

you look at the sixth year of these situations, you get alarmed.

Last Friday, I drove to Sheridan, MT. I have never seen in the Big Horns, in the range west and northwest of Sheridan, WY, a snow pack that is as small as it is for this time of the year. The same is true in the Bear Tooth, but further west it is better. In the area important to irrigators and water users in my State, those snow packs are very low.

Agriculture in those droughted areas is just hanging on. If not relief this year, then we do not have to worry about them next year. They will be unemployed, too, and for reasons beyond their control. It is beyond anyone's control. Yet they do not qualify for unemployment benefits that we have approved today. A disaster package is being worked on. There are some folks averse to that.

Many of my colleagues in the Senate and in the administration continue to cite the farm bill as a solution for drought-stricken American agriculture. This bill is not retroactive, folks. It does not account for the losses incurred in 2001 and 2002. I remember the debate on that farm bill. The amount of money going to the Department of Agriculture sounded huge, spending almost \$74.4 billion a year with the USDA. But they ignored that 27 percent of that figure was dedicated to farm programs and no money dedicated for disaster. Regarding the rest of the money, the American taxpayer should be overwhelmingly thanked for their generosity by those who perhaps cannot speak for themselves. That is, the working poor, women, infants and children, and food stamps. Mr. President, 63 percent of that humongous figure that people thought would go to production agriculture does not even go near production agriculture.

We thank the American taxpayer for making sure that, yes, there are food and nutrition programs dedicated to those seeing tough times in other sectors the Senior Farmers Market Nutrition Program, school lunches and breakfasts, food stamps, WIC, a program administered by the counties, to make sure young women, and usually young, single women, know something about nutrition, and of course the programs that feed them and their infants.

There are other programs under the umbrella of the USDA not directly to the producer, such as a nonagricultural loan and grant program to communities and individuals. How about this, folks? A historic barn preservation; or studies of animal welfare to see if mice should be used in scientific research. All this is from the huge pot of money that made every headline, in every newspaper across the Nation as excess spending for production agriculture.

So we thank the American taxpayer for funding those programs. We are trying to work on a bill, to be introduced before this week is out, for drought assistance. We cannot fight a natural hazard. If there were a way I could do

it, I would. But we need just plain old rain and we need it before the spring thaw sets in.

So we passed the unemployment benefits today. What I am saying is there are other wants and needs in this country, too, and they have to do with the security and the safety of a good, strong agricultural food program. Once the legislation is introduced, the debate will begin, and it will be an interesting debate.

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. NICKLES. 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 ECONOMY

Mr. NICKLES. Mr. President, I spoke earlier today on unemployment compensation, and I am not going to repeat those statements. I think it is really unfortunate that some people maybe want to play politics with this issue. I don't know. I am concerned. I am pleased we were able to pass a bill that will help a lot of Americans. I had resisted in the past and will continue to resist efforts to double the Federal program from 13 weeks to 26 weeks for every State. This is a Federally financed program—financed entirely by the Federal Government. In other words, people who participate in this program have already exhausted State benefits which are 26 weeks. Last year in March or April we passed a Federal program for 13 weeks of benefits. Some people are saying that 13 weeks should be 26 weeks. In other words, an unemployed person would be able to receive 1 full year of unemployment compensation benefits regardless of whether or not they are in the high unemployment State. I disagree with that. If you continue to expand unemployment benefits for a longer duration, in some cases you are going to expand unemployment. It will create disincentives for people to go to work.

I believe a fact of interest is that 70 percent of people receiving unemployed benefits are living in a household with an employed worker.

I just mention these facts not really to debate it but just to say there is a real concern trying to turn a Federal program which is to be temporary into a permanent program and to take a temporary program of 13 weeks for all States and make that 26 weeks. That is very expensive. I have strong reservations about it. I opposed that several times last year for months and will continue to do so if persons try to pass that proposal.

I might also mention there are several other expansions of unemployment compensation in the bill that was promoted last year. I brought that to indi-

viduals' attention who were sponsoring it because I think it had fatal flaws. I think, more importantly, rather than just trying to figure out ways in which we could expand unemployment, we should be figuring out ways to expand employment. How can we grow the economy? How can we expand jobs? How can we create more jobs, and not reward people for not working but reward them for working? Let's create greater incentives for work.

The President's speech today in Chicago outlined a growth package. I compliment him for it. It is different. In many cases, it is very good tax policy. I really hope when we work on tax issues that will work for things that are good tax policy. There are a lot of things under the present code that need to be changed and that need to be corrected that are wrong and that are real disincentives to grow, build or expand—one of which is double taxation of dividends.

