

done fairly as we did a year and a half ago, and then move on to the other business of the Senate.

THE ECONOMY

Mr. DORGAN. Mr. President, one of the challenges we face in this Congress is trying to find a way to stimulate the economy. Frankly, if we do not move at some point, and move rather rapidly, we are not going to do what I think the American people deserve to have us do and that is to try to put this economy back on solid footing—one towards economic growth and opportunity.

Back at the start of this century there was a fellow, I believe he was from Iowa. His name was Joe Connely.

He actually decided to make a living by something he saw when he was a kid. His dad took to him an event in Texas when he was a little boy. It was an event in which a promoter took two railroad locomotives and ran them together and created a train crash. People actually paid to come to see it. Joe Connely thought this was a great deal: If you can get people to pay to see a train wreck, I am going to get in the business of creating train wrecks. So he did. He went and found old locomotives, and he had people lay a track at a town fair. He would run these locomotives together and create train wrecks. They called him "Head-On Joe Connely." His business in life was to create train wrecks. Joe died, I believe, in 1936. But his spirit still lives—at least here in some nooks and crannies of the Senate—with people who design and want to create a train wreck, whether it is on funding, or economic packages, or other things.

But much more important than creating a train wreck is to lay some track and do it someplace where we want this country to be able to see.

Let me describe what I think we ought to do. The President says that we have trouble in our economy. Indeed, we do. When you take a look at what the American people face in this economy, it is pretty obvious.

In 2002, 82,000 more Americans were unemployed in December than in November. In December, 82,000 people came home and said to their families: By the way, dear, I lost my job. The men and women who lost their jobs had to come home and tell their families that they were no longer employed. It wasn't a fault of theirs, it was that their companies were contracting and eliminating jobs. The economy is soft and over 80,000 people had to tell their families that they lost their jobs. Some 8.6 million Americans were unemployed in December. 2.6 million more Americans are unemployed now than when this administration took office.

What do we do about that? It seems to me we need to try to put the economy back on track and to stimulate the economy some. The President says let us have a tax cut of \$670 billion over the next 10 years. I think that is manu-

facturing a train wreck. We have a huge budget deficit staring us right smack in the face. If we are to do a tax cut, I think we probably should try to stimulate the economy in the short run. It ought to be a 1-year tax cut which would really stimulate the economy. A tax cut of \$670 billion over 10 years, the centerpiece of which is to exempt all dividends from taxation, is not going to stimulate the economy. It doesn't have anything to do with stimulating the economy.

So what should we do?

I put together some thoughts which I think represent the kind of plan we ought to consider. I think we ought to have a tax cut for 1 year, a plan that does in fact stimulate economic growth and encourage people to create new jobs. I think one of the best ways to do that is to provide a one-time tax rebate. I would propose it be in the neighborhood of \$500 per individual and \$1,000 per couple. It is a tax rebate that we know works, by the way, because that rebate goes into the pockets of the working Americans and then it is spent. That spending represents an absorption of capacity in the economy and the creation of economic growth.

In addition to the one-time tax rebate, I would propose a 10-percent investment tax credit on new equipment purchased by December 31 of this year for manufacturing and production. That, I think, is also stimulative and would encourage the kind of activity that can lift and provide economic growth.

In addition, I would—as President Bush has suggested—increase small business expensing to \$75,000. But again, I would limit it to 1 year.

I would allow individuals to exclude up to \$250 of dividends and interest income. I would up that amount to \$500 for married couple. Finally, I would include in a stimulus package the agricultural disaster bill for family farmers that we have already passed here by a wide bipartisan margin in the Senate.

This is a 1-year plan that is affordable. A 1-year plan to try to stimulate the economy makes sense. There is not much stimulus in the Administration's 10-year plan of \$675 billion that puts less than 10 cents on the dollar back into the economy in 2003. There is not very much there to stimulate the economy. The number of dollars of that plan for 10 years will be borrowed. We would be borrowing from our kids in order to create a plan that would transfer wealth to the upper income folks in this country. That doesn't make much sense to me.

Here are the numbers with respect to the President's plan. Those who have \$1 million in income and more, on average, will receive an \$88,000 per year tax cut under his plan. I don't know; it seems to me that at a time when we have very large Federal budget deficits staring us in the face, that is not the kind of thing we want to do.

