

This week, the Senate will also consider the debt limit extension legislation. We have an agreement for a limitation of amendments to that bill, although it is still my hope that the list of amendments can be pared down and we can pass that bill in a quick period of time.

Finally, I add that last week the Senate passed the jobs and economic growth package. At this point, it is unclear at what time the Houses can complete working out the differences. It is my hope to complete that prior to the Memorial Day recess. People have been meeting over the weekend, today, and will be meeting tonight. I will keep my colleagues posted. My intent is to complete that package before the Memorial Day recess. The language has to be worked out between both Houses. We will be talking about that as we go forward.

Mr. REID. Mr. President, before the majority leader leaves the floor, regarding the debt limit, we have entered into an agreement in good faith with the majority. However, I think we should expect this will take a day. I worked with Senator MCCONNELL last week. We had it down to a finite number of amendments. That did not work out. We have a Memorial Day recess with people giving graduation speeches and Memorial Day speeches, and we are going to get jammed toward the end of this week, as we do before a recess period. We are happy to work, but I don't think we can plan on finishing this bill in a couple of hours.

Mr. FRIST. Mr. President, I appreciate the comments of the assistant minority leader. I am hopeful we can pare down the number of amendments, but I understand from their perspective it will take more than a couple of hours. In that regard, the exact timing will be discussed as to when we actually bring that to the floor. It will be completed this week.

In a few moments I will talk about bioshield, as well, that I would like to complete this week. But absolutely for sure, DOD we are looking to complete, we will address the debt ceiling this week—we have to address it this week—and we will address, hopefully, the jobs and economic growth package in its final form as well as bioshield.

Putting that together will be, again, a very long week. People absolutely must plan to be here on Friday, voting on Friday before we begin the recess.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period of morning business with the time equally divided between the Democratic leader and the Senator from Nebraska.

PROJECT BIOSHIELD

Mr. FRIST. Mr. President, I am going to make just a few comments on bioshield and then will yield to the Sen-

ator from Nebraska. The comments I want to make are really a continuation of the statement of my intentions of a few minutes ago, and that is that the bioshield legislation must be addressed as soon as possible. I believe it has ramifications for the security of this Nation.

Today, Israel was rocked by a fifth suicide bombing in 4 days—5 dead, 14 or 15 injured in a blast outside a shopping mall. Just last Friday we had a suicide attack in Morocco claiming 42 lives. In Saudi Arabia last week: 3 simultaneous attacks, 34 people murdered including 7 Americans. Meanwhile, 15 European tourists are being held hostage in a bunker in Algeria.

This weekend, the Wall Street Journal reported that U.N. Weapons Inspector Hans Blix warns that:

Chemical and biological weapons might be within the reach of terrorists—whether these are groups or individuals.

He goes on to say:

Full guarantees against research and development are hardly attainable, and possible hidden stores of biological and chemical weapons may also be very hard to discover.

The threat is real. Biological and other dangerous agents every day get closer and closer and closer to being within the grasp of those who wish to do us or peoples around the world mortal harm. We have made tremendous progress in treating many serious naturally occurring diseases, but we still lag far behind where we should be in developing the medical treatments and responses against biological or potential biological and chemical attacks.

President Bush, in his State of the Union Message, proposed Project Bioshield, which is a comprehensive effort to develop and make available modern, up-to-date, effective countermeasures against such biological and chemical agents. It is a major cooperative effort which will be a joint activity of the new Department of Homeland Security and the Department of Health and Human Services.

We look, in this legislation, at the next generation of countermeasures. Over the next 10 years, the administration estimates that about \$6 billion will be available to purchase new countermeasures for conditions and illnesses and microbes like smallpox or anthrax or botulinum toxin or Ebola or plague.

Project Bioshield also expands research and development into medical treatments as well as making these promising treatments available, very quickly, rapidly, in response to an emergency.

My colleague, the Senator from New Hampshire, Mr. GREGG, introduced a comprehensive measure which incorporated the President's bioshield initiative into S. 15, the Biodefense Improvement and Treatment for America Act. That bill was introduced on March 11. Portions of that legislation incorporating the President's bioshield initiative passed the Senate Health, Edu-

cation, Labor and Pensions Committee on March 25. A slightly modified version passed the committee with the support of the ranking Democrat member, Senator KENNEDY, as well as the support of all Republicans and all Democrats on the committee. The bill was placed on the Senate calendar on March 25, but now it is 2 months later and despite repeated attempts to pass the legislation, the minority, the Democrats, have objected to passing the bill by unanimous consent or even to debating the bill under a time agreement.

We simply cannot continue to wait. Every day we wait is a day too long. We cannot forget the terrible video footage of the potential of these terrorist agents being used against us or other people.