I used to run a corporation. Why in the world would a corporation or somebody who runs a corporation want to pay dividends? The corporation has to pay a 35-percent tax on the earnings. And dividends come out after tax. So you have already paid a 35-percent rate. Then they are paid out to individuals. They also have to pay tax. The individual in all likelihood would be at a 27-percent rate, or a 30-percent rate, or a 38-percent rate. So you had the 37 percent plus the 35 percent. You are already at a 73-percent tax rate. If a corporation makes \$100, \$73 of the \$100 goes to taxation. That is not very good use of resources from a corporate manager's position. It is not very encouraging of investment. A lot of us would like to eliminate that unfair penalty of double taxation.

The President proposed that today. There are different ways of doing it. He proposed one. I compliment him for it. I also believe the President had a provision to allow greater use of what we call expensing—allowing individuals—I believe in this case small companies—to expense items, I believe up to \$75,000.

I used to run a small business. I have run a corporation. As I say, I have also run a small business. But if you allow small business to expense, they are going to be able to recoup the investment they make that year. They make the investment that year, they expense it, and they recoup that investment. That would greatly increase their incentives to make another investment. I think that is very positive for job creation, maybe the most positive as far as getting jobs for the dollars that we are talking about.

So I am pleased the President has that in his proposal. I hope this Congress will aggressively pursue expensing and/or accelerated depreciation or more realistic depreciation schedules over the life of these properties.

Far too many properties, under current tax laws and current regulations, require depreciation over a long period

of time, much longer, in some cases, than the actual lives of the property. That discourages investment. So I encourage our colleagues, if we want to create jobs, let's work on accelerating depreciation or allow people to expense items or at least allow a shorter depreciation cycle for a lot of goods and services.

One example is software. A year ago, I believe, or 2 years ago, the depreciable life of software was 5 years. It was the same thing for computers and equipment. But we all know software is obsolete in a couple years, and hardware, for the most part, is probably obsolete in 2 or 3 years, certainly not 5 years. So allowing for a more realistic depreciation schedule makes sense.

Another example is improvements that you would make for apartments and homes if you are in the rental business. Right now, you have to depreciate these improvements over 39 years. If you have an apartment complex, and you want to make some investments to upgrade that apartment, you should be able to depreciate those improvements over a much shorter period of time than 39 years. It should be more like 15 years, maybe even 10 years. If we made that change, a lot of people would make those investments. A lot of jobs would be created in the process.

The President's proposal also says that we should have acceleration of the tax cuts that are already on the books. I agree with him wholeheartedly. Tax cuts, some of which are now scheduled for 2004, some of which are scheduled for 2006, in my opinion, should be made immediate, January 1, 2003.

If we want to have any positive economic impact from them, it does not do a lot of good knowing that they are going to come in a couple of years. Let's make them immediate. I know some people want to play class warfare and say: Wait a minute, that is a tax cut for the wealthy. If we did it immediately, the maximum tax rate would be 35 percent. When President Clinton was elected, the maximum tax rate was 31 percent. So it is still almost 20 percent higher than it was when President Clinton was elected. Now, 35 percent—why should the Federal Government be entitled to take over a third of what an individual makes? I believe 35 percent is a little over a third.

So why is that such a bad deal? We have to look at taxation policy, what is right, what is fair. Should the Federal Government be entitled to automatically take that amount?

I talk about marginal tax rates a lot because high marginal tax rates inhibit individuals, investors, entrepreneurs, small businesspeople, farmers, and ranchers from building and expanding if they have to work for the Government the majority of the time.

I used to be self-employed. Self-employed individuals pay the highest marginal tax rates of anybody. And guess what they create: about 70 or 80 percent of the jobs in America. You do

not have to be very wealthy before you find out you are working as much for Uncle Sam as for yourself.

I will give you an example. A self-employed individual who has a taxable income of \$30,000 is in a 20-percent marginal Federal income-tax bracket. I believe any additional dollar they make above \$27,000, \$28,000 is taxed at a 27-percent rate. That individual also has to pay what are commonly called FICA taxes, Social Security, and Medicare tax. That tax totals 15.3 percent. If you add 15.3 percent, plus the 27 percent, you get to 42.3 percent. So any additional dollar of income profits that the painter makes—I used to be a janitor—or a janitor makes, or someone who has some type of business, any profit they make above that \$30,000, the Federal Government gets 42.3 percent of it.

If they are working in most States, they end up paying a State income tax. There are a few States that do not have an income tax. Most States have an income tax of 6 or 7 percent.

If you add 7 percent on top of the 42.3 percent, you are already right at 50 percent in taxes on any additional dollar of income generated from their work. That is a real disincentive to build, grow, or expand. I have been there. I was there with a janitorial service, so it did not take me very long to realize, wait a minute, why should this business grow if we are going to be working more for the Government than we work for ourselves?

