 9 months or 1 year, those expenses will no longer be borne by the Federal Government. These individuals will be back in the workforce.

I urge, once again, we move very quickly on the proposals that have

been suggested by Senator DASCHLE. All of them have been vetted by economists from a range of opinions. They have been determined to not only help individual Americans but also to have a positive stimulative effect and to help our overall economy by putting money into the economy and by allowing States to forego income or sales tax increases at the State level. All of this makes a great deal of sense and it should be done.

One other point I will conclude with, and we have all been reflecting on the drama in Texas and other places of Enron. One of the most disturbing aspects of that situation is that the retirement security of the employees was ignored by the leadership of that company in many different ways. All of us, every single Member of this Senate, will rightly, I think, very sincerely, criticize what has taken place. But today, we are already encroaching on the Social Security trust fund. That is what it means when we start saying we have a deficit because we are no longer accumulating a surplus. We are now working our way through Social Security funds, funds that have been pledged for over 60 years to those Americans who have reached retirement age. So when I hear discussions about accelerating tax breaks, and when we have people coming out and saying simply, as a matter of faith not economics, we have to lower taxes, I wonder whether a year from now, 2 years from now, 3 years from now, people will look at us as those employees down in Houston look at the Enron leadership and say: You took our retirement. You spent it. You gave it away on bonuses to executives. You just dissipated it, not to help the economy but to help yourself.

So as a cautionary point at this juncture, as we consider a whole range of proposals, I would like to leave at least that thought in the minds of my colleagues.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Madam President, I gave some opening remarks a little earlier on this legislation, but I will reiterate a few points I made from that first statement. The most important thing to remember, as we are trying to reach an agreement on a stimulus package, is there has been a lot of work put into this over the last several weeks—not since the holidays but before the holidays—and we have had partisan approaches by both Republicans and Democrats. We have had bipartisan approaches. We have had cooperation between some Members of Congress and the White House, and we have a bipartisan White House-centrist package that has passed the House that the President said he would sign, and one that had a majority vote, if we had taken a vote in the Senate before the holidays, that could have been to the President by now. It would have been to the President, signed into law, and

helping 800,000 people unemployed since the September 11 terrorist attacks on America.

This White House-centrist bipartisan package is a solid economic stimulus plan. Most important, it has a compassionate approach to put displaced workers first, and even more so than the amendment offered by Senator DASCHLE because he does—as I would agree to do—put in 13 weeks of additional unemployment compensation. However, his consensus package does nothing for those unemployed workers now who had health insurance previously. They have to pay the health insurance called COBRA out of their own pocket. The proposal I call the White House-centrist bipartisan package has a 60-percent tax credit for that.

It is important to have a bipartisan plan. This White House-centrist package is a plan that can pass the Senate. Most important, this plan, if passed, will be signed by the President because he has said so. I was in on that bipartisan meeting the President had with House leaders, with Democrats from the Senate, and with Republican moderates. He said he would sign it.

If we pursue the majority leader's plan, workers and businesses will face more delays because that plan will have to be conferenced with the House. That is going to take days probably. It could even take some weeks. The further we get along, the more there tends to be a recovery, the less economic good that stimulus package will do. It will be a delayed effort to help those 800,000 people who are unemployed and those people who do not have health insurance. If we use the bipartisan White House-centrist package, we will be able to get that passed right away.

How long would it take to get it through conference? Just remember how long it took to agree that we ought to have the quasi-conference procedure that we operated a couple weeks before the holidays. Remember how long it took to reach the substantive agreement we have, the bipartisan White House-centrist package. All this history—and we ought to learn from history—ought to dictate the time to act is now, not a month from now.

We had Chairman Greenspan advising the President, advising Congress in early October, that was a time to pass the stimulus package—not only pass it now as a stimulus, but we need to do it for the workers. That is what we need to do for small business, as well.

The bottom line is, if we pass the White House-centrist bipartisan bill, unemployment checks can go out to those people who have exhausted their 26 weeks. Businesses will invest in new plant equipment with a 30-percent, 2-year accelerated depreciation. Unemployed workers will get help for their health insurance so they can continue to have coverage for their families, as they did before they were laid off. Taxpayers will get a payroll tax rebate. Taxpayers will get a little extra income tax relief to spend. New York

City, hurt by September 11 terrorist attacks and needing help, will receive aid to rebuild. This could occur tomorrow if we get a chance to vote upon the bill that passed the House of Representatives before the holidays, the very same bill the President said he would sign.

We are talking about moving ahead on a stimulus package. Now, instead of talking about the bipartisan White House-centrist package, we are talking about the new, scaled-back stimulus plan offered within the last 24 hours by our distinguished majority leader. This isn't the first time there has been a stimulus plan offered by the other side. This is the third variation on a stimulus plan offered by the distinguished Senator who is our majority leader.

As most Members know, the Democrats initially passed the stimulus plan out of the Finance Committee, not in the spirit of how the Finance Committee usually works in a bipartisan fashion, but in a wholly partisan mode. It happens that with all the work put into that committee hearing, that plan was never sent to the floor for a vote. The distinguished majority leader almost immediately radically modified the Senate Finance Committee partisan stimulus proposal—again, acting in a partisan way. And nothing gets done in the Senate if it is done by one party. That is why it is so important to remind people of the White House-centrist bipartisan stimulus package that the President said he would pass.

Surprisingly, that revised proposal that the Senate majority leader put on our table immediately after the partisan bill came out of committee looks a great deal like the White House-centrist bipartisan stimulus package I have been referring to that we ought to pass and send to the White House. A substitute back in November, put on the table by Senator DASCHLE, adopted measures initially promoted by many Republicans. Unfortunately, in December, the majority leader blocked a vote on the White House-centrist plan in large part, I believe, out of fear it would pass. And it would have.

Now comes yet another variation of that theme. The majority leader has delivered yet another economic stimulus package—basically the skeletal remains of previous stimulus proposals.

I will talk about some of the differences between the White House-centrist bipartisan package and the partisan Democrat skeleton stimulus plan. I will explain, then, why I believe the bipartisan White House-centrist package is better for America and, most importantly, for those dislocated workers, and particularly for the dislocated workers who do not have health insurance. I will look at what it does for displaced workers.

This is the White House-centrist package. Our unemployment insurance proposal represents an unprecedented commitment to American workers. We provide up to 13 weeks of additional unemployment benefit to eligible workers

who exhaust their regular benefits between March 15, 2001, and December 31, 2002. We have an estimated 3 million unemployed workers qualifying for an average of \$230 a week. These benefits would be 100-percent federally funded at a cost of about \$10 billion. Our proposal transfers an additional \$9 billion to State unemployed trust funds.

Such a transfer would provide the States with flexibility to pay administrative costs, provide additional benefits, and avoid raising unemployment taxes which would be a bad thing for them to be forced to do during the current recession. We never want to raise taxes during a recession.

The United States enjoyed a growing economy and declining unemployment for much of the previous decade. But the economic slowdown that officially became a recession started in March 2001. We all know that was exacerbated by the terrorist attacks on September 11. That meant more substantial layoffs. I said this recession started in March 2001. Economists officially labeled it a recession. But remember that a long time before that—almost a year, March 2000—we started a downturn in manufacturing. That manufacturing index, going back to the last year of the Clinton administration, has still been going down 19 months in a row. Even though the official recession started in March 2001, those in manufacturing had been in recession for a whole year before that.

We have seen the unemployment rate for all segments of the economy rise from 4 percent in November 2000 to 5.7 in November 2001. By historical standards, you could say the current unemployment rate is still substantially below the level at which Congress deemed it necessary to enact extended unemployment benefits based upon what Congress has done for the few times in the past. Over the past 50 years, the Federal Government provided temporary extended unemployment benefits only six other times. The average unemployment rate during those times was far higher than it is right now at 7.3 percent as an average for those six times.

Based upon historical record, the President did not go as far with his suggestion for helping unemployed people as the bipartisan centrist stimulus package does. The President originally suggested that extended unemployment benefits—meaning the additional 13 weeks—should be limited to those few States that have a disaster declaration in effect as a result of September 11 and which have a threshold of the 30-percent increase in their unemployment rate.

A number of our colleagues on both sides of the aisle insisted we provide immediate assistance, not just to a few States as the President suggested but to every State, regardless of their unemployment rate. We have agreed to do exactly that in our bipartisan centrist stimulus package. The President has agreed to sign it even though it didn't start out at that point.

We have some, unfortunately, on the other side of the aisle who continue to insist that what we are doing is not enough. They insist that we should go further by requiring every State to provide specific benefits and establish specific eligibility criteria as a condition of receiving their additional Federal assistance of 13 weeks. In other words, what they are suggesting is that we violate the agreement we had between the States and Federal Government, for the most part letting States decide who should and under what circumstances they qualify for unemployment assistance.

We could not agree to the demands on the other side to change this longstanding relationship between the Federal Government and the State governments on the policy of unemployment compensation. We have always left those decisions about benefit levels and eligibility criteria to the States.

The changes sought by those on the other side of the aisle destroy this historic relationship and undermine the flexibility needed by States to respond to their unique circumstances while ignoring a fact about America—that we are geographically vast; our population is very heterogeneous. Consequently, you can't pour one mold in Washington, DC, that fits the needs of New Mexico the same as New York City, or Iowa the same as Sacramento, CA. Leave us leave it to the legislatures of California, Iowa, New Mexico, and New York to decide what the policy should be for their States as those people closer to the grassroots see their needs. To me, that is just a commonsense approach to governing. It might not be a commonsense approach in England where the country is small, but it is obviously the sort of thing we need to do in our federal form of government.

I would now like to touch on the White House-centrist bipartisan plan commitment to providing health care for dislocated workers because the plan that the distinguished Senator majority leader has put on the table does not deal with this at all.

If there is one thing I could point out from his remarks this morning, it is that he tried to make the point that his package has only things in it to which both sides agreed. I think he is misreading the Republican side of the aisle. There is a great deal of commitment on the part of Republicans—the vast majority of our caucus—to meet the health care needs of people who are dislocated workers because of September 11. Quite frankly, it would do this for the first time in the history of our public policy.

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

There is nothing further from the truth. Since October, when President Bush first called on Congress to pass

the 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 for the dislocated workers, Republicans have come a very long way to a position with which a majority of our caucus agrees. I do the history on this just to prove the point.

This debate began, let us say, back in October—too long ago, I am sorry to say, and embarrassed to say. We should have passed this bill when the recession first hit its lowest point. Our proposal at that time relied on a national emergency grant program to deliver health benefits to workers at a cost of just \$3 billion. We look back now, and we say that just doesn't do it. Over time, the number grew. I said publicly that we could double or even triple that number.

I also invited Democrats to modify the grant criteria to make the program more responsive to the needs of workers without health insurance. I even offered some Democrats the opportunity to write the criteria, if we could agree on doing it through national emergency grant programs. The reason for that is you can deliver the help to those who do not have health insurance within 30 days after the President would sign the bill. But the Members of the other party refused. And that did not stop us from staying at the negotiating table, regardless of what the distinguished majority leader says about our refusal to negotiate.

(Mr. JOHNSON assumed the chair.)

Mr. GRASSLEY. Additionally, we proposed giving workers a refundable, advanceable tax credit towards the purchase of health insurance equal to 50 percent of the policy's cost. So we moved away from a national emergency grant program to one that is probably more dynamic, with more flexibility for the workers—a tax credit for those who are unemployed to continue the insurance they had where they previously worked and were laid off; and even go beyond that, for people to have health insurance even if they did not have health insurance at their previous job before they were laid off.

Democrats objected, claiming that the credit was too small and that sicker people would have trouble buying policies in the individual market. So there was one gripe after another, but we tried to satisfy those gripes to reach a consensus agreement which ended up being the bipartisan centrist-White House program.

Our new proposal then was endorsed by the White House even though the President had suggested another approach. It was endorsed by the White House, the House of Representatives, and by the bipartisan centrist group of this body. That program takes a three-pronged approach to getting health insurance assistance to those dislocated workers who used to have health insur-

ance where they first worked. Now they are unemployed. Now they do not have health insurance. Now they would have health insurance under the White House-centrist bipartisan package, but they would not have it under the Daschle amendment before the Senate.

Our proposal goes further 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 is 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, and admittedly partisan, proposal.

The House-passed stimulus bill—what the President said he would sign, and the centrist group in the Senate backs—would spend approximately \$19 billion on temporary health insurance in the year 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 I take a minute to describe our three-pronged approach.

First, the White House-centrist bipartisan 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, instead of the 50 percent in our original proposal. The credit has no cap and is available to individuals for 12 months between the years 2001 and 2003.

Individuals can stay in their employer COBRA coverage or they can choose policies in the individual markets that may better fit their families' needs. This only makes sense because locking people into COBRA, as the Democratic leadership insisted prior to Christmas—and it is not even in their proposal now—forces people to stay with policies that may be too expensive for them to keep, even with a 60-percent subsidy.

Our goal was to give dislocated workers access to all health insurance choices available to them in the private marketplace. We have done that in a responsible way that uses the dynamics of the marketplace rather than the straitjacket of a Government program to deliver the help.

This bipartisan White House-centrist proposal includes 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 from any insurance because of preexisting conditions.

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 am surprised that the Democratic leadership does not want to take us up on these sweeping new reforms.

I turn now to the mechanics of the tax credit proposal. It is much easier to implement than the direct subsidy approach that the Democratic leadership has had in some of their proposals. But there is nothing on health insurance in the Democratic amendment before us. They just forget about the needs of the dislocated workers who used to have health insurance who do not have it now because they are unemployed.

While the Democrat 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. Let me explain the workings of it.

Newly dislocated workers will receive certificates from their State unemployment offices, or "one stop" centers, when they apply for unemployment insurance. You can take care of both needs at one time—unemployment insurance and continue your health insurance from the previous employer. Or if you did not have it there, you can get a certificate to go out and get it for the first time.

So you take those certificates and submit them, along with their contribution to the premium, to their employer or insurer, and move on with insurance. Afterwards, insurers then would submit the certificates to the Treasury Department for reimbursement.

This approach works because it relies on existing systems to deliver 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 will not deliver the goods to the people who need them? In other words, people who became unemployed yesterday have lost their health insurance, they cannot afford to keep their COBRA up, or maybe they are unemployed from a place that did not even have health insurance and then have to institute some system where they have to wait a long time to get the help. I do not understand the wait.

The second prong of this 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—to 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 enroll them in Medicaid if the State decides.

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 money on temporary health insurance assistance. In addition, we have included protections

for the States—a minimum grant of at least \$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.

Just this Monday, I had a State senator from Davenport, IA, speak to me at one of my town meetings about the needs of the States for additional Medicaid funds. I said to her that Governor Vilsack and Republican leaders and Democratic leaders had a conference call with me on that very subject before Christmas. I said we have this \$4.3 billion in this White House-centrist bipartisan package that the President will sign, that has passed the House of Representatives.

What you need to do is get Governor Vilsack, I said to our State Senator, who I said I would help, get him to call Senator DASCHLE and ask this bill to come up, and you will have Iowa's share of this \$4.3 billion.

As we know, the Medicaid program is an important safety net for low-income children and families and disabled individuals. Medicaid is a joint Federal and State program that accounts for a large part of State budgets. So in this time of budget constraints due to recession, States are struggling to make ends meet. Iowa is one of those. In fact, I think I read in the newspapers that there are 40 States that have very serious budget problems, and Medicaid is probably the biggest one of those budget problems in almost all of those States.

So as a result of the unique and extraordinary economic situation we now face, we need to help those States rather than having those States scale back Medicaid services, including my own State of Iowa. I think we are going to be scaled back by \$18 million. 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. I just say that. You might ask: Senator GRASSLEY, why didn't you have it in your original plan? Well, the process of legislation is evolution of a bill. There are very few bills in Congress that are introduced and passed as they are originally introduced. I would not pretend to believe that every bill I introduce is a perfect piece of legislation. This process of negotiation on these, listening both on the Republican side and the Democratic side, is one of improving a piece of legislation, and even after that is done, with new ideas in it, you have to recognize that many of our colleagues have concerns about even this provision. In fact, I share their reservations, and that is why I am emphasizing that this is not simply a garden variety increase in Medicaid funding; this is to meet the temporary emergency payments that result from a downturn in the economy because of the terrorist

attacks of September 11 that have not only affected the Federal budget situation but most of our States.

This Nation is calling for a bipartisan compromise. In that spirit, we have agreed to add this proposal on Medicaid to our bill.

We made tremendous steps towards the Democratic position in order to find bipartisan compromise on health care, a compromise on health care that is not even in the Democratic proposal that is before the Senate. I said that what we have included in here our Republicans would vote for, I think, maybe except for two Republicans. And then we have enough Democrats that make up a majority to get this bill passed. But those steps have not been reciprocated by the Democratic leadership.

Displaced workers then deserve to be treated with respect by this body, and I believe those workers have earned a vote on this bill. In other words, the House has passed this bipartisan White House-centrist package. The President has said he would sign it. So if we have a majority vote here, we could pass this, and it would be out of the way. We would be stimulating the economy, and we would be helping dislocated workers.

It is necessary for me now to discuss the individual income tax reductions in the White House-centrist plan and also compare this to the skeletal plan put forth by our distinguished majority leader.

The original House stimulus bill would have accelerated the reduction of the 27 percent rate to 25 percent. That otherwise would not be scheduled to go into effect until the year 2007. The White House-centrist package has adopted this approach.

Here is another thing on the charts that the majority leader used in his speech this morning. He referred to "rates reduction"—plural, "rates." We have one rate reduction, the 25 percent bracket, or let's say the 27 percent down to 25. We don't change other rates. We do have other tax provisions, the tax rebate for low-income people.

So we have the White House-centrist bipartisan package helping these middle class taxpayers. The skeletal Democrat plan doesn't do this. It does not provide one red cent of tax relief for people who are working for a living, not even one cent of tax relief for working Americans. So let's take a look at who will benefit from our planned rate reduction.