Just about a year and three-quarters ago, we had this debate on the floor of

the Senate about what kind of a tax cut we should have. At that time, the administration said: We have an economy that is flowing along. We have a country that is blessed with economic health. We have an estimated budget surplus as far as the eye can see. We propose a \$1.7 trillion tax cut over the next 10 years.

Some of us said: Look. We think we ought to have a tax rebate. I proposed a rebate then and some other tax cuts. But we think it is unwise to believe that we can see 5 months or 5 years or 10 years down the road. What if something happens? What if these budget surpluses don't materialize? We were washed away. We were just swept away. Nobody cared much about that argument. Do not be conservative about this—just understand that we are going to have surpluses that last forever.

The Congress passed a very sizable tax cut. I did not vote for that tax cut, although I supported a tax rebate.

Mr. President, I ask unanimous consent for 5 additional minutes.

Mr. KYL. Mr. President, I wonder. Some of us have been waiting. Would the Senator make it a little bit shorter?

The PRESIDING OFFICER. I take that as an objection.

Mr. KYL. I don't want to object to the Senator's request.

Mr. DORGAN. Mr. President, I asked consent to speak in morning business. Perhaps I should not have done that. I simply should have spoken about the underlying resolution. I hope I can perhaps use 5 minutes in morning business. If the Senator has a time deadline, I will be glad to truncate mine and then he can be recognized following this Senator's presentation. How long does the Senator intend?

Mr. KYL. Mr. President, I have no objection to the Senator's request for an additional 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator has 5 additional minutes.

Mr. DORGAN. Mr. President, the point I was making was that roughly a year and three-quarters ago when the very large tax cut was proposed by the administration and embraced by Congress, it was anticipated that we would have surpluses forever. It was anticipated that these wonderful surpluses were really good economic news and they would last not only for a decade but much more.

Then, in a very short period of time, we had the following. We had an understanding that the country went into a recession. In March of 2001, we were told that the country went into a recession. Then, on September 11, we had a devastating terrorist attack in this country that blew a hole in the belly of this economy, along with the recession. Then we had the war on terrorism that ensued. Then we had corporate scandals. I think they were the most significant and perhaps the worst corporate scandals in this country's history.

All of these things converged at the same intersection, undermining the confidence the American people had in this country's economy. The warning, some of us suggested, should have been heeded because there are economic expansion periods and contraction periods. The fact is that we went into an economic contraction, and those anticipated surpluses are now gone, replaced by very large projected budget deficits.

I know there are some who come to the floor and say the deficit last year was \$159 billion. It is not. The deficit last year was really \$318 billion. The only way someone can say \$159 billion is if they take the money out of the Social Security trust fund and use it for operating the budget and then show a lower budget deficit. That is what they do when they come to the floor of the Senate.

Fast forward to January 2003. The President says: Yes, now our economy is in some trouble. I have a proposal. The proposal is a \$670 billion tax cut over the next 10 years.

I don't know where he gets the money for that. You borrow it from the kids, I guess. But the fact is we are fighting a war against terrorism which required us to increase defense spending by \$45 billion last year alone and increases in homeland security to the tune of \$25 billion to \$30 billion. Is there anyone suggesting that anybody is paying for any of this? No. The President is suggesting, as the tonic for America, large tax cuts. These tax cuts would go on for 10 years and will be paid for by our children in the form of additional borrowing that they will be responsible for in order to give the highest income earners in the country—particularly those who have very large dividends—big tax cuts.

I come from a small town. I went to a small school and had a high school class of nine. They only teach arithmetic one way in this country. None of this adds up. It just does not add up. So I think we ought to start over.

Do we need to do something to stimulate this economy? The answer is yes. Should we put this country deeper in debt? Should we drink more of the tonic that helped us get into this trouble? The answer is no. What we ought to do is be thoughtful. What we ought to do is join in bipartisan agreements to say: Let's stimulate the economy, in this year, to give it some lift, put it back on track, to produce more jobs and more opportunity.

We will not do that by borrowing \$675 billion in the coming 10 years, adding it to the Federal debt, saddling our children with that additional responsibility. We will do that if we are thoughtful, by providing, for example, a rebate to the American taxpayers on a one-time basis, perhaps an investment tax credit, on a short-term basis, for business investments in capital equipment and capital goods. We will do that if we make the right choices.