The President, talking about trying to accelerate the existing tax cuts that are on the books, is exactly right. It is a small reduction in marginal rates. Even at that, the rates are still much higher for upper income people, far higher than they were during the Clinton administration.

The President has also proposed making the child tax credit effective immediately. Several years ago, we passed, as part of the 1997 bill, a \$500 tax credit per child. I was one of the sponsors of that. We passed that. That became law. That was good. In 2001, President Bush's first tax bill, we passed another \$500 tax credit per child, but we phased it in over several years. In the first year, we gave a \$100 tax credit. There is still \$400 that becomes effective in the outyears.

What the President has proposed is, let's make that effective this year. I have heard some say: Wait a minute. The President's proposal doesn't do anything for people making \$35,000 or \$40,000 a year.

That is not true. If they have one child, it is \$400. If they have three children, that is \$1,200 more per year they get to keep.

So I urge my colleagues to look at the President's proposal because I think it is a positive change. Let's make that \$1,000 tax credit per child effective this year, not \$600, as is present law. Let's make it \$1,000 this year. That will help families. That will help individuals who have children as dependents.

The President, as well, has also proposed making the marriage penalty elimination, that is now spread out over several years, effective immediately. The net impact of this is a great positive change for married couples, particularly married couples who have incomes in the range from \$30,000 to \$40,000, \$50,000, \$55,000. They will be the biggest beneficiaries of this proposal because the changes that we made in 2001 in the Tax Code say that really what we should do, for a married couple, is double the 15-percent bracket for an individual.

I believe the figures are something like, an individual pays 15 percent on their taxable income up to about \$27,750. But a couple pays 15 percent up to an income of about \$46,400. So an individual pays 15 percent up to \$27,750, but a couple pays—or another way of saying that is, anything above \$27,750, an individual pays 27 percent, anything above \$46,400, a couple has to pay 27 percent. So if they were taxed as individuals, they could have a combined income of \$55,500 before they would go into the 27-percent tax bracket. What we did in eliminating the marriage penalty relief was, over some period of time, double that individual 15-percent bracket. So the couple would not have to pay 27 percent until they had income above \$55,500. Right now, they pay about \$10,000 or \$12,000 of that at the 27-percent bracket instead of the 15-percent bracket. The net result is, you are talking about \$1,200 in savings, tax savings for couples who have taxable incomes of \$40,000 to \$50,000. That is a pretty good change. If they have a couple kids, they get another \$400 tax credit per child. So if you have four kids and a taxable income of \$54,000, the way I am thinking, that is \$1,600 and \$1,200, so \$2,800. It is a pretty significant reduction and savings for a married couple with four kids with a taxable income of \$50,000 or \$60,000. And it happens to apply to a lot of middle-income Americans.

So I compliment the President for his combination of changes where he wants to grow the economy. It helps married families. It helps families with kids. It helps taxpayers. And it helps eliminate a well-known double taxation in the Tax Code, the double taxation of dividends that are really at exorbitant rates, which discourages investment, which discourages corporate ownership, which discourages equity, and encourages debt, which is not a very good policy—present law.

The President says, let's correct it. I think he is right in doing so. I look forward to working with my colleagues to see if we can't work in a bipartisan fashion to put together a real package that will help grow jobs this year.

I think that should be our challenge, not to say, here is the Democrat package, here is the Republican package. I say let's work together as we have

done historically in the Finance Committee to see if we can't pass something good for America, good for American taxpayers and good for American families and good for our economy.

We should have our economy grow. Revenues declined last year by 7 percent. Somebody said, why is there a deficit? There is a deficit because of the tax cut?

The deficit is not because of the tax cut. It is because there has been a real recession. Revenues have declined because the stock market started declining dramatically in March of 2000. The Nasdaq index was at 5,000. It is around 1,500, 1,600 now. So you see there has been a real decline in markets. That has caused a real decline in revenues to the Government.

We need to do some positive things that will increase equity values and increase ownership in America's companies, that will create jobs, that will create real growth in the economy. The President has outlined a constructive package. I look forward to working with the President and my colleagues to enact a positive package for America this year.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

THANKING SUPPORTERS AND UNEMPLOYMENT COMPENSATION

Ms. LANDRIEU. Mr. President, I rise to spend a few minutes this afternoon commenting on the debate that is before the Senate, our challenge to shape an unemployment compensation package or relief package that will help workers and do what is right by them.