I have some charts I will be referring to. The reduction of the 27 percent rate will benefit singles with taxable income of at least \$27,000. I want people to think about this, a single person with income as little as \$27,000. Somebody is going to be saying before the day is out that these people are not overtaxed. I would like to have you ask people making \$27,000 if they couldn't use a reduction of their income tax from 27 percent down to 25 percent. They would probably laugh at us for suggesting that that is not enough.

We are talking about heads of households that would have income as little as \$36,250 and married couples with taxable income as low as \$45,000. These are not wealthy individuals. These are middle class working Americans. I have the chart I referred to that Members can see. I want them to see what the median income for 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 and the other half below. Our chart shows that the average median income for a four-person family in the United States, as we can see, is \$62,098. A family of four now, that is the average. Remember, half are below and half are above. A reduction of the 27 percent rate to 25 will benefit married couples with taxable income over \$45,000. So it will benefit working people who are well below the national median income level.

This chart also shows those States that have family median income that is higher than the national average. And so we can 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 cuts.

The more surprising figures are shown in the next chart. We can see the States with median income below the national average. So you recall that I said that reducing the 27 percent rate to 25 percent will benefit married couples with taxable incomes over \$45,000. Look at the median income distribution of this chart. You can see from this chart that there is not one State on the list that has a median family income of less than \$45,000.

So you can see that our proposal will benefit everyone, not just the elite few, not just from a few selected States. But the distinguished majority leader's Democratic skeletal plan provides no relief for these States. The Treasury Department has estimated that the White House-centrist bipartisan plan's acceleration of the 27 percent rate will yield \$17.9 billion of tax relief in the year 2002 for over 36 million taxpayers. That is one-third of all income tax payers. Small business owners and entrepreneurs account for 10 million or 30 percent of those benefiting from this rate reduction.

When you refuse to accelerate the rate cuts, you harm farmers and small businesspersons the most. That is because most small businessowners and farmers operate their businesses as sole proprietors, sub-S corporations, partnerships. The income in these types of entities is reported directly in individual tax returns. Therefore, a rate reduction for individuals reduces taxes for farmers and small businesses. That is why the rate reduction under the bipartisan White House-centrist plan is so important. In 2002 alone, it injects \$17.9 billion of stimulus into our ailing economy, and it helps small businesses that create the new jobs.

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 feel safe hiring more people and making more business investment. 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. Eighty percent of American businesses have fewer than 20 employees. That is why I refer to this as the 80-80 rule for supporting tax reductions.

In addition, lowering taxes now would increase business cashflow during the current economic slowdown. The higher cashflow would increase demand for investment and labor. Don't just take my word for it because we have the National Bureau of Economic Research. They produced, in October 2000, a publication called "Personal Income Taxes and the Growth of Small Firms." As you know, the National Bureau of Economic Research is a well-regarded, nonpartisan organization. It is the organization that determines when official recessions begin and when they end. They said this one began in March 2001. If we trust them to make that determination, I hope we trust the conclusions reached in their report.

Their report on individual taxes and small business growth 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 business and right now, in a recession, that is the last thing we need.

That is why it is important to do rate reductions and do them the right way and fully accelerate the 27-percent rate reduction. We are simply accelerating a decision the Senate made last summer. We should not, as has been suggested by some in the Democratic leadership, repeal rate reduction or, to state it correctly, we should not increase taxes. Again, that is the last thing you should do in a recession.

We know tax cuts are stimulative. When working Americans have more of their own income, they are more financially secure and comfortable with spending.

Let me say who really loses when this body fails to act. It is our displaced workers, it is our fellow Americans who still have a job, it is the security of our job base, and it is the soundness of the Nation's economy.

The Senate Democrat leadership will not allow an up-or-down vote on our bipartisan White House-centrist stimulus package. At least that was the way it was before our holiday break. The reason why I don't think they allowed it to be done is because it would pass. We have a majority of Senators—obviously, a bipartisan majority. Obviously, this proposal comes from the center of the Senate, from conservative Democrats and moderate Republicans. So what. That is how you get things done in the Senate.

I might not agree with everything in the package. I might be considered more conservative than those who put it together, but it is a good package. More importantly, it meets the needs of our country post-September 11. It meets the needs of those dislocated workers, those people who don't have health insurance.

So now where are we? We are at a point where the distinguished majority leader has offered the skeletal remains of that package. But I don't think there is a majority of Senators supporting that move. When you get it all said and done, it doesn't help those people who don't have health insurance.

I urge Senators to think twice before supporting something less than the full stimulus package that was written by Democrats and Republicans in the center of the Senate and that was so done in a way that satisfies the White House for signature. We need to enact a plan that will stimulate the current economy and serve as insurance against a second downturn in the next few years.

For those in this body, both Republican and Democrat, there are a few who say we will be better off if we don't pass the stimulus package, or that we are recovering and we might not need it. I say to them, remember that most recessions have a double downturn. They have it when the original recession kicks in, and then they have an upturn, and then they have a down tick. A down tick probably is not a negative growth situation, but it is still a downturn. This stimulus package will be insurance against having a steady rise in the economy over the next few years, with no down tick, as is traditional for some recoveries. We need to enact a plan that will stimulate the current economy and give us that insurance.

The White House-centrist bipartisan package does that. I hope the Senate hears the pleas of the American people and will support a comprehensive stimulus package—one that aids displaced workers, tends to their health care needs, and gives a real turbocharge to our economy, and to do that into a full recovery, a recovery without a down tick, so those who need a job can get it and those who have a job can keep it and relieve a lot of anxiety—particularly anxiety over not having health insurance, which unemployed people have.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. CARPER. Mr. President, I am not interested in casting aspersions today at the work of our Republican friends with respect to the economic

recovery package. I think, for the most part, they have entered into this in good faith. Senator GRASSLEY of Iowa has worked hard, as has Senator BAUCUS of Montana, to try to craft a consensus package that we can all agree to—or at least 60 of us can—which would have a beneficial effect. I wanted to speak briefly and reflect back for a moment on the principles that we adopted on a bipartisan basis last fall as we approached the creation of an economic recovery package.

There are really three principles that come to mind. One is that whatever we came up with should be temporary in nature; second, there should truly be stimulative of our economy; three, it should not exacerbate long term the budget deficit of our Nation.

I can stand here along with any of our colleagues, certainly the Presiding Officer, and think of any number of items I would like to include in a stimulus package that are not included in the four-part proposal put forth by the majority leader.

He has suggested a 13-week extension in unemployment insurance benefits; a tax rebate for those who did not receive a tax rebate previously and who are very likely to spend that money sooner rather than later; bonus depreciation incentive for businesses to renew capital investment, which has been lacking for the last year or more now; and fiscal relief for States with respect to their health care costs.

My State of Delaware and other States are having a very difficult time as the rolls of the unemployed rise, as the numbers of people who are eligible for Medicaid rise, and States need help with that.

As I look through that list of four proposals Senator DASCHLE has put forward, I see in those proposals ideas that are essentially temporary, that are stimulative, and do not exacerbate our fiscal situation long term.

If we are going to do something in this regard—we have been dancing this dance for a long time—we need to get on with it. I applaud our leader for bringing it up early on, but if we do not do something soon, it is really too late.

When we were in economic recovery and expansion during the 1990s, a lot of people thought it was going to last forever. We know it did not. Similarly, people think that when we are in a recession it will last forever, too, and we know from history that recessions do not last forever either. The history of recessions since World War II is that they are generally a year and a half long; most are 12 months in duration. We have been in this one for almost 12 months.

I think one of the reasons the landing has been as soft as it has been—and I know it has not been for everyone—one of the reasons this recession is not as deep as it otherwise might have been is because of some of the most aggressive monetary policy by the Federal Reserve I have witnessed in my lifetime, maybe the most aggressive policy

which is now being felt in our economy.

Second, we have seen prices drop precipitously from a year ago. It is not just the price of gasoline we put in our cars, trucks, and vans, but it is the price of the heating oil we are using to heat our homes this winter. Even natural gas prices are down dramatically. We feel good about those things psychologically, but also they have a material effect on our economic well-being and our pocketbooks.

A third piece that is kicking in to help lessen the severity of the recession is the amount of spending we are doing. We are spending a lot of money, and we are spending it, for the most part, on the right things—the war in Afghanistan, the war against terrorism around the world, trying to help the folks of New York recover and rebuild, trying to make sure the airline industry does not end up in a real depression with massive layoffs and closings.

Those three things taken together—aggressive monetary policy by the Fed, much lower energy prices, and the deficit spending we are already doing—combine to help, if not lift, the economy to at least reduce the depth to which it is dropping.

I am personally bullish about the economy. I think there is a pretty good chance come spring we will be coming out of this recession. Some have said it will be a jobless recovery and maybe mirror what we had in 1990, 1991, and 1992. My sense is we will probably be coming out of it sooner rather than later.

The Federal Reserve will meet next week. They will debate whether or not to lower interest rates again by maybe another quarter of a percent. I have no crystal ball. I am not sure what they are going to do. They can do that or make no change at all.

The time will come when the concerns of the recession will give way to inflationary concerns. If we wait too long for this stimulus package, we are going to put ourselves in the position of instead of being in concert with the Federal Reserve's monetary policy where we pass a package that supports what the Federal Reserve does, we are going to be offering a package that will stimulate the economy which is already on the rebound and the Federal Reserve's concerns will move to not so much how do we get the economy moving, but how do we dampen down inflationary expectations.

I said to our leader any number of times: No bill is better than a bad bill with respect to economic recovery. What he has proposed is not a bad bill. I believe it is quite a good proposal. As I said earlier, I can certainly offer changes that I would like to see adopted that might make it better. Frankly, so could our Republican friends as well.

This bare-bones approach works for me, but more important, I believe it will work for our country. It will provide the insurance policy along with the Federal Reserve monetary policy,

along with the energy price drops, along with the spending we are already doing to make sure when we do get into this spring that the economic recovery we are hoping for will actually materialize.

We have been joined in the Chamber by Senator BAUCUS of Montana, chairman of the Finance Committee. I spoke of him when he was not in the Chamber. I now thank him in person. No one has put more time, energy, and effort into trying to develop a package with respect to the economic recovery of our country than Senator BAUCUS. I wanted to express my thanks to him for the great work he has done.

My hope is we can move from this proposal today and actually adopt it, but if we cannot and if we do not, I want him to know he has my respect and certainly my thanks. I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, what is the present parliamentary situation?

The PRESIDING OFFICER. The pending question is Daschle amendment No. 2698.

Mr. BAUCUS. I thank the Chair, and I thank my good friend from Delaware, Mr. CARPER, who is a great addition to this body, to the country, and certainly does great service for his State of Delaware. The Senator is a good man.

Mr. President, like a lot of others, I have read the David McCullough biography of President John Adams. I commend it to anybody listening who has not read it. It is a wonderful story of a colossus of a man, John Adams. It is so inspirational, especially reading about that era in our country where men and women were very concerned about their futures, most of them having left England, oppressed by Great Britain, and how they reacted to it, with the variety of people in the colonies at that time with different backgrounds and certainly not having present-day communications. Nothing traveled faster than the speed of a horse. It gave people time to reflect.

John Adams read thousands of books. He read all the political philosophers of the time in original Greek, in original Latin, as did a lot of our Founding Fathers and women, too. Abigail Adams clearly was a great force in helping our country come together.

John Adams, as a major force for what was right for America, helped persuade the delegates assembled at the Continental Congress trying to decide the future of our country to break away and declare independence. He is the main reason for the words in the Declaration of Independence. Thomas Jefferson wrote them, of course, but it was John Adams who was the primary mover in helping to persuade men and women in difficult times to come together and do what was right and break away from Great Britain.

Then came the Revolutionary War. We were so ill prepared. Mr. President,

35,000 British troops landed on Staten Island.

We had such a difficult time putting troops together, and it was John Adams, as the head of the War Board, who foresaw far ahead of anybody else how difficult the Revolutionary War would be and began putting together the armaments in order to make that happen and how to prevail and how to deal with the Brits.

I only mention this because as we are debating an economic stimulus bill, an economic recovery bill, in many respects what we are doing is so far removed from those great Americans who met in Philadelphia, later met in Washington, DC, in subsequent years, in helping develop and frame our country. This is a sterile debate compared with the debates they had. It is a very important debate, but it is a sterile debate. It is very important clearly because our economy is not out of a recession.

Most businesses that study these matters for their livelihood believe we are not out of the woods. The manufacturing sector is in very difficult straits. There is some data that indicates maybe we are near the end of the so-called recession, but it is my belief, in talking to people around the country, business men and women, that we are not. That is clearly the case with respect to at least a couple of million people who, in addition, have lost their jobs compared with previous years and deserve an extension of unemployment compensation benefits.

We do need to come together in the way our forefathers did back then. I do not want to be too dramatic or too simplistic about it, but when we look back and think of what our Founding Fathers and mothers did and how they came together in very difficult times, it is very inspiring. I urge us to tap into that, to remember what they did and to utilize and act in the same vein and try to do what is right for America.

I think if we are all honest with ourselves we know what is right is to forget this partisan bickering back and forth. Forget the labeling. Forget the criticism. Forget trying to take credit. Just kind of do something which seems right, and right to me is some modest tax stimulus to help business and extending the unemployment compensation benefits to help people who have lost their jobs.

Different Senators are going to have different ideas, but in the main I think we can do something pretty modest but on target and very quickly. I am quite confident the President wants the same thing and is trying to achieve the same goals. I urge all of us on both ends of Pennsylvania Avenue to in a larger sense be inspired by our Founding Fathers and think of the difficulties they had in working together, and they worked together.

The Thirteen Colonies actually voted unanimously for independence. One State abstained, but 12 Colonies all

voted unanimously. It was very difficult. Think of the southern Colonies, the northern Colonies, much different backgrounds, but they came together. They knew what was right for America. On a much lower plane, if they could do what is right for America back in 1776, clearly in the year 2002 we could pass a modest economic stimulus package that makes sense for America. In that vein, I urge all of my colleagues to work together.

AMENDMENT NO. 2701 TO AMENDMENT NO. 2698

Mr. BAUCUS. Mr. President, I rise today to offer an amendment to include extension of expired agricultural disaster assistance programs to the economic recovery bill. My amendment, cosponsored by Senator ENZI, provides \$1.8 billion for the Crop Disaster Program for losses incurred in calendar year 2001. Further, it provides \$500 million for the Livestock Assistance Program, \$12 million of which will be directed to the American Indian Livestock Feed Program.

Extension of these agricultural disaster relief programs is necessary. Why do I say so? It is because of an unprecedented streak of poor weather and economic conditions continue to hamper the economic prospects for farmers and ranchers throughout our country.

Farmers in parts of the South and northern-tier States have been particularly hard hit. Although some sectors and some regions have begun to recover, farmers' overall earnings from their farming operations, not including government payments, are down sharply from the levels in the mid-1990s.

The current difficulties could not come at a worse time.

While struggling to survive three disastrous years, farmers are now faced with sharply escalating operating costs due to higher energy and fertilizer prices, and basically higher operating costs.

According to the most recent projections provided by the U.S. Department of Agriculture, total farm expenses were estimated to rise another \$4.2 billion in 2001. This latest rise came on the heels of a nearly \$10 billion increase in total farm expenses in the preceding year, 2000.

Caught between severe and erratic weather conditions and rising operating costs, American agricultural producers have experienced a severe economic squeeze.

The data kept by USDA's Economic Research Service demonstrate that net farm business income was at a decade-low in 1999 and 2000. Thanks to a limited recovery in some sectors, USDA projects that farm business income will rise slightly in 2001.

Still, unless government assistance is continued, net farm income in 2001 is actually projected to be lower than farm income in those bad years of 1999 and 2000. Even in sectors in which economic conditions have been improving, such as livestock, poor grazing conditions have pushed many ranchers to feed heifers for slaughter rather than using them to rebuild their herds.

Not surprisingly, 3 years of economic hardship have taken a toll on the farm economy. ERS statistics show farm debt rising in the last 3 years at such a rapid rate, more than in the 1980s. In other words, farmers are borrowing to continue their operations. This increased debt load adds further to farmers' operating costs.

In my home State of Montana, it is anticipated that 40 percent of producers seeking operating loans this year will be denied if we fail to provide this assistance in this amendment.

Thus, if government efforts to support farm income are now curtailed—with weather problems continuing, costs rising, and no time to recover from the contraction in farm operating income since 1998—the economic impact on rural America could be devastating.

In a real sense, the economic problems that have afflicted the rest of the economy in recent months have been plaguing the farm economy for several years.

A downturn in farm income does not just impact farmers; it wreaks havoc in the rural communities that depend upon them. Farmers in economic distress are not able to make their usual purchases of seed and fertilizer, not to mention food and clothing.

This makes the agricultural sector—which is directly and indirectly responsible for nearly one-fifth of U.S. gross domestic product—among the most vulnerable sectors of the U.S. economy.

To ensure that the stimulus plan also provides benefits to agriculture-dependent economies in the South Midwest, and northern-tier States, my amendment extends the disaster relief programs that have been critical to shoring up farm income over the last 3 years.

This will allow farmers—and the rural economies that depend upon them—to share the economic support provided to the rest of the economy in the stimulus plan and make real progress in recovering from the multiyear downturn they are now struggling through.

Simply put, many rural economies did not fully participate in the growth in the 1990s. According to data from the U.S. Bureau of Economic Analysis, growth in many rural States, including Montana, Iowa, Oklahoma, North Dakota, Wyoming, Louisiana, and Mississippi has lagged behind—in some cases, far behind—the national average.

In the same vein, according to the Bureau of Labor Statistics, over the last decade, job growth in rural areas has lagged far behind that in urban areas.

Further, rural areas appear to have entered the current recession in late 2000, almost a year and a half ago. Rural America seems to be the first to suffer a recession and the last to recover. For this reason and so many more, this stimulus bill should include agricultural disaster assistance.

I note that this amendment does not include a commodity purchase section that was the subject of much criticism from the other side of the aisle.

Some may recall that this provision was attacked for extending benefits to buffalo ranchers and asparagus farmers—among others. I believe those attacks were unfair and misdirected. I still support provisions for specialty crop producers. However, in order to minimize controversy and move this amendment forward, I have dropped this provision from my amendment.