But I tell you, the wrong choice is to go back to the old formula that was

foisted on this country over a year and a half ago by those who said: Don't worry. Don't worry. Times are good, and they will last forever. They did not. And now our responsibility, in my judgment, is to put this back on track with a plan that will work, one that is thoughtful, and one that respects the need to come up with the money to pay for these initiatives of ours, and, as Franklin Delano Roosevelt said, to give us the privilege, as Americans, to meet our responsibilities, yes, during times of national crisis.

So I say to President Bush, and to my colleagues on both sides of the aisle, I really believe we need to do something, but we need to do the right thing, most importantly. I hope, as we begin to debate this issue of an economic stimulus, of putting the economy back on track, we can find a thoughtful, aggressive way to do that without breaking the bank and without saddling our children with more debt.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The time of the Senator has expired.

MAKING MAJORITY PARTY APPOINTMENTS—Continued

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. Mr. President, the American people must be wondering what is going on in the Senate today. They frequently see us just talking. We do a lot of that. But sometimes they see a little action on the Senate floor. And, of course, other than extending the unemployment benefits, we have done nothing in the Senate since we reconvened at the beginning of this year.

Why is that so? Why is it that we have been having this squabble on the floor of the Senate for the last 24 hours or so, accusing each other of not wanting to get on with doing the Nation's business and the constructing, getting on with that business?

People have asked me: Why can't you all get along? Why can't you resolve what appears to be petty disputes and get on with the Nation's business?

One person said: Didn't we elect you to the majority? He was talking about me as a Republican Senator. So I had to explain what the situation was. I said: Yes, as a matter of fact, last November the news was full of the fact that, for the first time in a long time, Republicans were supposedly in control. The Presidency was occupied by George Bush, and the Republicans were to control both the House of Representatives and the Senate.

But he said: Well, then, why aren't you getting going? Why aren't you doing things? I said: Well, there's a little problem; that is, as you know, in Congress most of the work is done in committees, and the Democrats, who had controlled the Congress for the last year and a half, have been unwilling to turn over the gavels to the new Republican chairmen.

My friend said: That's not possible. This is the United States of America.

You Republicans won the election. Just take them.

I said: Well, it's not quite that simple. It is kind of like the old phrase: Possession is 99 percent of the law. The Democrats are in possession of the gavels. They are currently considered to be the chairmen until we do a very simple thing in the Senate. Usually it takes about 10 seconds. The majority leader asks unanimous consent that the list of Republican Senators assigned to these committees be accepted, with the committee chairmen as indicated. The Democratic leader does the same thing for the Democrats. And then the Senate is considered organized. The new Senators have their committee assignments, the chairmen are noted, and we get to work. But that has been objected to on the Democratic side. They want to hold on to the gavel a little while longer, even though in the election last November they lost—supposedly lost the majority control of the Senate.

My friend said: Well, how can they prevent change? I thought you were in control.

I said: Remember that in the Senate we have a procedure called the filibuster, and in order to stop debate and force a vote on our organizing resolution—or committee resolution, it is called—it takes 60 Senators to agree to force the vote. It only takes 51 to adopt the resolution, but 60 Senators are required to actually force the vote; otherwise, you have to just keep talking. And that is what we are doing right now.

Obviously, with the Senate organized at 51 Republicans and 49 Democrats—unless some of our Democratic friends would be willing to concede that the election was won by Republicans, and be willing to turn the gavels over to the Republican chairmen—if they want to stick in their partisan mode here, at 49, they can continue to keep us from voting on this resolution and, thus, continue to have control of the committees.

Well, why is this important? Things my colleague was just talking about a moment ago: The budget and getting on with the President's economic growth package are a good illustration.

For the first time in the history of the Senate, since the Budget Act of 1974, last year, when the Democrats were in control of the Senate, they failed to pass a budget. And the appropriations bills, except for the Defense bills, were not passed. That is unfinished business from last year we have to hurry up and do. The President would like to see that done before his State of the Union speech. We have to get on with that. We cannot do it if the Appropriations Committee cannot meet, pass out a resolution, and get it to the floor so we can debate it.

We have judges who have been waiting for almost 2 years now to be confirmed by the Senate because they have been held up by the Democratic Senate. We need to get on with that. And there is other important business.