Before I do, I wish to take a moment to thank many people, many friends, many family members who are gathered in Washington and at home in Louisiana and around the country for their support, their prayers, and their help in the recent election cycle. I am back in the Senate at work in large part because of so many wonderful people who went beyond the call of duty, beyond what is expected and believed in what our campaign represented and what we spoke about and what I spoke about—putting the interests of Louisiana first as it comes to representing that great State in this body, speaking about the issues people all over the Nation are concerned about, primarily the economy, keeping their families, their homes, their hearth together, protecting the Nation from the threat of terrorism, and shoring up our defenses against the great challenges before the Nation.

I said many times over those months that it was important for us to speak

the truth, that what Washington needed was leaders, not labels; that while we were proud of our parties respectively, we should not follow them blindly but should try to, as our new leader from Tennessee spoke this morning, put the country first. I hope his words and agenda and the words and agendas that come out of the Senate, fashioned by the men and women now in this body, will put the country first, will think about the fathers and mothers, the children, the workers who make up America, who are attempting as a nation, together, unified, black and white, Hispanic, Asian, and many other nationalities from all over the world, to speak with one voice to help lead this world in a challenging time.

I thank particularly my husband and two children, the many members of my family, my parents, brothers and sisters and cousins. I joke often in Louisiana that one of the reasons I win is because if my family just votes for me, that is so many votes I always have a little advantage over my opponent. But truly, their votes, their work, and their prayers were noted in my heart today.

I couldn't think of a better way to thank the people of Louisiana and the Nation than to actually be on the floor of the Senate speaking about an issue important to them and taking a few minutes out of the festivities, as we all celebrate our return, our victories, large and small, to the Senate and to Washington, new assignments, et cetera, to spend a moment speaking about the unemployment insurance program and the desperate need of people in this country.

We have not seen unemployment rates this high in so many years. We have not seen a downturn in the economy such as this in so many years. I rise to speak for a moment about the great need, as we fashion a stimulus package, as we fashion an aid package, not a charity package, not a handout package, but a hand up package, a package not to people who are undeserving, a package not to people who don't work, a package not to people who don't want to work, but a stimulus package that honors the strength of America, the fact that people are working not just one job in many cases but two and three jobs, in this time of uncertainty, moving from job to job, people doing whatever it takes to keep that mortgage paid, to keep their car notes paid, to invest in the tools and resources they need to keep their families together and keep their net worth growing, not decreasing.

That has been a challenge for average Americans. It has been a challenge for everyone, as many people have seen their retirements shrink, not through any fault of their own. Every one realizes there is risk associated with investment. But I am sure the workers from Enron and WorldCom and others affected all over our country would have reason to stand on the floor of the Senate, if they could get here, and say, listen, some of this was out of my con-

trol or my ability to manage or regulate.

Some of it was done, as we know, fraudulently and without respect for the law. Frankly, maybe Congress didn't have as tight reins on some of these situations as we should have. So there are Americans who are angry and anxious and frustrated. I most certainly appreciate that. Having just come off a long and grueling campaign, I heard from many of these workers in Louisiana.

Here we are, the first day, trying to fashion a package. I have listened to people talking about the program. I want to explain the unemployment insurance program. First, there is \$26 billion in the trust fund. It is a program, an enterprise established for the purposes of helping Americans when they need help. It is not a welfare or a charity program. There are certain times when welfare is good. And all the time, charity is good. But we are not talking about charity. We are talking about money that workers from their pockets put into a trust fund that grows with interest so when the economy turns down, they can, if the Members of Congress say it is OK, pull that money down, put it in their pocket, pay their car note, which makes the car dealer happy, pay their house note, which makes the banker happy, pay their loan to the credit card companies, which makes them happy, pay their money to the credit union that keeps the credit unions going, pay the grocery store, pay the gas bill, pay the cleaners to keep the small businesses going. Does anybody think these unemployment checks go in the bank just sitting there waiting to be invested?

I hope not, because people who have worked hard at a \$50,000, \$60,000, \$70,000 job, who went to school sometimes late at night to get their skills, studied after putting their children to bed, way into the night, and worked hard to get those skills, now look to Washington to help.

We have people on this floor who talk about this as if it is a charity program. These people are due, number one, the money they put in the trust fund. Number two, it is not their fault that unemployment is 6, 7, or 8 percent. It is our fault, if it is anybody's fault, because we are not managing the situation well enough—not that it can be perfectly done, but it hasn't happened yet. It most certainly is not the fault of the workers who have been laid off. They came not to ask for money that belongs to somebody else, but to ask us to give them their money so they can get through this hard time.

We have to listen to House Republican leaders tell us that there is not enough money in the trust fund, when there is \$26 billion in the trust fund, and we are arguing about whether we want something that costs \$1 billion or \$4 billion. And if we weren't spending the unemployment trust fund now, when would we spend it?

So for the 1.6 million full-time workers in Louisiana, for the 303,000 part-