Finally, I have letters of support for this amendment from the following organizations: The National Association of Feed Growers, Montana Stockbrokers, National Farmers Union, signed by 26 State presidents, the National Cotton Council, the National Cattlemen's Beef Association, and others. I also have a joint letter from the Montana Grain Growers Association and the Montana Farm Bureau Federation describing the desperate need for this agricultural disaster assistance.

All I hear when I am home is the need for this legislation. We are in dire straits. We have not participated in the national growth of the 1990s. We are hurting. It is not just my State but in many other parts of rural America. We need this.

I urge all colleagues to support this amendment and ensure this economic stimulus program truly helps all Americans. That includes farmers, ranchers, and those living in rural communities.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I missed part of his statement. This is an amendment to the Daschle amendment?

Mr. BAUCUS. Yes.

Mr. NICKLES. It costs how much?

Mr. BAUCUS. About \$2.3 billion.

Mr. NICKLES. To be expended this year; and it is for what?

Mr. BAUCUS. Disaster assistance.

Mr. NICKLES. We are not doing the farm bill.

Mr. BAUCUS. Right.

Mr. NICKLES. The Senator does not want to wait another week or two?

Mr. BAUCUS. Mr. President, the farmers cannot wait. We don't know the prospect of the farm bill either. Income is going down the tubes; farmers are going down the tubes. That is why we are acting now.

Mr. NICKLES. Mr. President, I missed part of my colleague's comment. I heard he would have an amendment to add an agriculture section to the so-called stimulus bill. I don't think that underlying bill qualifies as a stimulus bill. I don't see anything in the underlying bill that creates jobs. Now we are talking about an additional 2-point-some billion dollars to be added to agriculture payments. I don't think the amendment should be on this bill.

I want to read the amendment. I know many sections of our country in rural areas are hurting in agriculture. We will be debating the agriculture

bill, the farm bill, probably in the next couple of weeks, and I think that would be a more appropriate vehicle. I will read my colleague's amendment. I have great respect for him. My initial reaction is it does not belong on this bill. I hope it will not be added to this bill. We will no doubt vote in the not-too-distant future.

I know there are colleagues on this side, and I assume we will alternate amendments. Senator SMITH has an amendment on accelerated depreciation. It is my hope to bring that amendment up as well.

Mr. BAUCUS. I call up my amendment.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Montana [Mr. BAUCUS] proposes an amendment numbered 2701 to amendment No. 2698.

Mr. BAUCUS. I ask unanimous consent the reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To provide emergency agriculture assistance)

At the end add the following:

TITLE —EMERGENCY AGRICULTURE ASSISTANCE

Subtitle A—Income Loss Assistance

SEC. 01. INCOME LOSS ASSISTANCE.

(a) IN GENERAL.—The Secretary of Agriculture (referred to in this title as the "Secretary") shall use \$1,800,000,000 of funds of the Commodity Credit Corporation to make emergency financial assistance available to producers on a farm that have incurred qualifying income losses in calendar year 2001.

(b) ADMINISTRATION.—The Secretary shall make assistance available under this section in the same manner as provided under section 815 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (Public Law 105-277; 114 Stat. 1549A-55), including using the same loss thresholds for the quantity and economic losses as were used in administering that section.

(c) USE OF FUNDS FOR CASH PAYMENTS.—The Secretary may use funds made available under this section to make, in a manner consistent with this section, cash payments not for crop disasters, but for income loss to carry out the purposes of this section.

SEC. 02. LIVESTOCK ASSISTANCE PROGRAM.

(a) IN GENERAL.—The Secretary shall use \$500,000,000 of the funds of the Commodity Credit Corporation to make and administer payments for livestock losses to producers for 2001 losses in a county that has received an emergency designation by the President or the Secretary after January 1, 2001, of which \$12,000,000 shall be made available for the American Indian livestock program under section 806 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (Public Law 105-277; 114 Stat. 1549A-51).

(b) ADMINISTRATION.—The Secretary shall make assistance available under this section in the same manner as provided under section 806 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (Public Law 105-277; 114 Stat. 1549A-51).

Subtitle B—Administration

SEC. 11. COMMODITY CREDIT CORPORATION.

The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this title.

SEC. 12. ADMINISTRATIVE EXPENSES.

(a) IN GENERAL.—In addition to funds otherwise available, not later than 30 days after the date of enactment of this Act, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture to pay the salaries and expenses of the Department of Agriculture in carrying out this title \$50,000,000, to remain available until expended.

(b) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under subsection (a), without further appropriation.

SEC. 13. REGULATIONS.

(a) IN GENERAL.—The Secretary may promulgate such regulations as are necessary to implement this title.

(b) PROCEDURE.—The promulgation of the regulations and administration of this subtitle shall be made without regard to—

(1) the notice and comment provisions of section 553 of title 5, United States Code;

(2) the Statement of Policy of the Secretary of Agriculture effective July 24, 1971 (36 Fed. Reg. 13804), relating to notices of proposed rulemaking and public participation in rulemaking; and

(3) chapter 35 of title 44, United States Code (commonly known as the "Paperwork Reduction Act").

(c) CONGRESSIONAL REVIEW OF AGENCY RULEMAKING.—In carrying out this section, the Secretary shall use the authority provided under section 808 of title 5, United States Code.

SEC. 14. EMERGENCY DESIGNATION.

The entire amount made available by each of Subtitle A and Subtitle B—

(1) shall be available only to the extent that the President submits to Congress an official budget request for the amount that includes designation of the entire amount of the request as an emergency requirement for the purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900 et seq.); and

(2) is designated by Congress as an emergency requirement under section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901(b)(2)(A)).

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, I rise in support of the Daschle-Baucus amendment which is being considered now. What we have is an opportunity—and I hope a bipartisan opportunity—to do something about the economy.

Senator DASCHLE has taken those elements of the Republican economic stimulus plan and the Democratic economic stimulus plan that we agree on and brought those to the floor, saying, use this as a starting point, as a bipartisan effort.

There are other ideas. Some on the Democratic side have concepts, and I am sure those on the Republican side do as well. What Senator DASCHLE is trying to do is to break the logjam, cut through the rhetoric, and do something.

I am discouraged that when Senator DASCHLE tried to do that this morning in the Senate Chamber, some Members

on the other side of the aisle objected. I hope this is not an indication that we are in another logjam, at an impasse and unable to break through.

Clearly, we have a good-faith effort to find a bipartisan economic stimulus package. This package contains elements with which I think Democrats and Republicans should agree. I don't believe there is any debate over the fact of 5.8-percent unemployment in this country and 8 million people out of work, and there are a lot of people facing hard times. This recession has made it difficult for them and their families. I read about it at home in the newspapers and hear it from people I talk to who call the office. A lot of families face a difficult circumstance and are trying to get by.

What we are trying to do with the economic stimulus bill is extend unemployment benefits for those who have been unemployed so they can keep their families together.

If the problem in America today is the fact we have overcapacity of goods and services and not enough demand and we want to help the economy move forward so more people make purchases, we want to give the resources to those who will spend them. The first to spend these resources are those out of work. Every dollar given to that unemployed worker for his or her family will be turned into a purchase, an important purchase for that family for clothing, food, to pay the utility bill in the cold winter months, shelter, maybe even medical costs. I hope there is no argument about that. I hope we can concede this is something to which both sides should agree.

There is another element in this bill of equal importance relating to the Medicaid system. Medicaid, of course, is health insurance for the disadvantaged people in America and those on disability. What we have found in my State of Illinois and across the Nation is that a lot of hospitals are facing closure today. States are seeing shrinking revenue and cannot match the Federal dollars that might come in from Medicaid and are cutting back for Medicaid reimbursement. That means small hospitals, rural hospitals, inner-city hospitals, hospitals with a disproportionate share of elderly patients, and patients with disabilities are the ones that are facing closure. The Daschle-Baucus bill addresses that.

I ask the Senator from Montana if he would like to comment. When he speaks of rural areas, the hospital Medicaid reimbursement in his State probably is similar to my own; inadequate to meet the current need. This amendment, the Daschle-Baucus amendment before the Senate now, provides, if I am not mistaken, additional Medicaid assistance to these hospitals in this difficult time. I would not be surprised if in Montana, as in Illinois, you had rural hospitals that were on the edge of closure. With this dramatic change in lifestyle, the quality of life in smalltown Montana or smalltown Illi-

nois is going to change dramatically if the travel time to a hospital goes from 25 minutes to an hour and a half for the elderly person struggling to press on and live or for the woman delivering a baby. This makes all the difference in the world.

I ask my colleague from Montana if he would comment on the Medicaid aspect of this economic stimulus bill before the Senate.

Mr. BAUCUS. I thank my good friend from Illinois. The Senator is absolutely correct. Unfortunately, we are in a recession, and the data we have is based upon times when the economy was in better shape, a couple of years ago. As a consequence, the formula for distributing Medicaid payments from Uncle Sam to the States is based upon old data, and now the hospitals are hurting, more people have less income, they cross the Medicaid poverty index, they get lower payments—just the opposite of what they should receive. As a consequence, what the leader suggested is essentially about a \$5 billion reimbursement to the States that have lost revenue as a consequence of the downturn. Revenue, in some respects, they will get. But with the tax provision passed and the lagging economic data, these States are losing significant revenues in the provisional help.

Mr. DURBIN. I thank the chairman. I can't believe the circumstance is any different in Oklahoma. I have to believe the hospitals in rural Oklahoma and Illinois are facing the same problems. That is why this amendment offered by Senators DASCHLE and BAUCUS as an effort to try to help those hospitals really shouldn't have much debate. I, frankly, think if we don't face this head on, we are going to face head on a serious medical crisis in this country. We are going to see a lot of hospital closures. We are going to see a lot of health care providers that can't continue to make provisions for those who are in nursing homes and hospitals. If we don't do something with this bill's recommendations, if we get up in the politics of the moment, if we find ourselves time and time objecting to bringing this economic stimulus to the floor, it is going to be at the expense of the basic health care of small towns in America—in the Midwest, Far West, and all over the United States.

When you take a look at these two basic provisions for giving a helping hand to unemployed workers who are trying to keep their families together, and giving a helping hand to health care providers that are particularly hard pressed because of this economy, this section seems to be an excellent starting point in our debate about moving this economy forward.

There may be other amendments offered on the other side. Senator DASCHLE says we are open to that suggestion. Let us have amendments offered on both sides and bring this bill to conference.

The President told us to get moving. Senator DASCHLE offered this amend-

ment just for that purpose. The question is now whether the Republicans in the Senate will join us in a bipartisan effort to do something. I can tell you right off the bat there will be Republican amendments that they might offer which I can't support.

I just left a hearing on Enron, which is the topic de jour on Capitol Hill. We went through what happened in that corporation. It had a situation basically where the Enron ship started to sink. The corporate officials and officers grabbed the lifeboats and left the pensioners and investors and employees to drown. That is exactly what happened. As a result of that, there is little sympathy on Capitol Hill for Enron. Yet one of the Republican economic stimulus plans was to give—get this—\$260 million in tax breaks to that bankrupt corporation. I am not going to stand for that. I will vote against that every day of the week. Try to explain to people back home why you want to give a tax break to a bankrupt corporation where the officers and officials basically fleeced investors across America, including the President's mother-in-law.

Do we want to give a tax break to that operation or a \$1 billion tax break to IBM? Those are issues we can debate at length and get to a vote on. I think there ought to be votes taken with time limits for debate and get to the bottom of it. It depends on the bipartisan will of this body. The Senate is constructed so one Senator can stand up and object and that is basically the end of the story. That is what happened this morning.

I hope my friends on the Republican side of the aisle will take another look. I hope they will understand there are unemployed families in every State. They are not just Democrats. They are Republicans and Independents, too. They have people who want a basic helping hand.

What we are suggesting to help is no radical idea. President Bush's father did that. When he faced a recession during his Presidency, he extended unemployment benefits. This isn't some Socialist scheme we are coming up with, I say to my colleagues on the Republican side. This was considered a good, sound, economic decision by the President's father's administration.

This morning we pick up the newspaper and find the political climate and scenery has changed quite a bit in America. For a long time, we labored under the deficits with a lot of red ink. It meant that the national debt kept going up and up. So we had to collect taxes from businesses and individuals across America just to pay the interest on the national debt. This was not tax money collected for education or for the defense of our Nation or for health care. No. It was money collected to pay interest on the national debt largely held by foreign investors.

We have turned that corner. In the last 6 years of the Clinton administration, we started generating surpluses.

We started funding for retirement in America. We could say to our kids that they were going to see in their lifetime the publicly held national debt come to an end. That would basically have changed in our lifetime. The money collected was going to be spent to make America a better place rather than paying interest on old debt. That was the trend line.

The fiscal discipline we are facing today and the Congressional Budget Office report says the party is over. The surplus is gone. We are back into deficits.

For some reasons, it is very easy to explain. I voted to fight this war. I voted to give the President the money he needed for our troops. I would do it again tomorrow. Did it add to the deficit? Yes. I do not think there is a person in America—certainly not the parents and families of those who are serving our country—who would have us shortchange the men and women in uniform. That is absolutely the right thing to do. We are going to continue to do it, but it means more and more deficit spending so we can wage this war successfully and bring our troops home safely. So be it.

Also, the fact is it has taken a toll on our surpluses as well. There were some projections that by now we would have rosy scenarios and all sorts of good times ahead of us. It hasn't happened. We are still in a recession. The recession takes money out of the Government coffers and adds to the deficit.

We also passed a tax bill last year—a tax cut bill. Many of us cautioned, saying: Go slow. Don't try to guess what the economy is going to look like 5 or 10 years from now. I may be wrong. It didn't even take a year. In 8 months, those rosy projections about surpluses have evaporated with the recession and with the war. It is over. That is why, with the suggestions of greater and greater tax cuts in the future, a lot of us fought the battle to finally end the deficits and move toward a surplus in our Federal budget. We don't want to return to those bad old days.

For goodness' sake, for our children, let us retire this national debt and get back to fiscal discipline and a sound approach. We cannot give all the tax cuts that we all would like to give.

This is an election year. Every candidate wants to stand in front of a crowd and say: I voted to cut your taxes. People just cheer and big, broad smiles cross their faces. Folks are coming to understand that there is a price to pay for it. The \$300 or \$600 rebate checks they got last year added to the deficit. Money is now being taken out of the Social Security trust fund and Medicare trust fund to pay for it. It is a price that we will pay.

My colleague from Michigan, Senator STABENOW, said yesterday that this is an analogy between what happened at Enron and what is happening here in this debate. At Enron, the top officials cashed in their stock before it became worthless while the little guys who had

their 401(k)s—investors and employees—didn't get a chance to cash in their stock and were left holding the bag. Everything disappeared. Financial security was gone. The same debate is going on here now.

There are those who want to give tax cuts to the wealthiest people in America at the expense of the retirement of the workers of America—the Social Security trust fund. That doesn't make sense. Let us not do an Enron on America. Let us make sure that we have a sound policy that really is good for this economy, and every part of it—small businesses, family farmers, and workers alike.

That is why the Daschle-Baucus proposal before us is a good one. It is one that starts us toward a path of doing something sensible to help the economy but not something that will hurt us in the long term.

I urge my colleagues, particularly on the Republican side who objected to this economic stimulus package this morning, to please reconsider. Let us bring this to the floor. If you have some good ideas, let us have a debate and vote—and a limit on the time we put into that debate so we know it is going to end and hopefully end up with a bipartisan bill to send to the conference. And maybe with the work on the House and Senate sides we can have a bill for the President by the beginning of next week. That is important. I think Senator DASCHLE has stepped forward with a positive, sensible, and fiscally conservative approach on this which is good for America and which is good for our economy.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I have just a couple of comments. My colleague and friend from Illinois said something about this bill before us is promoting tax credits. The House Bill 3529 that this Senator tried to bring up and that passed the House just recently reformed corporate AMT, and didn't have anything that was going to be of benefit to Enron. I want to make sure that is understood.

Mr. DURBIN. Will the Senator yield for a question?

Mr. NICKLES. I am happy to yield.

Mr. DURBIN. The economic stimulus package passed by the House, the Republican-sponsored package, the first package contained many billions of dollars in tax relief for corporations such as IBM and Enron. Is that not correct?

Mr. NICKLES. To correct my colleague, the bill we are trying to bring up is H.R. 3529, and it contains reformed corporate AMT. The bill the Senator is referring to did pass the House earlier. It is not what this Senator is trying to bring up? The House, as I am sure my colleague also knows, passed the subsequent measure. That is the measure that has bipartisan support. That is the measure the President supports. That is the measure we are

trying to pass. That is the measure that Senator DASCHLE wants to pass and then strike the language on the House-passed bill and insert it in.

I suggest we take up H.R. 3529 and amend it. Again, we just want to make sure. H.R. 3529 is the bill we are trying to bring up, and Senator DASCHLE is trying to bring up his four-point bill. I have some reservations about that bill. My colleague from Illinois, I know, said a couple things he likes about it. There are a couple things I do not like about it.

I am suggesting we take up the House-passed bill, what Senator DASCHLE is planning on eventually striking, and amending it with whatever we come up with.

I suggest we take up the House-passed bill which does not include any provisions that would benefit Enron, which I think may have been implied earlier.

Mr. DURBIN. Will the Senator yield for one more brief question?

Mr. NICKLES. I am happy to yield.

Mr. DURBIN. Is it not correct, then, your bill would have abolished the alternative minimum tax, a tax paid by corporations that otherwise have no Federal tax liability prospectively in the future?

Mr. NICKLES. That is correct. The House-passed bill, H.R. 3529 effectively reformed AMT prospectively. That is correct. It has had no benefit for Enron, no cash benefits for IBM. So I want to make that clear.

Also, just for the record, I just had a chance to read the amendment offered by my friend, Senator BAUCUS. It has \$2.3 billion in emergency agricultural assistance, \$1.8 billion for the Commodity Credit Corporation, and an additional \$500 million for the Commodity Credit Corporation that is designated as livestock. And \$12 million is for the American Indian Livestock Program, which I did not even know we had. Anyway, there is a \$500 million program for that. I think my colleague from Wyoming wants to speak on it.

I want to have printed in the RECORD the emergency spending for agriculture that we have done in the last 10, 11 years.

It has exploded, absolutely exploded. For the years 1990 through 1995, the average was less than \$1 billion a year. For the last 2 years, agricultural emergency spending was right at \$15 billion and over \$11 billion. I think it has been done kind of haphazardly, and maybe done right before the end of the year, where agriculture has been in a tough situation, and we just threw out a lot of money. I am afraid that is what we would be doing if we added another \$2.3 billion.

What about reforming the crop insurance program? We did that a couple years ago. I remember being in this Chamber and everybody saying: Wait a minute, let's fix the crop insurance program so we do not have to come up—every time there is a drought or a flood—with a new Federal emergency

program and write big checks. We are going to fix the insurance program. And we spent some money to fix it. And we have subsidized that program enormously.

What are we doing now? This is adding more money to agricultural emergency assistance. I know we have farmers hurting in my State, just as there are in Montana, and I am sure in many other parts of the country. We are having a drought that is very significant in my State, as I am sure in many of the plains States as well.

But I am looking at the total cost of this program. I will read through these last several years. In 1995, the total agricultural emergency assistance was \$600 million; the next year it was \$140 million; the next year it was \$400 million; the next year, 1998, it was \$160 million; and then in 1999 it jumps all the way up to \$6.62 billion—not \$6.62 million—\$6.62 billion. Then the next year it doubles again to \$14.99 billion; and last year, 2001, to over \$11 billion.

Yet people are saying: Let's add some more billions on top of that.

Then we are going to be dealing with an agriculture bill in the next couple weeks, and people are going to say: Let's spend an extra \$75 billion on top of that. Some of us will have an amendment saying: Let's look at who is getting what. There is a front-page article in the Washington Post today that talks about one farmer getting \$38 million in the last 5 years. Then it basically says there are thousands of farmers who are making enormous amounts—hundreds of thousands of dollars—not \$50,000, not \$80,000, not \$100,000. There are thousands of farmers who are getting hundreds of thousands of dollars.

I think for the top thousand or more in Arkansas, the average payment was almost \$500,000. I have some of those in my State. I think that is outlandish. And they can get it from all kinds of ways, including emergency assistance, including supplemental farm bills. We used to have limitations. We need limitations.

When we get to the farm bill, again, I hope we will put limitations on the payments. In the Harkin-Daschle bill, if I remember, farmers would be able to receive almost \$500,000. And I read in the paper today people are able to get millions through multiple entities. We need to tighten that up. I know Senator GRASSLEY has an amendment. Others on the Democratic side hopefully will support it. I have one that will limit payments to \$150,000. I am sure some people will say the sky is going to fall because we limit farmers and entities to \$150,000. Regardless, I think we should do it.

I think we should be debating the farm bill and agricultural assistance on the farm bill, not on the stimulus package.

Mr. President, I ask unanimous consent to have printed in the RECORD the chart from which I was reading.

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

EMERGENCY SPENDING FOR AGRICULTURE: A BRIEF HISTORY OF CONGRESSIONAL ACTION, FY 1989-2001

SUMMARY

From FY1989 through FY2001, twenty-one appropriations, authorization, or farm disaster acts have added \$43.8 billion in emergency funding for U.S. Department of Agriculture (USDA) programs. Nearly \$32.8 billion, or about 75 percent of the total amount, was for FY1999-FY2001 alone.

Since FY1989, the vast majority of the total emergency funding has been paid directly to farmers, primarily through two mechanisms: "market loss payments" (\$21.4 billion, all since FY1999) to compensate for low farm commodity prices, and disaster payments (\$15.8 billion) paid to any producer who experienced a major crop loss caused by a natural disaster. The remaining \$6.6 billion has funded a wide array of other USDA programs, including other forms of farm disaster assistance, specialty crop assistance, farm loans, overseas food aid, food and nutrition programs, and rural development assistance.

Total annual funding additions in the 21 acts providing emergency assistance to USDA programs since FY1989 are as follows:

FY1989: \$3.39 billion;
FY1990: \$1.48 billion;
FY1991: \$0;
FY1992: \$1.0 billion;
FY1993: \$1.3 billion;
FY1994: \$2.57 billion;
FY1995: \$0.6 billion;
FY1996: \$0.14 billion;
FY1997: \$0.4 billion;
FY1998: \$0.16 billion;
FY1999: \$6.62 billion;
FY2000: \$14.99 billion;
FY2001: \$11.17 billion.
Grand Total (FY1989-2001): \$43.82 billion.

Mr. NICKLES. Mr. President, I know my colleague from Wyoming, who has an interest in this area, is waiting to speak, as well as others.

I yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. ENZI. Mr. President, I appreciate the Senator from Montana, Senator BAUCUS, offering this amendment. I particularly appreciate it because it gives me an opportunity to recognize that this amendment will allocate \$500 million in emergency spending for the Livestock Assistance Program.

There was a lot of mention in this Chamber about things we have done in an emergency way for agriculture. The program that we have left out has been livestock assistance. The ranching folks of this country have been the ones who for years have said they really don't want the Federal Government helping them out. With the exception of the drought programs, that has been true.

One of the difficulties is that they are not in line all the time for this money. Consequently, when they need it, we do not always insert it. The Livestock Assistance Program is an ad hoc program that is administered by the United States Department of Agriculture—USDA—through the Farm Service Agency.

It is available to livestock producers in counties that have been declared dis-

aster areas by the President or the Secretary of Agriculture. It provides financial relief to livestock producers who are experiencing livestock production loss due to drought and other disasters.

Livestock producers in my State of Wyoming have been hard hit by drought. And the drought outlook for this year isn't optimistic. In fact, right now we are having the driest winter that any of them can remember.

I was in a store and ran into an old friend of mine and asked him how things were going; and you could see the drought was at the top of his mind because that is what he brought up immediately. He did not say whether he was feeling well or his family was well. The drought was causing the problem. And it was a different problem. Usually at this time of year there is enough moisture in the ground and enough cold air in Wyoming that the ground freezes. It is pretty solid.

When the ranchers go out to feed—and you have to feed when the ground is frozen solid—they usually can go to the spot where the cattle are and lay down the feed. This year, they have to go to a different place every day and move the herd because of the destruction they do to the land in raising the dust and covering the feed that has been put down because of how dry the ground is. It would not even freeze hard. So the outlook for next year is worse than last year. And the year before that was a bad year.

There are some problems with the Livestock Assistance Program in getting any kind of continuing help. It actually anticipates you are only going to have a problem 1 year. We are about to go into our third year, and, of course, nobody got any payments for the second year because that never got put in anywhere last year, even though we were promised that somewhere this program, that has existed and needs to exist, would exist. It has not existed.

You may not know that in the primary case of drought, producers usually suffer the loss of grazing sources. The Livestock Assistance Program commonly provides the means to buy supplemental feed for their livestock.

Although Congress has made a full commitment to this program when it authorized it several years ago, the program was not funded in fiscal year 2002 in either the emergency agricultural supplemental or the agricultural appropriations fiscal year 2002 bill.

I believe this program funding is critical to the continuing viability of ranches in Wyoming and the West. This amendment would provide short-term immediate economic stimulus to Wyoming's agricultural population. The program is appropriate for the economic stimulus package because it directly stimulates the agricultural sector. This money will be spent immediately in rural areas, and it will be spent to pay debt and to purchase winter feed for livestock—primarily the latter.

The U.S. Drought Monitor, presented by the United States Department of Agriculture, the National Drought Mitigation Center, and the Climate Prediction Center show that the entire Northwestern U.S. is experiencing extreme and severe drought. This is the second year of continuous drought for Wyoming's producers. In these conditions, the State's natural resources have been unable to recover. In order to conserve those resources, State and Federal Government have evicted ranchers from State and Federal leased land. Producers have been forced to find alternative grazing arrangements where pasture land is limited or sell off their herds.

Many producers grazed hay fields last summer and fall that had been slotted to provide winter feed. Virtually every indicator—precipitation, snow pack, reservoir levels—shows that the drought may get worse.

In fiscal year 2001, that is the year before last, the Livestock Assistance Program was funded at approximately \$430 million. In Wyoming, 933 producers received \$7,752,029. That is an average of \$8,000 per producer. You can see where that would just buy feed to get them by through the drought.

Nationally, it provided assistance to about 186,000 producers at 88 percent of their grazing loss—that depends on how many people put in for this limited number of dollars—but at 88 percent of their grazing loss for the drought. And this year, again, the need is similar. We are looking at perhaps another year of it yet. Providing the program with \$500 million for drought experienced in 2001 would ensure that producers receive assistance for 100 percent of the anticipated grazing losses due to the drought.

Wyoming producers would receive approximately \$9 million. Again that is about \$9,000 per producer. The USDA has indicated that this level of funding would be sufficient for this year. Half of Wyoming's counties have been declared drought disaster areas for the second continuous year. The Secretary of Agriculture has already officially declared many counties as disaster areas in the livestock producing States of Montana, Idaho, Washington, Colorado, Nebraska, Kansas, Oklahoma, Missouri, Iowa, Texas, Kentucky, and, of course, Wyoming.

I ask my colleagues to take a long, hard look at the merits of this amendment. This amendment would provide the livestock producers with what everybody has been saying would be provided; that is, the opportunity to continue their operations and to stay in business for 1 more year.

I ask my colleagues to support this bill and to pray for rain and snow in the West.

I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I rise to make some points in response to the Senator from Oklahoma. He makes

some good points, but I think they should be addressed.

One is, what about livestock; what about crop insurance. Why don't we have a crop insurance program that works, that takes care of disasters, farmers who suffer disasters? Why do we have to come along every once in a while with a disaster assistance bill?

If I might suspend, I see my friend from Nevada in the Chamber. He may have a request.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, through the Chair to the chairman of the Finance Committee, I express my appreciation for his courtesy.

We have now been here all day working on this bill. The first amendment offered is the amendment offered by the Senator from Montana, chairman of the committee, which has wide support. It is a bipartisan measure. Its sponsorship is bipartisan.

I ask if we could have a vote on this matter at 3:30. That would be 45 minutes to continue the debate. The vote would be on or in relation to this amendment. I ask unanimous consent that that be the case.

The PRESIDING OFFICER. Is there objection?

Mr. MCCONNELL. Mr. President, reserving the right to object, the manager of this bill on our side is off the floor for a moment. Until he arrives and is consulted, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. REID. Mr. President, I understand the Senator from Kentucky having to object. I would hope that the floor staff would alert Senator GRASSLEY to my request. If that time is not sufficient and there are other people who want to speak on it, we have absolutely no problem with that. I do think we should have a vote as quickly as possible.

I will renew that request at a subsequent time after the message is related to Senator GRASSLEY and also to the minority leader.

I ask unanimous consent to be listed as a cosponsor of this amendment.

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

The Senator from Montana.

Mr. BAUCUS. Mr. President, just some basic points to clear the air and to get the facts straight.

It has been suggested that we have crop insurance and why isn't crop insurance sufficient to compensate farmers and ranchers through disaster. The argument is made that we have a crop insurance program. Why do we need disaster assistance? The answer is quite simple.

First of all, the crop insurance program does not cover livestock. So that point is irrelevant. Second, with respect to crops, program crops, there are a couple of points. No. 1, very few farmers buy Federal crop insurance. Why? Because it is so expensive and the coverage is so poor. Even with re-

form of the crop insurance program, it is not good enough for farmers and ranchers to participate in it. It just is not available as a practical matter.

In addition to that, it is unavailable today for crop losses in 2001. If you had a loss on your crop in 2001, you cannot go now to buy Federal crop insurance in 2002 which will cover losses in 2001. It is too late. Even if you were to buy Federal crop insurance in 2002, you would not want to, a lot of farmers do not want to because, as I said, it is so expensive and the coverage is so poor.

The last disaster bill passed here covered losses basically because prices were so low. The disaster assistance bill before the Senate now covers natural disaster losses—drought, floods—and also quality crop losses; that is, insect, disease, or for whatever reason the quality of the crop is so poor that the farmer takes a large cut.

This is not a new program. This amendment only provides dollars for existing disaster relief programs. For crops, it is a 35-percent loss, and for livestock, under the livestock emergency feed program, it is a 40-percent loss in grazing over 3 months; for quality loss, as I recall, it is about a 25-percent loss. It is existing programs.

In many States across our country, we find counties that have already been declared disaster counties for purposes of this amendment.

For example, I will read some of the States. In Iowa: \$17 million would be available for crop disaster, \$3.1 million for livestock. In Oklahoma—my good friend from Oklahoma, Senator NICKLES, would be interested in this—it is about \$50 million in disaster assistance to farmers in Oklahoma for crops, and about \$40 million for livestock disaster assistance; Texas, \$436 million for crops, \$92 million for livestock. The list goes on: Wyoming—Senator ENZI, of course, is cosponsoring this amendment—Tennessee, a significant amount; Mississippi, a cotton State, \$70 million for cotton producers as a consequence of disaster to the cotton industry in that State; Montana, of course, and I might also add that there are many others. At the appropriate point, I will indicate all of the States that qualify.

I might also address a point made by the Senator from Oklahoma that all these big farm bill payments—he read in the paper a lot of farmers get very high payments under the farm program. That is comparing apples with oranges or watermelons with peanuts or whatever products you want to take. We are not talking about the farm bill, Mr. President. This debate is about emergency agricultural disaster assistance, which is entirely separate from the farm bill.

It is true that some farmers, under the current farm program, get high payments. It is also true that there are very significant limitations on which farmers or ranchers can get disaster assistance—very significant limitations. A farmer or rancher cannot get disaster payments over \$80,000. We hear

about farmers who get large payments under the farm program. Much of that is justified because they are large farms. But that is irrelevant to this point. This point is, what do farmers receive and what should they receive under disaster assistance?

There is an \$80,000 limitation. A farmer or rancher cannot receive more than that in disaster payments. But \$80,000 is not a lot of money. That is gross payment. Think of all of the costs that farmer or that rancher has to incur. That is not \$80,000 in his pocket, that is \$80,000 to cover expenses and losses. Mr. President, I guarantee you it would not even come close to making a farmer whole.

There is another limitation, where no payments can go to any farmer or rancher whose gross income is \$2.5 million. That may sound like a lot of money, but not if it is gross. Anybody who knows anything about farming or ranching knows that what farmers and ranchers receive as their net profit, in most cases, is zero. In many cases, it is less than zero, or maybe a little bit more than zero. The net return on farmland in America is a pittance. But farmers and ranchers endure that low rate of return because it is a way of life.

Mr. REID. Will the Senator yield for a question?

Mr. BAUCUS. Yes.

Mr. REID. I can remember many years ago in the farm industry when the cost of pieces of equipment was almost nothing. Now one of those trucks can cost a million dollars. Would the Senator indicate how much farm equipment costs, generally speaking? We see the little John Deere tractor you used to be able to buy at Sears Roebuck. Now these pieces of equipment cost hundreds of thousands of dollars per farm; is that correct?

Mr. BAUCUS. That is correct. The Senator makes an excellent point. Farm machinery costs have skyrocketed. It is obscene how much tractors cost. A combine is over \$100,000. I know; I was raised on a ranch. I am astounded at how much farm equipment costs today. It is just ridiculous. On top of that, it cannot be used, in most cases, year round. It is not like a factory where you get to use the equipment all the time and have 60, 70, 80, 90 percent capacity. Most farm equipment is only used for a short time. You can only harvest cotton a certain time of the year or bail hay or combine grain. It is a very short season. It is not year round. So it is a very expensive piece of equipment that does not get a great rate of return because it cannot be fully utilized, to say nothing of all the other increased costs that are greater for farmers or ranchers; namely, fuel, fertilizer, and other things; all of that has gone through the roof, including freight rates.

I am from a State which is a captive shipper State. There is virtually no rail competition in my State. Shippers in my State ask grain farmers to pay

twice as much to ship a bushel of wheat than do farmers in other parts of the country who ship that wheat the same distance. Why? Because there is competition in the other States. There is none, for all intents and purposes, in Montana. There are other cases around of captive shippers. It is not of sufficient competition to get trucker or rail rates low enough.

However you slice it, this is a sector of the economy that is in deep trouble. For a specific, unique reason—weather-related, cost-related—if we are going to pass an economic stimulus bill, as we should, because our country still needs a stimulus that is fair, direct, short term, a shot in the arm, agriculture should be included.

Agriculture, directly and indirectly, is one-fifth of America's gross domestic product. I will bet a lot of people living in cities do not know or appreciate that. But agricultural production, directly and indirectly—that is, suppliers and expenditures farmers make on not only equipment but farm products and also farm services, and they also buy clothes and pay the bills and so forth—it amounts to one-fifth of America's gross domestic product. If we are going to pass a stimulus bill, certainly a good portion of it, a significant portion, or a small portion should include agricultural disaster assistance.

I will yield the floor. I see my very good friend, my colleague from our State, on the floor. I am honored that he is here to speak on the amendment. I know a lot of farmers and ranchers in the country are pleased to see Senator BURNS supporting this effort.

Mr. BURNS. I thank my colleague from Montana. I thank him for presenting a bare-bones amendment covering the emergency agricultural situation we have in our State. He is exactly right. There are a lot of folks who do not realize how big agriculture is in our overall economy.

You know, it is not surprising because each and every one of us in this country goes about our way feeding and clothing ourselves. Everyone plays a part. It may not be in the area of production, but it could be in the area of transportation, or processing, advertising, presenting, or the marketing of food products. I don't think there is a country like ours in the world that has the advantage of eating fresh fruits and vegetables all through the year, even though you may live in the northeastern part of the country where it is snowing and blowing. So it is a marvelous system, a system that is held high as an example around the world.

When this subject was first offered last fall, it was pretty well loaded up. I think we tried to boil the fat out of it and offer some assistance to some people who have been impacted. We are going into our fourth year of drought. There are many in this Chamber and many people across the country who have seen that wonderful river called the Yellowstone River, which flows through the park to Williston, ND.

Below an area called Yankee Jim Canyon to the mouth of the Big Horn River, you can wade across the Yellowstone River and never get your knees wet, which gives you some indication of the impact this drought has had on my State—now going into its fourth year.

It is hard to imagine you would have less than a bushel an acre in combining and fewer prospects of any kind of income. For the marginal producers, those days are gone. There is a ritual that goes on in our State.

Every year about this time is when you and your wife gather up your books and make the annual trek to see your banker and arrange for operating loans for another year. Those banks that do a lot of business with owners of farms and ranches are telling me that even some professionals are marginal because of no crops, none at all.

I ask unanimous consent that I be made a cosponsor of this amendment. I thank my friend from Montana for offering it.

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

Mr. BURNS. Mr. President, I am still a little concerned about on what bill this amendment is being offered. I want this to pass, and I would hate to see it passed in the Senate and we get a good warm and fuzzy feeling inside and then we lose it in conference or we lose the stimulus altogether. I do not know what is ahead. I do not see that in my crystal ball. I see a very hazy picture. This amendment needs to be adopted because this is not only happening in the State of Montana, it is happening in other States as well.

Keep in mind that the American people have agreed they still want this insurance policy of our ability to feed and clothe this Nation and not become dependent on other sources for our subsistence.

I heartily urge my colleagues to support this amendment. I thank the Chair, and I thank my friend from Montana. I yield the floor.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. REID. Mr. President, will my friend yield for a unanimous consent request?

Mr. GREGG. Certainly.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, I have been told that Senator GRASSLEY has not been contacted. I will wait until he has been contacted.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, I rise to speak about the stimulus bill and address one of the issues I hope we will be able to address as we move forward on this bill. I recognize the parties are trying to reach an agreement on a package which is acceptable to both sides and which is bipartisan.

In that effort, the majority leader has put forward a bill. Unfortunately, a large section of this bill, 25 to 30 percent, is new language which has not

been agreed to by both sides, and there are serious reservations on our side about it.

There are initiatives within the bill which are agreed to, however, such as extending the unemployment compensation. In addition, there are other ideas that were agreed to, we believe, that could be added to this bill. That has been highlighted by many of the speakers.

I note one idea that I think we should consider because it is bipartisan—and there does seem to be some general agreement for it, and it is a win-win issue for us from the standpoint of public policy—and that is the need to reduce the capital gains rate.

We are talking about economic stimulus. We are talking about creating jobs. We are talking about increasing productivity so our economy starts to move a little more aggressively. Probably nothing can be more of a positive factor for that than to make capital more readily available for people to invest and, as a result of investing, create jobs. The result of an expansion of capital activity is the creation of jobs.

One of the most effective ways to create more capital in the marketplace and make more resources available is to make the cost of capital less, and that is what a cut in the capital gains tax accomplishes.

A cut in the capital gains tax was proposed when we addressed the tax bill last year. At that time when I made that proposal, it failed on a very close vote, 47 to 51, with two people not voting. Interestingly enough, it was a bipartisan vote in favor of cutting the capital gains rate.

Why was that? Because the amendment I proposed at that time had a sunset to it. It was a 2-year proposal which reduced the rate from 20 percent to 15 percent, but only for 2 years so it would not have a negative long-term impact on the budget. In fact, by sunseting it after the 2-year period, we will actually have a positive cashflow situation.

Why is that? If we generate the capital gains activity from assets which are locked up, which are not being used—for example, if somebody has owned stock for 10 years, 5 years, or even 2 years but they are not going to sell that stock because they think the capital gains tax on it will be too high, if we can do something which causes that person to sell that stock, then we create a taxable event.

We have proved throughout history in our country that every time we cut the capital gains rate, it generates a lot of economic activity. A lot of people sell assets, which are capital assets, in order to take advantage of that lower rate, assets which they would not have otherwise sold.

What happens as a result is that we create more taxable events. And what happens as a result of that is the Treasury gets more money. So in any reasonable scoring of the capital gains issue, a capital gains tax cut actually

generates more money to the Federal Government in the way of revenues than if we do not do anything in the early years. In the outyears, we lose money.

If we sunset a capital gains tax cut after 2 years, the practical effect is that we get the good side. We get the new revenues, added revenue activity without the outyear activity of reduced revenues. As a practical matter, a capital gains tax cut which has a 2-year sunset attached to it, as did my amendment when I offered it last year, is basically a window of opportunity for people to free up assets which are presently locked down, take the money from those assets, pay taxes, and, as a result, add more money to the Treasury and then take that money and reinvest it in something which will arguably be a more efficient use of those dollars.

By doing that, it creates more capital in the marketplace which in turn creates more economic activity which in turn creates more jobs.

The practical effect of a capital gains tax cut which has a sunset attached to it is that it is a win-win event for us from the standpoint of public policy in that, one, it generates more revenues during a time when we are heading toward a deficit and those revenues will assist us in alleviating that deficit and, two, it generates more economic activity, more efficient use of capital and, as a result, it generates more jobs.

As we move down the road of debating this issue of economic stimulus and we are looking for bipartisan concepts which makes sense, I suggest we take a hard look at the capital gains tax cut which I proposed during the prior process.

During that process, as I said, the amendment was offered. It failed on a narrow vote. I think some people voted against it because they were committed to this package or that package, not because they did not think capital gains reduction, especially when it was sunsetted, was a bad idea. I note that the people who voted for it—it was a significant bipartisan vote in the context of tax matters.

As a practical matter, as we move down this path to a stimulus package, I hope we revisit this issue of cutting the capital gains tax rate for 2 years from 20 to 15 percent and, as a result, generate more revenues for the Treasury, create more economic activity, create more efficient use of capital, and in the end the biggest plus will be that we will be creating more jobs.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. NELSON of Florida). The Senator from Minnesota.

Mr. DAYTON. Mr. President, I rise today to speak in support of Senator BAUCUS's amendment to provide disaster assistance to farmers. I begin by thanking my very distinguished colleague from Montana who has consistently championed the need to help farmers throughout the country who

have crop losses due to natural disasters. I thank the Senator for his leadership and strongly support this amendment that will provide disaster assistance to farmers who need it and will be further devastated without it.

American agriculture has been in a recession for the last several years; or even for some farmers, a depression. Last August, the Minnesota Farm Service Agency calculated that Minnesota farmers had suffered \$500 million in crop losses in the first half of 2001. Then in November of last year, the U.S. Department of Agriculture announced the largest monthly drop in commodity prices in USDA's 91 years of recording that statistic. In a single month, overall commodity prices plummeted nearly 10 percent nationwide. With prices that low, farmers have no ability to withstand additional losses that a disaster creates. At that time last November, the Senate Agriculture Committee was completing its markup of legislation that would provide desperately-needed assistance to farmers and producers. Amazingly, we spent most of December sitting through a filibuster of the farm bill. That filibuster was harmful to all farmers—it was catastrophic to those who need disaster aid and whose farms may not survive without it. Senator BAUCUS' amendment will provide this vital assistance before is too late. I urge my colleagues to support this amendment.

I yield the floor.

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

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

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I have a letter addressed to me, signed by James Echols, who is chairman of the National Cotton Council. I will not read the entire letter, but I will read the operable paragraph. Essentially, the letter urges the passage of the pending amendment and it includes this statement:

Cotton producers have suffered late season losses from flood damage in the Mid-south and dry growing conditions followed by excessive moisture during harvest in West Texas. In most cases crop insurance coverage was inadequate or nonapplicable as damage occurred to seed cotton stored in modules stored in the fields while waiting to be ginned. Further we understand crop insurance policies have a provision which deny coverage for losses due to unnamed storms such as the one that occurred in the Mid-south last fall. Producers of other commodities have suffered similar losses and also need assistance.

I ask unanimous consent that this letter from the National Cotton Council be printed in the RECORD.

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

NATIONAL COTTON COUNCIL
OF AMERICA,

Washington, DC, January 24, 2002.

Hon. Senator MAX BAUCUS,
Chairman, Committee on Finance, Senate Hart
Building, Washington, DC.

DEAR MR. CHAIRMAN: The National Cotton Council appreciates your continued support for inclusion of funding in the economic stimulus package to provide assistance for weather related crop losses. Weather related losses in many parts of the Cotton Belt have made a dire economic situation much worse.

Cotton producers have suffered late season losses from flood damage in the Mid-south and dry growing conditions followed by excessive moisture during harvest in West Texas. In most cases crop insurance coverage was inadequate or non-applicable as damage occurred to seed cotton stored in modules stored in the fields while waiting to be ginned. Further we understand crop insurance policies have a provision which deny coverage for losses due to unnamed storms such as the one that occurred in the Mid-south last fall. Producers of other commodities have suffered similar losses and also need assistance.

We realize the daunting task facing Congress in building a consensus for an economic stimulus package. However, we urge the Senate to include assistance for weather related crop losses.

Thank you for your favorable consideration of our request.

Sincerely,

JAMES E. ECHOLS,
Chairman.

Mr. BAUCUS. Mr. President, I also ask unanimous consent that Senator LANDRIEU of Louisiana be added as a cosponsor of this amendment.

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

Mr. BAUCUS. Mr. President, seeing no speakers at this point, I hope my co-manager, my good friend from Iowa, Senator GRASSLEY, will come fairly quickly so we can get an agreement on further time remaining for debate on this amendment. When that occurs, then we will get closer to a vote.

I yield the floor. I 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. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. DORGAN. I ask to be added as a cosponsor of the amendment offered by the Senator from Montana, Mr. BAUCUS. I know he has offered this amendment previously on a different vehicle. This amendment is critically important to farm States, to farmers, and Main Street businesses that are trying to do business in a pretty tough economy. This is an awfully good amendment, as has been stated by a number of colleagues on both sides of the aisle. I hope we get a strong bipartisan vote for it. I commend Senator BAUCUS for this amendment. It is a great idea. It is important. I ask unanimous consent to have my name added as a cosponsor.

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

Mr. DORGAN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. REID. Mr. President, while we are waiting to hear from the minority as to whether or not we can agree on a certain time for a vote on this very important amendment, I would like to indicate how I personally feel.

We need an economic stimulus program. We need it now. With America in the midst of a recession, there is no time for delay. Our Nation cannot afford to have Congress play games for political purposes. We do not need to, and should not, wait until the President addresses the Nation in the State of the Union Address on Tuesday. We should take action before then. Now is a time to move forward and, in so doing, help our Nation's economy move forward.

My concern, of course, is that we have a situation where, as reported yesterday in the press, there are some who do not want to move forward. I have the greatest respect for the minority leader. I have worked with him now for many years. When asked yesterday, would debate likely last through next Tuesday, meaning the State of the Union Address, Senator LOTT said: It might—pause—and then winked to the press. Meaning, of course, with the wink and the nod, that the answer to the question was—yes, this would be stalled until the State of the Union.

There are a lot of important things we can do to help the country, not the least of which is this amendment of which I am a cosponsor, offered by the chairman of the Finance Committee and also the Senator from Wyoming. We need to move forward on this legislation.

We have an economic stimulus plan that helps accomplish that. It is not perfect, but it is one whose component parts will get more than 60 votes. It is part of a bipartisan agreement. It is a good plan made up of solutions Democrats and Republicans alike would support. This plan would have immediate impact and help those most in need.

What do we propose? First, extending unemployment benefits for an additional 13 weeks for all workers who have exhausted their unemployment insurance benefits after September 11. Talk about stimulus. Try giving money to people who have nothing. They will spend it. That will help the economy. They will be buying groceries, they will be buying small appliances—tires for their car maybe. Assisting working families in this way is not only the compassionate thing to do but also an effective way to jump-start the economy.

Second, providing a tax rebate to everyone who did not get one last year. The part of the President's tax cut that was the most popular and the most successful was the tax rebate. That was our idea. We talked about the tax rebate. We talked about the tax rebate idea, and the President took that. Fine, all ideas from wherever they come, if they are good, should be used. The tax rebate idea was our idea. We believe those people who did not get one should get one this year. We have already taken steps to help some of our ailing businesses, such as airlines, which in the process helps other industries and corporations.

What about consumers? This tax rebate will increase consumer spending. As consumers are more active and are able to purchase more, businesses will respond by increasing investment and production.

Third, increasing the bonus depreciation deduction available to businesses for certain capital costs. This will encourage businesses to invest more now, and that will spur economic growth. Talk about a shot in the arm. If this depreciation allowance is not good for this year, when are they going to do it? They are going to do it this year.

Fourth, providing fiscal relief for States by temporarily increasing the Federal Medicaid matching rates. Most States, as a result of the financial strain on the budget, have imposed significant cuts on Medicare eligibility, or if they have not, they are in the process of doing that. Why? Because they are running out of money. So we must protect Medicaid programs from budget cuts to improve health care for Nevadans, and all Americans, and ease the burden on States.

Our plan, then, attends to critical needs and offers immediate help.

Some amendments or alternatives supported by both parties have merit, but not the votes needed to pass. But we have a process here. The majority leader came today and said: You have four, we have four. We will even agree to time limits on those. They simply refused to do that.

We have propounded an agreement to say let's have a vote at 3:30. That was 45 minutes ago. We are willing to resume that and have a vote in a half hour. Vote on this amendment offered by the chairman of the Finance Committee and Senator ENZI. This is an important amendment dealing with a large segment of our society. It would stimulate the economy.

But neither the plan embraced by the House Republicans nor the plan supported by Senate Democrats on the Finance Committee would receive 60 votes in the Senate. It is a fact of life. We have had people today on the floor, from the minority, saying: It has a majority. Why don't they let it come forward? It has a majority.

We are in the Senate. We did not set the rules yesterday. They were in the process of developing starting 200 years ago. Some object to requiring 60 votes

for approval of an economic stimulus bill or an amendment. That is the way it is.

If they want to use that logic, I think it is something we should maybe strongly consider accepting. If that were the case, we could go back and look at campaign finance reform, which passed the Senate by 59 to 41, a majority vote. We would already have campaign finance reform. Many of the questions involved in the Enron investigation would no longer be an issue because campaign finance reform would have already been passed.

Or the Social Security lockbox, which passed 53 to 47. It is a majority plus 2. If that were the case, using their logic, all of these votes we have had over the years—I will just limit it to the last couple of years where we have gotten more than 51 votes—those things would be law.

In the Senate, because of the rules we have, you need 60 votes. That is the way it is. I accept that. But for people to come here and say: We have the majority, why won't they let us do it?—they should be very careful with that logic because I just picked two examples. There are scores of them, in addition to campaign finance reform and Social Security lockbox. And the Social Security lockbox vote is becoming more important each day because we are now spending Social Security surpluses.

The American public should understand. The Social Security surpluses are being spent this year. For the last 4 years we have not been spending them, but now we are.

This stimulus plan now before the Senate offered by the majority leader was created from a consensus. I would like to have added more stuff to this. I think we need something in a stimulus package to help tourism. The State of the Presiding Officer, Florida, relies heavily on tourism. Tourism has been hurt very badly in the State of Florida and other places in the United States. I think any stimulus package should have a provision to deal with tourism.

I personally believe, if we want to really stimulate the economy, we should do something to develop the infrastructure of this country. Let's build some roads—highway construction. For every \$1 billion we spend on highway construction, we get 42,000 jobs. Not 4,200—42,000 jobs—and all of the 42,000 people working in those construction jobs pay taxes, buy cars, refrigerators, and all kinds of other things. But at this stage I cannot get 60 votes for my tourism stimulus. I know it would stimulate the economy. So does the Presiding Officer.

The National Conference of Mayors has its winter meeting taking place in Washington, DC, today. The mayors support my stimulus package as it relates to infrastructure 100 percent. They have passed resolutions. But in the Senate, I can get 51 votes but I can't get 60, and therefore it is not going to happen right now. I will keep working on it.

So it is very unfortunate that the minority is now saying the House bill has more than 50 votes over here, why won't you just let us bring it up and pass it on that basis? Because we live in the mature world of the Senate. That is how things work here.

As I have said, Senator DASCHLE's plan is not perfect but it is the best he could do. It is what we agree on. That is the consensus package. I think we should pass it quickly, and I wish we could do that. I hope we can do it before Tuesday. But with winks and nods, it appears we will not be able to do that.

Mr. President, there is nobody in the minority on the floor so I do not want to offer my unanimous consent request, but I am going to offer it in the next few minutes. I ask everyone to be alerted to that.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. BAUCUS. Mr. President, while we are waiting for an agreement—I hope that comes very soon—on the time to vote on the pending amendment, I would like to introduce into the RECORD letters of support for the amendment.

The first is from the National Cattlemen's Beef Association, a letter to myself signed by Lynn Cornwell, president of the NCBA; next, a news release from the National Association of Wheat Growers expressing support in favor of the pending disaster relief amendment; next, a letter from the National Farmers Union in support of this amendment signed by 26 different State farmers unions; letters to me from the Montana Stockgrowers Association, the Montana Farmers Union, and the Montana Grain Growers Association, all in support of the amendment.

I ask unanimous consent they be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

NATIONAL CATTLEMEN'S
BEEF ASSOCIATION,
Washington, DC, January 24, 2002.

Hon. MAX BAUCUS,
Chairman, Senate Finance Committee, Hart Office Building, Washington, DC.

CHAIRMAN BAUCUS: The National Cattlemen's Beef Association (NCBA) appreciates the hard work and effort that has gone into the Economic Stimulus package to date. Livestock Assistance Programs included in the Committee passed package will prove to be a vital economic stimulus in many areas of the country impacted by severe and lingering drought. NCBA supports your efforts to include Livestock Assistance Program funding, at the appropriate levels, in the Stimulus package currently moving in the United States Senate.

NCBA believes that Livestock Assistance can prove to be a vital stimulant to the local

economies in the areas affected. We hope that during the upcoming debate on the Economic Stimulus package that you will continue your support of this very important program.

The program funds will be used immediately to help producers offset the increased cost of feed and forage acquisition due to Mother Nature. NCBA continues to work with USDA, land-grant universities, extension service personnel, local and state governments, and state cattle associations to address the best use of funds that will be available.

Thank you for the opportunity to share these requests with you. Please contact NCBA staff at 202-347-0228 if you have any questions or concerns with these or any other issues.

Sincerely,

LYNN CORNWELL,
President.

THE NATIONAL ASSOCIATION
OF WHEAT GROWERS,
Washington, DC, November 12, 2001.

NAWG SUPPORTS DISASTER SPENDING
PROPOSED BY SENATE FINANCE COMMITTEE

WASHINGTON, D.C.—The National Association of Wheat Growers (NAWG) expressed support today for including agricultural disaster spending in the stimulus package being considered in the Senate. Several wheat producing states have experienced crop disasters in 2001, and NAWG views this mechanism as an appropriate way to provide much-needed assistance.

"Many of our nation's wheat producers had severe crop disasters that not even crop insurance will completely mitigate," said NAWG President Dusty Tallman. "In this period of poor economic conditions, these farmers are unable to bear the burden of crop failure."

Proceeds from the disaster assistance will largely go to repay loans and expenses against the drought-stricken 2001 crop.

"Rural America is in as much need of economic stimulus as anywhere else," said Tallman, "and in this way we can provide support to hard-hit farmers and the communities where they live."

NAWG is a nonprofit organization representing U.S. wheat growers who, by combining their strengths, voices, and ideas are working to ensure a better wheat industry for today and tomorrow.

NATIONAL FARMERS UNION
Washington, DC, November 28, 2001.

MEMBER,

U.S. Senate, Washington, DC.

DEAR SENATOR: On behalf of the 300,000 family farmer and rancher members of the National Farmers Union (NFU), the undersigned NFU Board of Directors urges your support of provisions in the Economic Recovery and Assistance for American Workers Act providing disaster assistance for family farmers and ranchers.

Farmers across the nation have suffered substantial economic losses from adverse weather and disease during the 2001 crop year. The needs are immediate. We encourage you to support the production and quality loss assistance program in Finance Committee Chairman Baucus' economic recovery package passed out of the Senate Finance Committee which includes \$1.8 billion in emergency assistance for crop producers and \$500 million for livestock producers.

From Montana to Louisiana, Texas to the Northeast, and California to Missouri, farmers and ranchers have experienced adverse weather conditions, disease, insect infestations, and sudden weather phenomena. These disasters resulted in massive crop production

and quality loss and losses impacting livestock producers. These losses are negatively impacting the livelihoods of family farmers, ranchers and their rural communities in all regions of the country.

As you seek ways to strengthen the U.S. economy through an economic stimulus package, it is critical that agriculture, which represents nearly twenty percent of all U.S. economic activity and whose foundation is this Nation's farmers and ranchers, receives priority consideration. We again urge you to support production loss assistance in the economic stimulus bill and we look forward to working with you on this important issue.

Sincerely,

Leland Swenson, President, National Farmers Union; Vicki Trytten, President, Alaska Farmers Union; Joaquin Contente, President, California Farmers Union; Larry Quandt, President, Illinois Farmers Union; Gary Hoskey, President, Missouri Farmers Union; Carl McIlvain, President, Michigan Farmers Union; Russ Kremer, President, Missouri Farmers Union; John Hansen, President, Nebraska Farmers Union.

Robert Clunk, President, Ohio Farmers Union; Dan Joyce, President, Oregon Farmers Union; John Stencel, President, Rocky Mountain Farmers Union; Wes Sims, President, Texas Farmers Union; Jim Davis, President, Washington Farmers Union; Alan Bergman, Vice President, National Farmers Union; Jim Miller, President, Arkansas Farmers Union; Gary Turner, President, Idaho Farmers Union.

Larry Coomer, President, Indiana Farmers Union; Donn Teske, President, Kansas Farmers Union; Dave Frederickson, President, Minnesota Farmers Union; Del Styren, President, Montana Farmers Union; Robert Carlson, President, North Dakota Farmers Union; Ray Wulf, President, Oklahoma Farmers Union; Larry Breech, President, Pennsylvania Farmers Union; Dennis Wiese, President, South Dakota Farmers Union; Arthur Douglas, President, Utah Farmers Union; Bill Brey, President, Wisconsin Farmers Union.

MONTANA STOCKGROWERS ASSOCIATION,

Helena, MT, November 14, 2001.

Re: Economic Recovery and Assistance for American Workers Act of 2001.

Senator MAX BAUCUS,
Hart Senate Office Building,
Washington, DC.

DEAR SENATOR BAUCUS: On behalf of the members of the Montana Stockgrowers Association, I am writing this letter to express our support and appreciation for your efforts to pass an economic stimulus package, the Economic Recovery and Assistance for American Workers Act of 2001. The tragic events of September 11th have obviously added to the economic woes of this country and efforts such as yours are absolutely necessary to allow us to endure and recover.

In particular, we are asking that you continue your steadfast support for the reestablishment of the Livestock Assistance Program. As you are well aware, Montana livestock producers continue to struggle with the impacts of successive years of drought and this assistance may prove invaluable to our producers.

Again, thank you for your efforts in this important area. If you or your staff have any questions, please feel free to contact me.

Sincerely,

STEVEN L. PILCHER,
Executive Vice President.

MONTANA FARMERS UNION,
Great Falls, MT, November 29, 2001.

FARMERS UNION SEEKS AGRICULTURAL DISASTER ASSISTANCE IN SENATE ECONOMIC STIMULUS PACKAGE

GREAT FALLS (November 29, 2001).—In a letter to U.S. senators this week, the National Farmers Union (NFU) Board of Directors urged inclusion of production loss assistance in the economic stimulus package soon to be debated on the U.S. Senate Floor.

"Farmers Union supports the efforts of Senate Finance Committee Chair Max Baucus (D-Mont.) for including assistance for farmers and ranchers suffering production loss due to natural disasters in his economic stimulus package," said NFU President Leland Swenson. "Agricultural producers nationwide are suffering from depressed commodity prices; however, the situation is particularly grim in states that have also faced floods, drought, tornadoes and other natural disasters."

"Montana producers just harvested their smallest winter wheat crop in 60 years, the spring wheat crop was the smallest in more than a decade, and lack of forage has forced many ranchers to sell or reduce their herds," said Montana Farmers Union President Del Styren, who sits on the NFU Board. "The agricultural assistance included in Senator Baucus' economic stimulus package is crucial to these producers who not only need to generate the optimism—and capital—to plan for another year, but also need to reassure their lenders," he said.

Baucus' economic stimulus package extends the fiscal 2001 emergency agricultural assistance for another year to compensate farmers and ranchers for income losses resulting from damaging weather conditions. It provides \$1.8 billion for crop disaster assistance and \$500 million for livestock disaster assistance.

"From Montana to Louisiana, Texas to the Northeast, and California to Missouri, farmers and ranchers have experienced prolonged adverse weather conditions, disease, insect infestation and severe weather events," Swenson said. "These disasters are resulting in massive production loss and sustained quality loss in harvested crops and livestock grazing."

The letter to the senators was signed Wednesday, November 28, 2001, by the 26-member NFU board, which was in Washington, D.C. for its quarterly meeting and to make personal visits with senators about the farm bill, which will be debated soon by the Senate.

MONTANA GRAIN GROWERS ASSOCIATION,
MONTANA FARM BUREAU
FEDERATION, MONTANA FARMERS
UNION,

November 9, 2001.

NEEDED AG DISASTER ASSISTANCE INCLUDED
IN ECONOMIC STIMULUS PACKAGE

Montana farm groups applauded the inclusion of agricultural disaster assistance in the economic stimulus package approved Thursday by the Senate Finance Committee. The package, introduced by Chairman Max Baucus, is expected to go to the full Senate next week.

Nearly 2,000 square miles of central Montana hardly saw a combine this season. According to state statistics, winter wheat production was down 50 percent statewide, and 75 percent in the golden triangle—the heart of wheat production in Montana. Crop insurance loss ratios are expected to top 500 percent, unmatched previously in Montana.

"I wish I could say the drought in Montana has eased," stated Dale Schuler, president of the Montana Grain Growers Association. "But it has not, and the cumulative effects

over four years puts too many Montana farm operations close to the edge. Our Congressional delegation has viewed firsthand the drought situation and has responded. This legislation introduced by Senator Baucus moves us one step closer."

Jake Cummins, Executive Vice President of the Montana Farm Bureau Federation, added, "there will be a battle ahead to keep ag disaster assistance in place as the bill moves to the floor of the Senate. But support for agriculture is crucial to stimulating our economy and providing a strong base for one of the most fundamental industries in America. In this time of uncertainty, we can't cede our production agriculture to other countries."

Diana Adamson, Vice-President of the Montana Farmers Union, echoed the comments. "This prolonged drought is starting to impact all segments of Montana's economy. It's not just a farm problem, but all of the businesses in rural communities, and even the larger town, are affected. I hate to see what happens if this does not come through."

Mr. BAUCUS. Mr. President, there are a number of States that have a good number of counties which have been designated as having disasters.

In Michigan, for example, there are 82 counties that are eligible for these emergency loans due to losses by drought.

In Texas, 58 counties received emergency designations. To quote a press release from Secretary Veneman, "Texas has experienced a variety of weather-related disasters this year, including drought, excessive rain, tornadoes, hail and flooding." These counties were in addition to the 23 counties designated for emergency earlier in the month of December 2001.

In Idaho, 28 counties were designated; in Maine, 16 counties; in Tennessee, 16 counties were designated; in New York, 33 counties, because of drought, hail, and excessive rain; Nebraska, 36 counties due to draught and severe heat; Pennsylvania, 3 counties were named on January 8th of this year, but 58 counties in Pennsylvania were designated December 14 because of drought; in Ohio, 36 counties designated for disaster qualification due to losses caused by excessive rain and flooding. That designation was on November 8 of last year. In Oklahoma, in October of last year, the entire State was designated due to losses caused by excessive heat and drought. Secretary Veneman stated at that point:

Oklahoma has experienced severe drought conditions this year. Our farmers and ranchers need this assistance to recover from these natural disaster losses.

That is Secretary Veneman commenting on the problems in Oklahoma.

Mr. President, there are more I could cite, but I think that is enough at this point. I see other Senators standing in the Chamber. I assume they want to address the Senate. I am not positive. But I yield the floor.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. TORRICELLI. Mr. President, since last January, economic growth has slowed in our country and nearly 2 million Americans have lost their jobs.

Behind them are children whose tuition is in danger and families who are in trouble with mortgage payments or rents that are due. There is an enormous loss of family security. The tragedy of terrorist attacks in September only exacerbated the already slowing economy.

As Americans continue to suffer the effects of this economic decline, Congress simply needs to implement a plan to deal with their pain and to help the recovery. That opportunity was lost in the closing weeks of last year. It cannot be lost again.

The Democratic leadership has brought to the Senate floor a modest proposal to stimulate economic growth and national recovery. It contains four principal provisions that both parties included in their economic recovery plans last year. One would assume, therefore, since they are four common elements previously proposed by both parties, they should be acceptable now.

The four elements combined provide effective short-term stimulus to bring the most economic activity with the least damage to the Nation's fiscal health. They provide broad-based, rather than industry-specific, stimulus, and they are directed to individuals who are most likely to need and spend the tax reductions rather than people generally. These more targeted, more thoughtful approaches minimize loss in revenue, preserve the balance of the Federal budget, and give more relief.

The four provisions are:

First, the extension of unemployment benefits. In December, the unemployment rate reached 5.8 percent. It was the fifth consecutive month with a rise in unemployment. At least 1.1 million jobs were lost in the last 4 months of 2001 alone.

In times of economic recession, people turn to unemployment insurance first. It is not only a proper thing to help families in their pain, it is itself an economic stabilizer. As people become unemployed, they naturally spend less money. If they have no unemployment insurance, they spend no money and the economic contagion and unemployment spread. We are at that point.

This legislation provides 13 additional weeks of unemployment insurance. In the last recession, in 1992, 56 percent of those collecting unemployment insurance benefits had their benefits expired. They were without resources. That extends and deepens a recession.

These extra weeks are necessary for the families. They are also necessary for the country. We now know from our research that every \$1 invested in unemployment insurance generates \$2.15 in gross domestic product. Unemployment insurance in the last recession mitigated 15 percent of the economic decline. It is the right thing to do, it is the fair thing to do for people, and it is good economics. That is the first provision.

Second, tax rebates. Putting money directly in the pockets of people who

are struggling helps families make ends meet, but it also increases demand. This is the single best way to generate new economic activity.

The Democratic proposal before the Senate will provide a second round of tax rebates to those Americans who did not benefit fully from the tax cuts of last summer. There are 130 million taxpayers in America, yet only 82 million received a full rebate last summer, and 34 million Americans got no tax cut at all.

This plan provides \$300 per individual, \$500 per head of household, and \$600 per couple for taxpayers. People would receive a rebate. But they are also the people—lower income people—who are more likely to spend the money.

I voted for last year's tax cut. But even I will concede, overwhelmingly, the money that went out in rebates did not go into consumer spending. It went to middle-income people. It went to higher income people. This rebate, we know from our research, will go to people who will spend it and spend it immediately, thereby helping their neighbors, helping businesses, helping the country recover.

Third, fiscal relief for the States. I know something about this issue because my State of New Jersey now, per capita, as a percentage of State spending, has the largest deficit in the United States. It is fully 12 percent of the State budget.

Approximately 30 States in the Union are now in the midst of a recession. In addition to their falling revenues and budget shortfalls, 29 States face a \$600 million cut in Federal Medicaid payments this year. It could not come at a worse time. As a result, many States are considering reductions in their Medicaid Programs to deal with the budget shortfalls. This could result in substantial numbers of low-income people losing health insurance.

My State of New Jersey has been forced to suspend further enrollments in its expansion of Medicaid to childless adults with incomes below the poverty line because of budget constraints. At the same time, the growing ranks of the unemployed have generated an increased demand for Medicaid coverage.

This proposal will help States meet the increase in Medicaid costs by temporarily increasing the Federal Medicaid matching rate. Without it, the health care crisis becomes worse, State budget impacts worsen, they cut vital services, or they raise taxes, or they do both. Either way, a difficult recession becomes deeper and more painful.

Fourth and finally, the bill provides a tax depreciation deduction, for a limited time, to encourage businesses to invest in new plants and equipment. It increases the depreciation deduction for the cost of any capital asset purchased before the end of the year. The bonus depreciation of 30 percent of the cost of the asset is in addition to the normal first-year depreciation.

I know something about this provision in New Jersey, as well, because

while there has been an overall drop in capital spending, most of it has been in new equipment. The largest drop in equipment has been in telecommunications, impacting Verizon, Lucent, AT&T the very pillars of the economy of my State.

This is the best way, through this advanced depreciation, to make it affordable for companies to buy the productive, efficient equipment they need to be more competitive. And doing it now assures continued employment and helps to end the recession.

This is not only a balanced plan, it is a fair plan. I regret it is so modest in scope. The Nation actually requires more. But our first responsibility is to achieve something, not simply to stake out positions of partisan advantage. This both has merit and should be achievable. I urge my colleagues to adopt it. The American people will work their way out of this recession, but this Congress has an obligation to make it easier, to give them the tools.

There is work to be done in this country defending the Nation from enemies from abroad—winning the war, protecting our security here at home—but also there are the age-old problems: Educating children, giving them equal opportunity, modernizing our infrastructure, dealing with a health care crisis that goes generation to generation. In a recession, these things become difficult to impossible. In a growing economy, they can be both likely and achievable.

This may not end the recession immediately, but it eases the pain. It shortens the time. It is a good and fair plan. I urge my colleagues to adopt it.

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

The PRESIDING OFFICER (Mrs. CLINTON). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. NELSON of Florida. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

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

The Senator from Florida is recognized.

(The remarks of Mr. NELSON of Florida pertaining to the submission of S. Res. 201 are located in today's RECORD under "Submission of Concurrent and Senate Resolutions.")

The PRESIDING OFFICER. The Senator from Oregon.

Mr. SMITH of Oregon. Madam President, I thank the Chair for the time. I am going to withhold offering an amendment. I understand the leaders are working out an agreement between mine and Senator BAUCUS's amendment. With respect to their efforts, I will not offer this amendment now, but I would like to talk about it.

The Presiding Officer and I were privileged to be in a hearing this morning with Chairman Greenspan and heard his very insightful views on the economy and what we can do. I noted in his testimony this paragraph:

The retrenchment in capital spending over the past year was central to the sharp slowing we experienced in overall activity. The steep rise in high-tech spending that occurred in the early post Y2K months was clearly not sustainable. The demand for many of the newer technologies was growing rapidly, but capacity was expanding even faster, exerting severe pressure on prices and profits. New orders for equipment and software hesitated in the middle of 2000 and then fell sharply as firms reevaluated their capital investment programs. Uncertainty about economic prospects boosted risk premiums significantly, and this rise in turn propelled, required or hurdled rates of return to markedly elevated levels.

In most cases, businesses required that new investments pay off much more rapidly than they had previously.

That is the sentence that I think is so significant:

In most cases, businesses required that new investments pay off much more rapidly than they had previously.

If that is, as the chairman indicated, central to the sharp slowing in our economy, then it seems to me if we are going to do a stimulus package, we ought to do something that is meaningful, something that has economic heft to it, enough weight to actually stimulate our economy. I have said for a long time that I support the ideas on health care, the ideas on extending unemployment benefits. In fact, I am cosponsor of one of them. I think getting cash into the hands of consumers, as Senator TORRICELLI just indicated, is very important to the demand side of getting our economy moving.

I think it is important that we also look at the supply side. If we want employers to employ people again in large numbers, then we ought to do something to help with the retooling of industry, getting enough of a stimulus so that business and planners can make a difference in ordering and redoing their plants and reemploying their people. I don't question the sincerity of some of the proposals, but as I evaluate them, compared to the amendment I will offer, I think they lack the weight that our economy needs at this critical hour.

In fact, I think it is important to note that while Chairman Greenspan is not in a position to endorse anybody's particular idea or amendment, he and former Secretary Rubin have both uniformly stated their support for stimulus ideas with respect to depreciation, accelerated depreciation, or a bonus depreciation, however you want to term it—that these things would increase cash flow, add to asset values, and would have an immediate stimulating effect on our economy.

What I am going to be proposing is that we have a 30-percent depreciation bonus that lasts for 3 years. One of the competing proposals is that it be for 1 year. This is better than the 10 percent, 1-year proposal that was earlier offered. However, it still falls very short because if you figure that it only lasts for 1 year, much of this year is already gone. What can a business reasonably prepare for, plan for, employ for, if

they have only a few months left in the year, literally, between now and September, when it would end, to take advantage of it? They may get a few copiers and a few new rugs for the front office, but this is not what our country needs if we are serious about reemploying people.

So my proposal, conversely, will give companies the time to do major projects which would generate thousands of jobs. It will allow us to build heavy equipment, modernize a lumber mill, repair a rail bed, revamp a management information system for a factory, or even construct an airplane. We say a lot about airplanes right now. I know Boeing is suffering greatly, and an accelerated depreciation program that will last for 9 months will not be very helpful to them at all. Certainly, the high-tech community, whether you are talking about the Silicon Forest in Oregon or the actual forest in Oregon, needs something with enough teeth in it, enough time to it that will allow them to make the plans and the investments that are necessary.

Then I think about the farm community. It may not be until 2002 that farmers see much improvement in their economy, and I hope it is sooner. But if it is not, I would like to have this in place when their cashflows improve and they can replace old, unreliable, or dilapidated equipment and get the advantage of this bonus depreciation.

Madam President, I appreciate this time. I will come back later to talk again about it and specifically offer this amendment when we work out an agreement between ours and Senator BAUCUS's.

I truly hope this meaningful depreciation amendment can be adopted by over 60 of our colleagues. I think it is critical that we do that because I think we need to marry the best ideas of the Democratic Party and the best ideas of the Republican Party. We need to work on the supply side and the demand side. There is a human side and there is a business side. There is a very nice marriage to be had in a stimulus package that will truly leave our country better because it has the economic weight that is required for this critical hour.

So in doing that, we will sooner throw off the shackles of recession and leave our country the better for it.

Madam President, I yield my time and simply say I will return as soon as our leaders have worked out the agreement and specifically offer the amendment, hoping it can be voted on tonight or tomorrow.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Madam President, we are very close to being able to offer a unanimous consent agreement and we will call for a vote immediately and then go thereafter to the amendment.

I ask unanimous consent that at 4:20 p.m. today, the Senate vote on or in relation to the Baucus amendment, the pending amendment; that no other

amendments be in order prior to that vote; that upon the disposition of that amendment, Senator GORDON SMITH be recognized to offer an amendment regarding depreciation.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

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

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Oklahoma.

Mr. NICKLES. Madam President, pursuant to section 205(b) of H. Con. Res. 290, the concurrent resolution on the budget for fiscal year 2001, I raise a point of order against the emergency designation, as defined in section 205(d) of that resolution, which is contained in the pending amendment No. 2701.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I move to waive section 205 of H. Con. Res. 290, the concurrent resolution on the budget for fiscal year 2001, for purposes of the pending amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The question is on agreeing to the motion. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. REID. I announce that the Senator from Hawaii (Mr. AKAKA), the Senator from Delaware (Mr. BIDEN), the Senator from Connecticut (Mr. DODD), the Senator from California (Mrs. FEINSTEIN), and the Senator from Georgia (Mr. MILLER) are necessarily absent.

I further announce that, if present and voting, the Senator from California (Mrs. FEINSTEIN) would vote "aye."

Mr. NICKLES. I announce that the Senator from New Mexico (Mr. DOMENICI), the Senator from Oklahoma (Mr. INHOFE), the Senator from Arizona (Mr. MCCAIN), the Senator from Alaska (Mr. MURKOWSKI), and the Senator from Alabama (Mr. SHELBY) are necessarily absent.

I further announce that if present and voting the Senator from Oklahoma (Mr. INHOFE) would vote "aye."

The PRESIDING OFFICER (Mr. DURBIN). Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 57, nays 33, as follows:

[Rollcall Vote No. 2 Leg.]

YEAS—57

Allard	Bond	Cantwell
Baucus	Boxer	Carnahan
Bayh	Breaux	Carper
Bennett	Burns	Cleland
Bingaman	Campbell	Clinton

Cochran	Hollings	Mikulski
Conrad	Hutchinson	Murray
Corzine	Hutchison	Nelson (NE)
Craig	Inouye	Reed
Crapo	Jeffords	Reid
Daschle	Johnson	Rockefeller
Dayton	Kennedy	Sarbanes
Dorgan	Kerry	Schumer
Durbin	Kohl	Smith (OR)
Edwards	Landrieu	Stabenow
Enzi	Leahy	Thomas
Graham	Levin	Torricelli
Harkin	Lieberman	Wellstone
Hatch	Lincoln	Wyden

NAYS—33

Allen	Gramm	Roberts
Brownback	Grassley	Santorum
Bunning	Gregg	Sessions
Byrd	Hagel	Smith (NH)
Chafee	Helms	Snowe
Collins	Kyl	Specter
DeWine	Lott	Stevens
Ensign	Lugar	Thompson
Feingold	McConnell	Thurmond
Fitzgerald	Nelson (FL)	Voinovich
Frist	Nickles	Warner

NOT VOTING—10

Akaka	Feinstein	Murkowski
Biden	Inhofe	Shelby
Dodd	McCain	
Domenici	Miller	

The PRESIDING OFFICER. On this vote, the yeas are 57, the nays are 33.

Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained. The emergency designation is stricken.

The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I make a point of order under section 302 of the Budget Act against the pending amendment, No. 2701, for exceeding the spending allocation of the Senate Finance Committee.

Several Senators addressed the Chair.

Mr. REID. Mr. President, may we have order in the Senate.

The PRESIDING OFFICER. The Senate will please be in order. Members will please take their conversations off the floor.

Pending before the Senate is the point of order raised by the Senator from Oklahoma. Does the Senator from Nevada seek recognition?

Mr. REID. Mr. President, what is the issue before the Senate at this time?

The PRESIDING OFFICER. A point of order has been made by the Senator from Oklahoma that the Chair is prepared to rule on, unless there is some intervention.

The amendment of the Senator from Montana would increase the amount by which the Finance Committee exceeds its allocation under section 302(a) of the Budget Act in violation of section 302(f) of that same act. The point of order is sustained.

The amendment falls.

The Senator from Nevada.

Mr. REID. I know the Senator from Oregon is going to be recognized. I would just say to my friend, the manager of this bill and the chairman of the Finance Committee, I hope he will offer this amendment again before we get off this stimulus package. This was an extremely good vote. There were a number of people missing, and I have no doubt in my mind if this amend-

ment, of which I am a cosponsor along with a number of others, were offered again, it would be agreed to.

I think this is extremely important, and I hope the Senator from Montana will offer this amendment at the earliest possible date. I think it is too bad that we had some people not here today because I think there is obviously overwhelming support for this amendment.

The PRESIDING OFFICER. The Senator from Oregon.

AMENDMENT NO. 2705

Mr. SMITH of Oregon. Mr. President, I have an amendment which I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Oregon [Mr. SMITH], for himself, Mr. ALLEN, Mr. CRAIG, and Mr. BURNS, proposes an amendment numbered 2705.

Mr. SMITH of Oregon. Mr. President, I ask unanimous consent the reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To amend the Internal Revenue Code of 1986 to provide for a special depreciation allowance for certain property acquired after September 10, 2001, and before September 11, 2004)

At the end of the bill, add the following:

SEC. ____ . SPECIAL DEPRECIATION ALLOWANCE FOR CERTAIN PROPERTY ACQUIRED AFTER SEPTEMBER 10, 2001, AND BEFORE SEPTEMBER 11, 2004.

(a) IN GENERAL.—Section 168 of the Internal Revenue Code of 1986 (relating to accelerated cost recovery system) is amended by adding at the end the following new subsection:

“(k) SPECIAL ALLOWANCE FOR CERTAIN PROPERTY ACQUIRED AFTER SEPTEMBER 10, 2001, AND BEFORE SEPTEMBER 11, 2004.—

“(1) ADDITIONAL ALLOWANCE.—In the case of any qualified property—

“(A) the depreciation deduction provided by section 167(a) for the taxable year in which such property is placed in service shall include an allowance equal to 30 percent of the adjusted basis of the qualified property, and

“(B) the adjusted basis of the qualified property shall be reduced by the amount of such deduction before computing the amount otherwise allowable as a depreciation deduction under this chapter for such taxable year and any subsequent taxable year.

“(2) QUALIFIED PROPERTY.—For purposes of this subsection—

“(A) IN GENERAL.—The term ‘qualified property’ means property—

“(i) (I) to which this section applies which has a recovery period of 20 years or less or which is water utility property, or

“(II) which is computer software (as defined in section 167(f)(1)(B)) for which a deduction is allowable under section 167(a) without regard to this subsection,

“(ii) the original use of which commences with the taxpayer after September 10, 2001,

“(iii) which is—

“(I) acquired by the taxpayer after September 10, 2001, and before September 11, 2004, but only if no written binding contract for the acquisition was in effect before September 11, 2001, or

“(II) acquired by the taxpayer pursuant to a written binding contract which was en-

tered into after September 10, 2001, and before September 11, 2004, and

“(iv) which is placed in service by the taxpayer before January 1, 2005, or, in the case of property described in subparagraph (B), before January 1, 2006.

“(B) CERTAIN PROPERTY HAVING LONGER PRODUCTION PERIODS TREATED AS QUALIFIED PROPERTY.—

“(i) IN GENERAL.—The term ‘qualified property’ includes property—

“(I) which meets the requirements of clauses (i), (ii), and (iii) of subparagraph (A),

“(II) which has a recovery period of at least 10 years or is transportation property, and

“(III) which is subject to section 263A by reason of clause (ii) or (iii) of subsection (f)(1)(B) thereof.

“(ii) ONLY PRE-SEPTEMBER 11, 2004, BASIS ELIGIBLE FOR ADDITIONAL ALLOWANCE.—In the case of property which is qualified property solely by reason of clause (i), paragraph (1) shall apply only to the extent of the adjusted basis thereof attributable to manufacture, construction, or production before September 11, 2004.

“(iii) TRANSPORTATION PROPERTY.—For purposes of this subparagraph, the term ‘transportation property’ means tangible personal property used in the trade or business of transporting persons or property.

“(C) EXCEPTIONS.—

“(i) ALTERNATIVE DEPRECIATION PROPERTY.—The term ‘qualified property’ shall not include any property to which the alternative depreciation system under subsection (g) applies, determined—

“(I) without regard to paragraph (7) of subsection (g) (relating to election to have system apply), and

“(II) after application of section 280F(b) (relating to listed property with limited business use).

“(ii) ELECTION OUT.—If a taxpayer makes an election under this clause with respect to any class of property for any taxable year, this subsection shall not apply to all property in such class placed in service during such taxable year.

“(iii) QUALIFIED LEASEHOLD IMPROVEMENT PROPERTY.—The term ‘qualified property’ shall not include any qualified leasehold improvement property (as defined in section 168(e)(6)).

“(D) SPECIAL RULES.—

“(i) SELF-CONSTRUCTED PROPERTY.—In the case of a taxpayer manufacturing, constructing, or producing property for the taxpayer's own use, the requirements of clause (iii) of subparagraph (A) shall be treated as met if the taxpayer begins manufacturing, constructing, or producing the property after September 10, 2001, and before September 11, 2004.

“(ii) SALE-LEASEBACKS.—For purposes of subparagraph (A)(ii), if property—

“(I) is originally placed in service after September 10, 2001, by a person, and

“(II) sold and leased back by such person within 3 months after the date such property was originally placed in service, such property shall be treated as originally placed in service not earlier than the date on which such property is used under the lease-back referred to in subclause (II).

“(E) COORDINATION WITH SECTION 280F.—For purposes of section 280F—

“(i) AUTOMOBILES.—In the case of a passenger automobile (as defined in section 280F(d)(5)) which is qualified property, the Secretary shall increase the limitation under section 280F(a)(1)(A)(i) by \$4,600.

“(ii) LISTED PROPERTY.—The deduction allowable under paragraph (1) shall be taken into account in computing any recapture amount under section 280F(b)(2).”

(b) ALLOWANCE AGAINST ALTERNATIVE MINIMUM TAX.—

(1) IN GENERAL.—Section 56(a)(1)(A) of the Internal Revenue Code of 1986 (relating to depreciation adjustment for alternative minimum tax) is amended by adding at the end the following new clause:

“(iii) ADDITIONAL ALLOWANCE FOR CERTAIN PROPERTY ACQUIRED AFTER SEPTEMBER 10, 2001, AND BEFORE SEPTEMBER 11, 2004.—The deduction under section 168(k) shall be allowed.”

(2) CONFORMING AMENDMENT.—Clause (i) of section 56(a)(1)(A) of the Internal Revenue Code of 1986 is amended by striking “clause (ii)” both places it appears and inserting “clauses (ii) and (iii)”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after September 10, 2001, in taxable years ending after such date.

Mr. SMITH of Oregon. Mr. President, this amendment is really very simple. It does address in a meaningful way the stimulus side of our effort. I think we are all deeply concerned when we go home and we meet the unemployed who need extensions on unemployment benefits and health care insurance benefits from COBRA.

I would like to help. What they really need long term is a job. What we need to do is remember there is a supply side to this economic equation as well. We have to do something meaningful in order to help businesses retool, reinvest, restart, and reemploy the citizens of this country.

There is a proposal—I believe well-intentioned—that is improving on the other side. Originally, it was a 10-percent depreciation bonus over 1 year's time. Now it is up to 30 percent over 1 year's time with eligibility.

I believe 30 percent is the right number for this bonus depreciation, but as a person of business prior to politics I can tell you it takes more than what is remaining in the year of eligibility. We have already used up 4 months. By the time the President might see this, there may be 5 months used up. Seven months to make a business plan in capital equipment in order to restart plants is simply inadequate to be meaningful to have the economic test that our country requires.

My amendment will actually help stimulate the economy. We have heard this from experts such as Alan Greenspan, such as Secretary Rubin of the Clinton administration, and others who have said this is one meaningful thing you can do that will actually help stimulate the economy in the short run and reemploy people quickly.

I urge my colleagues to vote for this amendment. It is critical. Whether you are talking about the silicon forest of the high-tech industry in Oregon or the timber industry of the forests in Oregon, they need this bill. They need it desperately if we are serious about restarting plants and reemploying our people.

I hope tomorrow morning when we vote on this there will be 60 colleagues and more who will understand that while we are going to do much on the demand side to help with unemployment benefits and to help with health

care benefits, we are also going to do something to help on the supply side and actually help to stimulate jobs and reemployment.

I encourage all of my colleagues to vote for this amendment.

Mr. NICKLES. Will the Senator yield?

Mr. SMITH of Oregon. I would be happy to yield.

Mr. NICKLES. The Senator's amendment deals with the accelerated depreciation. The essence of the Senator's amendment is there would be accelerated depreciation of 30 percent for 3 years in contrast to Senator DASCHLE's amendment, which is 30 percent for a timeframe between September of 2001 and 2002. Senator DASCHLE's amendment has 30 percent basically from February—basically 8 months.

Mr. SMITH of Oregon. The Senator is correct. My point is simply that is not enough time to do much more than buy a few typewriters or rugs for the front office. You can't make a serious business plan in that amount of time and represent to the American people that we are actually helping to reemploy people. We need to rebuild some railroad beds. We need to retool some plants. We need to allow businesses the time necessary to do the engineering, to do the environmental studies, and to make the plans that can take advantage of it. And they will do it if they are given time sufficient to get the job done.

Mr. NICKLES. Will the Senator include me as a cosponsor of the amendment?

Mr. President, I ask unanimous consent to be made a cosponsor.

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

Mr. SMITH of Oregon. Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. HARKIN). The Senator from Virginia.

Mr. ALLEN. Mr. President, I rise in support of the amendment to increase the 30-percent bonus depreciation from 1 year to 3 years.

The underlying proposal, while improvement over the previous one, which was only 10 percent, is still too short. It is not enough time to help revive the high-tech economy, and, indeed, our general economy to help create more jobs.

If the underlying proposal were implemented, the bonus depreciation would only last until September of 2002, which is merely 8 months away.

The amendment of the Senator from Oregon was passed by the House of Representatives and was supported by the Bush administration. The argument that the Senator from Oregon has made makes a great deal of sense. It will boost investment. It will boost growth in the high-tech sector in particular.

Why does that matter? I was just meeting with high-tech folks from Redmond, WA, Silicon Valley in California, and here in Virginia. Whether

in Oregon, or anywhere else, this proposal makes good sense.

Senator Smith's amendment takes aim at the core problem of our slumping economy which is seeing a huge drop in investment, in equipment, and in machinery. Over 3 years, a 30-percent bonus depreciation would get the investment engine going and running strong again. It would lower the cost of new capital spending. It would provide a stimulus for a broad array of industries, including telecommunications, technology and others, including transportation.

The current depreciation schedule clearly has not kept up with our economy. It is especially harmful in this economic slowdown.

Senator SMITH introduced this proposal on behalf of the Senate Republican High Tech Task Force late last year. Indeed, looking at the concept of the enhanced expensing as proposed by Senator SMITH for bonus depreciation, it would be highly beneficial to the high-tech community, the sector of our economy that has driven productivity growth and created millions of jobs during the last decade.

The information technology industry makes up only 8.2 percent of the U.S. economy. Yet it has accounted for almost 30 percent of the real gross domestic growth from 1994 to 2000. Much of this growth resulted from the increase in investment in hardware, software, networking, and communications systems.

As the economic slowdown has persisted, decreasing IT investments have substantially weakened our American economic growth. During these uncertain economic times, as Senator SMITH stated, businesses have decreased motivation. They do not want to take those risks in buying new equipment and new systems because they are worried about what the economy may do. The result, obviously, has an adverse impact on job opportunities for those who fabricate the chips, for those who assemble the computers, and for those who work on the programs and all the innovations and adaptations that improve our lives—whether it is in education or communication services and manufacturing.

This amendment has a robust expensing provision. I think it can turn around our bleak economic scenario. The enhanced expensing provision in this amendment, of which I am proud to be a cosponsor with Senator SMITH, has broad support.

As I noted previously, the House passed it. This has the support of leading high-tech trade associations, including AeA, CapNet, EIA, BSA, the Information Technology Association of America, the Information Technology Industry Council, and TechNet.

We need to get into some details of the economy because that bolsters the argument about why we need to pass this amendment.

Diminishing IT investments impact our economy. By the fourth quarter of

2000, conditions were changing dramatically from what they were in the previous 6 years. Gross domestic product growth plunged. It was precipitated in part by an 8.4-percent drop in investment for all equipment and software, and a 9.5-percent decline in investments in computers and peripheral equipment in the first half of the year 2001.

To put this in perspective, 2001 was the first time since 1974 that business investments in IT declined over a 12-month period. In the first quarter of 2001, the trend acted as a drag on our economy subtracting an estimated 4.41 percentage points from overall growth.

In the second quarter of 2001, the impact was even more dramatic with diminishing investments in technology equipment and software subtracting over 1.52 percentage points from U.S. economic growth.

Some of the decline in IT investments may be attributed to the lingering effects of Y2K, which caused many firms to accelerate their IT spending to ensure they could maintain current operations during the century date change in the year 2000.

Other factors included diminishing revenues to commit to business expansion and upgrades, and the tendency to conserve capital during times of economic uncertainty and concerns arising from the terrorist attacks of September 11. All of these factors contribute to the decision to hold onto technology assets longer than normal in part to maximize tax deductions under the current five-year depreciation rules. So you might as well use it for the whole 5 years. That ought to be changed also. That is not the purpose of this amendment, but it points out the value of this amendment. If you have a long 5-year depreciation, such as if you upgraded for Y2K, and you have economic uncertainty, you see the exacerbated negative impact on our whole economy and jobs and spending.

We need to have that stimulus. This is what this is. Of all the things that are in this underlying bill, this idea meets the concept and the definition of economic stimulus more than anything else that has been presented so far. There may be others coming up, but this is the best so far.

An economic stimulus ought to be a change in our tax or regulatory policies that induces or spurs spending or economic decisionmaking that would not otherwise occur but for that change in the tax laws. This meets that definition. This will spur businesses to say: Hey, let's start planning. Let's upgrade our technology. Granted, we may have 5 years of depreciation, but with this 30-percent depreciation, this bonus depreciation, this makes economic sense for us.

What will be the result of that? Our businesses will be more productive. They will be more efficient. But those who produce and fabricate the chips, those who assemble the computers, those who develop the programs will

all have jobs. And they are good-paying jobs. And that helps out the whole economy.

So the tendency we have right now of people delaying the decision to make new investments will certainly be changed by this amendment. So I ask that all our colleagues unite for the one thing that really does unite us; and that is this amendment by Senator SMITH of Oregon.

There are many cosponsors, including virtually everyone on the High Tech Task Force on the Republican side. I hope our friends on the other side of the aisle, who have made progress from the original proposal, will realize this is the ideal and this will not only be bonus depreciation for businesses and entrepreneurs and enterprises across America, and help create jobs, but it will be a bonus for the American economy.

I commend Senator SMITH of Oregon and ask my colleagues to support this amendment. Let's get America working again. I yield the floor.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. SMITH of Oregon. While we are waiting for the next speaker, I ask unanimous consent to have printed in the RECORD a letter from the Republican High Tech Task Force to the chairman and ranking member of the Senate Finance Committee and the chairman and ranking member of the House Ways and Means Committee dated November 30, 2001.

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

NOVEMBER 30, 2001.

Hon. MAX BAUCUS,
Chairman, Committee on Finance, U.S. Senate,
Washington, DC.

Hon. CHUCK GRASSLEY,
Ranking Member, Committee on Finance, Wash-
ington, DC.

Hon. WILLIAM THOMAS,
Chairman, Committee on Ways and Means, U.S.
House of Representatives, Washington, DC.

Hon. CHARLES RANGEL,
Ranking Member, Committee on Ways and
Means, Washington, DC.

DEAR CHAIRMEN AND RANKING MEMBERS: As members of the Senate Republican High Tech Task Force (HTTF), we write to recommend that any final economic stimulus package include an enhanced expensing provision. We view the expensing provision in the House-passed stimulus bill. H.R. 3090, which would allow 30 percent enhanced expensing over three years, as the minimum the Congress should enact.

Enhanced expensing would be highly beneficial to the high technology community—the sector of the economy that has driven productivity growth and created millions of jobs during the last decade. The information technology (IT) industry makes up only 8.2 percent of the U.S. economy, yet it accounted for almost 30 percent of real Gross Domestic Growth (GDP) from 1994 to 2000. Much of this growth resulted from the increased investment in hardware, software, networking and communications systems. As the economic slowdown has persisted, decreasing IT investments have substantially weakened U.S. economic growth. During these uncertain economic times, businesses' decreased motivation to buy new equipment

or build new plants will further impact opportunities for job creation and squander revival of the IT industry. A robust expensing provision can turn around this bleak scenario.

Enhanced expensing has broad support. As we noted above, H.R. 3090, the Economic Security and Recovery Act, passed by the House of Representatives, included the 30 percent, three-year expensing provision. The Bush Administration also supports this provision, which also was included in the Senate Republican stimulus proposal. On behalf of the HTTF, Senator Gordon Smith filed an amendment to the substitute amendment to H.R. 3090 offered by Senator Baucus to include the House-passed expensing language. Leading high tech trade association, including AeA, CapNet, EIA, the Information Technology Association of America, the Information Technology Industry Council, and TechNet, have placed enhanced expensing among their most important legislative goals for the year. We urge you to—at a minimum—include the House-passed expensing provision in any final stimulus bill.

We appreciate your consideration.

Sincerely,

Senator Gordon Smith, Senator George Allen, Senator Sam Brownback, Senator John Warner, Senator Wayne Allard, Senator Mike Crapo, Senator John Ensign, Senator Conrad Burns, Senator Kit Bond, Senator Day Bailey Hutchinson, Senator Tim Hutchinson.

Mr. SMITH of Oregon. Mr. President, while we have this moment, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

At the moment there is not a sufficient second.

The Senator from Missouri.

Mr. BOND. Mr. President, I planned on rising to ask to set this amendment aside so I might offer an amendment. I understand there is to be an objection on the other side, so I want to take these moments to tantalize my colleagues with the thought of the tremendously important amendment that I will, at some time, offer. Frankly, it follows very closely along the lines of the amendment that the Senator from Oregon has offered and the Senator from Virginia has just so eloquently explained.

Basically, if we are going to get the economy moving again, it is very important that we get small business moving. I do not know about my colleagues, but I can tell you in my State there are a very significant number of small businesses that have been very directly hurt and very heavily impacted by the events of September 11 and the follow-on necessary reaction to shut down on terrorism.

We need to get support for small business. I have, in the past, worked with the chairman of the Small Business Committee, Senator KERRY, to provide assistance for loans. We hope that will be included in this bill.

But the bill I am talking about would raise the expensing limits for small business. This is extremely important because right now, even under the Daschle amendment, if there is a 30-percent bonus, you still have to depreciate the rest of the equipment over 5 years. If you are buying a computer, in

5 years there is going to be something totally different. You need to be able, as a small business, to purchase equipment and write it off.

Why do we say it is for small business? Because we would raise the threshold. But the threshold would still be \$325,000 worth of assets put into place during the year. So only the smallest businesses that are struggling to get back on their feet, that seek to grow by buying equipment, would be able to take advantage of this expensing.

Expensing means, in this instance, if it is up to \$40,000, you write it off. You do not have to set up a depreciation schedule. You do not have to hire accountants. You do not have to have all that folderol that you go through for depreciation.

For the smallest businesses, the ones we hear from the most—at least the ones I hear from back home—they are really the smallest ones which have several employees. They are busy providing a product or a service. They do not have time to go out and hire an accountant and set up depreciation schedules.

So this amendment says—the amendment that at some point I will offer—that small businesses will be able to expense up to \$40,000 a year, which is an increase from \$24,000, and it would increase the phaseout threshold to \$325,000 of assets put in play in the year from the current \$200,000 limitation. This is similar to but \$5,000 more generous than the centrist proposal. Frankly, the centrist proposal had \$35,000. This is a \$40,000 limit. I think that is a reasonable figure. I think this would encourage the small businesses to put capital to work to buy the equipment they need.

With the freed up capital, the business can invest in equipment. The small enterprise will stimulate other enterprises. The more they can reduce their taxes by making the purchase of the equipment, the more employees they will be able to keep working.

Chairman Greenspan has indicated again in his testimony today that small businesses expanding and growing is a vitally important part of the long-term vitality of our economy. Small businesses, we know, represent about 99 percent of all employers. They employ 51 percent of the private-sector workforce. They provide about 75 percent of the net new jobs. They contribute 51 percent of the private-sector output. And they represent 96 percent of all exporters of goods.

Size is the only small aspect of small business. It really is a dynamic force in our economy. As the distinguished Senator from Virginia was discussing, this would allow the smallest businesses to buy a computer or other information technology equipment for up to \$40,000 and write it off immediately and not have to go through the 5-year depreciation system.

My colleague from Nevada is in the Chamber. I ask if I can gain unanimous

consent to set the underlying amendment aside or if he wishes me to offer it later.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Reserving the right to object, the Senator from Missouri is always very courteous. I certainly do not want to be discourteous to him, but we believe, with this most important legislation pending, we should work on an amendment at a time. We just completed the agriculture amendment. We are now going to bonus depreciation. We will have a vote on that tomorrow. Following that vote, I think we should have another amendment laid down. And using this tradition—I do not know if “tradition” is the right word—usually, on these bills, where there is an open amendment process, we go back and forth—Democrat-Republican—amendment by amendment. So having said that, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. BOND. Mr. President, I understood they would object. Senator COLLINS and I do wish to have this amendment included at the appropriate time. I ask the managers, as they work out the schedule, to put this amendment in the queue at the first available opportunity.

Mr. GRASSLEY. Mr. President, if the Senator will yield.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. If I understand what the Democratic assistant leader said, we will have a Democrat amendment. So then Senator BOND's should be the first Republican amendment up after we have a Democrat amendment up.

Mr. BOND. Mr. President, I thank the floor manager and the majority whip. I appreciate very much their consideration of it. I will offer this to the floor manager to introduce at the appropriate time.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I ask unanimous consent to be added as a cosponsor of the amendment of the Senator from Oregon.

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

Mr. GRASSLEY. Mr. President, I rise to speak in support of the amendment.

Bonus depreciation was one of the proposals that both Chairman Greenspan and former Treasury Secretary Robert Rubin uniformly endorsed for a stimulus package.

They argued accelerating depreciation was the most stimulative thing that we could do to jump start the economy.

They said it would increase cash flows and add to asset values.

They lauded its immediate stimulus effect on the economy and emphasized that a temporary enactment would not have long-term budgetary impact.

Despite all these advantages and the endorsement of Chairman Greenspan

and former Clinton Treasury Secretary Rubin, and Democrats have given us an inadequate depreciation proposal.

They would allow 30 percent bonus depreciation for only 1 year.

Granted, this is an improvement on their first idea. That was to allow only 1 percent bonus for 1 year.

The bipartisan White House-Centrist economic stimulus package offered a solid proposal calling for a 30 percent bonus depreciation over 3 years.

Senator DASCHLE's bonus depreciation proposal is only for one year. Now what does 1-year period allow us to stimulate?

Well, it probably gives business people time to buy an office copier, desks, or some new throw rugs for front office.

But I do not think this bill includes any incentives to continue projects that are already in the pipeline.

It does not give companies time to do a major project, which could generate thousands of jobs.

It does not allow us to build heavy equipment, modernize a lumber mill, repair a railbed, revamp a management information system for a factory, or construct an airplane.

Farmers may not see an economical turnaround until after 2002. When they do, they will need to update their equipment. The farm economy has been so bad for so long that many farmers have not been in a financial position to replace unreliable equipment. They will need more time than 1 year to do this.

And aircraft is an interesting point. This is one of the industries that has been hit the hardest by the events of September 11.

We know from our discussions with the few remaining U.S. aircraft manufacturers, that it can take up to 18 months to build an airplane.

One year is not enough time to finish a project of this size.

Moreover, a 1-year bonus depreciation period does not provide insurance against a future down tick in our recovery cycle. This commonly occurs as an economy struggles to throw off the shackles of recession. We need to capture a booming economy not just for today but for the next several years.

Economic growth is key to eliminating the future budget deficits that have been forecast by the CBO.

So I must emphasize that the Democrat's 1-year bonus depreciation package is seriously lacking in economic weight.

It is a temporary proposal for what should be the centerpiece of an economic recovery package.

Bonus depreciation is probably the best idea any stimulus proposal. Senator DASCHLE's proposal simply fails to recognize its importance to our economy.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. SMITH of Oregon. Mr. President, I have just been handed a press release by the Secretary of the Treasury. I ask

unanimous consent that it be printed in the RECORD.

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

STATEMENT BY SECRETARY PAUL O'NEILL ON
BONUS DEPRECIATION AMENDMENT BEFORE
THE SENATE

The economic stimulus bill under consideration in the Senate includes a 30% bonus depreciation provision which expires in one year. Senator Gordon Smith has introduced an amendment for consideration on the Senate floor that would make the same bonus depreciation available for 3 years. Treasury Secretary Paul O'Neill made the following comment:

The short period of eligibility for new investment under the base proposal would result in no stimulus to the kind of job creating major projects that are fundamental to our growing economy. Under the base proposal, a project begun tomorrow must be completed by December 31 of this year to get any benefit. Senator Gordon Smith is right to propose an amendment extending the 30% bonus depreciation provisions to 3 years, so that more investment takes place and more jobs are created. Senator Smith's amendment greatly enhances the job creation that will be generated by the bonus depreciation provisions under consideration in the Senate.

Mr. SMITH of Oregon. Mr. President, I want to do this in concert with the majority. But I am asking for the yeas and nays and am anxious to know at what point either Senator can get a vote.

Mr. REID. Mr. President, we are in the process of getting consent on the Senator's matter and other matters for tomorrow. I think we will be able to work it out soon.

Mr. SMITH of Oregon. I thank my friend from Nevada.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. REID. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. REID. Mr. President, I ask unanimous consent that on Friday, January 25—tomorrow—the time until 10:30 a.m. be equally divided and controlled for debate with respect to the Smith of Oregon amendment; that at 10:30 a.m. the Senate vote in relation to the amendment, with no intervening amendment in order prior to the disposition of the Smith amendment; further, that on Friday the next amendment be one offered by the majority leader or his designee regarding unemployment insurance; that following the presentation of that amendment, and a brief explanation, the amendment be temporarily laid aside and that Senator BOND or his designee offer the next Republican amendment regarding small business.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. REID. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

UNANIMOUS CONSENT AGREE- MENT—EXECUTIVE CALENDAR

Mr. REID. Mr. President, as in executive session, I ask unanimous consent that following the disposition of the amendment of Senator Smith tomorrow morning, the Senate proceed to executive session to consider Executive Calendar Nos. 644 and 645; that there be 10 minutes for debate equally divided between the chairman and ranking member of the Judiciary Committee, and there be 10 minutes for debate under Senator HARKIN's control, and upon the use or yielding back of time the Senate vote on each nomination; that the motions to reconsider be laid upon the table, the President be immediately notified of the Senate's action, any further statements thereon be printed in the RECORD, and the Senate return to legislative session.

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

Mr. REID. Mr. President, as in executive session, I ask unanimous consent to order the yeas and nays on both nominations with one show of seconds.

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

Mr. REID. I do ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

MORNING BUSINESS

Mr. REID. Mr. President, I ask unanimous consent the Senate now proceed to a period for morning business, with Senators permitted to speak therein for a period not to exceed 10 minutes each.

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

GUANTANAMO, CUBA

Mr. NELSON of Florida. Mr. President, tomorrow a small bipartisan delegation, of which I will be part, will go to Guantanamo, Cuba to see for ourselves directly the questioning process in trying to elicit information from the detainees, the unlawful combatants, the prisoners, whatever you want to call them.

I think in a lot of the commentary that has come out about this—and this is one of the reasons I want to go; I

want to see for myself how these detainees are being kept and how the process goes about trying to elicit information from them—it seems what we call them and the question of humane treatment is certainly a legitimate question, but I can't imagine, although I will see for myself tomorrow, that the United States is not giving anything but humane treatment. That is the character, that is the nature of our people. And certainly with as much attention on Guantanamo, it is certainly going to be the case of humane treatment.

What I want to find out is, are we getting information? We are in a war against terrorists. Many of these detainees are suspected to be some of the most ruthless and lethal of the terrorists. Therefore, we need to get as much information from them as we can in order to help prevent the kind of tragedies that this Nation went through on September 11.

As we survey the situation—and I have been to Guantanamo Naval Base years ago—I am quite interested to see how we are going about the process of eliciting this information from them.

Interestingly, there are a few other detainees in Guantanamo, not many in number, but very important to us in this country. There are eight Haitians detained for immigration reasons. There are 27 Cubans detained because of the policies of administrations, both past and present, that in enforcing the immigration laws do not allow anyone from a foreign land just to come to the United States; thus, intercepted on the high seas, be they Haitians or Cubans, certainly small in number but important in each of their cases.

In most of the cases of the Cuban detainees, 25 of the 27 have already been interviewed and determined that they are eligible to go to a third country. They do not want to return to Cuba. They are not eligible to come to the United States—the process of finding a third country that will receive them. I want to see firsthand for myself and talk to some of these people to see that each one of them, both the Haitian group and the Cuban group, have that personal attention. I will have a followup with our staff to see that that process is carried on in an orderly and prompt fashion.

This trip tomorrow is a direct result of having just been with a delegation of a total of nine of us into central Asia, including Afghanistan. What we saw there—and I gave a report to the Senate yesterday and I will not repeat it; it was an optimistic report reflecting the enthusiasm and the determination expressed in the faces of our young people, our young men and women in uniform serving our country in that part of the world and serving very successfully.

As a followup to that, at the end of that trip, it started occurring to a number of us, bipartisan, that we wanted to make this trip to Guantanamo.