I hope the Senate will be able to meet Democratic objections and move this legislation this week before the Memorial Day recess. As I said in my opening comments earlier, none of us here doubts the potential danger that is out there. We need bioshield passed, and we need it passed as soon as possible.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Nebraska.

Mr. HAGEL. I thank the Chair.

(The remarks of Mr. HAGEL pertaining to the introduction of S. 1076 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The ACTING PRESIDENT pro tempore. The Senator from North Dakota.

TAX LEGISLATION

Mr. CONRAD. Mr. President, last week the Senate and House passed tax measures. I want to take a moment to comment on those tax measures. My personal belief is that they are fundamentally flawed, that they are ineffective as stimulus, irresponsible as tax policy, and ultimately unfair. In terms of stimulus, the plan that passed the Senate last week will provide \$45 billion of stimulus the first year; the House plan, \$48 billion—that in an economy that is \$10.5 trillion in size.

Most economists say that small a measure will do virtually nothing to give a lift to the economy. The proposal by Senator DASCHLE, which provided \$125 billion of stimulus, is the minimum size most economists say is necessary to give any serious lift to a \$10.5 trillion economy.

But the bigger flaw is in the long-term cost of the proposals advanced by our colleagues in both the Senate and the House. In the Senate, the 10-year cost of the plan is \$350 billion; in the House, \$550 billion. But that substantially understates the true cost of these measures.

We can look at the Wall Street Journal, which did an analysis. They concluded: "Caution: Tax Cuts Are Bigger Than They Appear In The Budget." That is because of this phony sunset

that has been adopted in both the House and the Senate to substantially understate the cost.

If the sunsets were not present, what we find is that the House bill, which is advertised to cost \$550 billion, would actually cost \$1.1 trillion. So when they say they have a tax measure that costs \$550 billion, the true cost, without sunsets, is \$1.1 trillion on the House side. In the Senate, they say they have a package that costs \$350 billion. The true cost, without the sunset gimmick, is \$660 billion.

Some will say: Well, a sunset may be a valid thing. They may actually end that tax cut at the end of the time. Well, let's just look back 2 years ago. Two years ago, they passed tax measures filled with sunsets, and now what are they saying? Now they are saying: If you allow them to sunset, it will be a tax increase. So they are saying, oh, no, they can't be sunset, they have to be continued.

You know, fool me once, shame on you. Fool me twice, shame on me. Look, how can any of us be fooled about what is to come? It is very clear what they are going to do. They are going to insist on eliminating these sunsets and the costs will explode. Well, what difference does that make? The difference it makes, of course, is that we are already in record deficit. With these additional tax cuts, and with the increased spending provided for in the President's budget, we are headed for deficits that are utterly unsustainable.

Not only that, this policy of sunseting means you have a come-and-go tax policy that is bewildering and will have an adverse effect on the economy. As the chart says: "Sunset and Phase-in Gimmicks Produce Bad Tax Policy." Here is just one example. The marriage penalty comes and goes, and it comes again under the policy adopted in the Senate just last week. It is really quite stunning what they have done.

For couples who incur a marriage penalty because of the standard deduction, that marriage penalty would be eliminated when the standard deduction equals \$9,500 for the year 2003. Under the plan passed last week in the Senate—and using constant 2003 dollars—we will have \$9,267 this year, \$9,500 next year, and then it goes down to \$8,265 the year after that. That will mean a tax increase on married couples. And then it goes up to \$8,740, \$8,883—all of these standard deduction amounts over the 4 years after 2004 are below the amount necessary to address the marriage penalty. It is really a giant hoax on the American people. But look what happens in 2011 and 2012 and 2013. Then it goes down to less than \$8,000—a significant tax increase on married couples.

This is consistent, unfortunately, throughout the package passed last week. It is true of the dividend tax measure. What a bizarre thing that is. It is phased in with a 50 percent exclu-

sion the first year, then it goes up to 100 percent for a few years, and then it is eliminated. One prominent Republican analyst, an economist who has testified repeatedly before Congress, called it the most patently absurd tax policy offered ever. I don't know if it is the most absurd offered ever, but it is pretty farfetched. And he is not alone in that view. Here is what he said:

Administration sources admit that dividends will likely decline relative to today under this plan between now and 2005. How can that be a harmless event given that increases in dividend payments are viewed to be so wonderful? Clearly, this proposal is one of the most patently absurd tax policies ever proposed.

As I say, he is not alone in that analysis. Here are two economists who say the Senate GOP dividend tax plan will not help the economy:

[Mr.] Timothy M. Koller and Susan Nolen Foushee, consultants at McKinsey & Co., noted in a recent report that as of last year owners of 61 percent of all common stock were not subject to tax, so markets are driven by investors who are not concerned with tax treatment of dividends. Thus, "the proposed tax cut" on dividends "seems unlikely to have a significant or lasting effect on U.S. share prices," [they] said.

That is from the Washington Post.

What is even more bizarre is the President went around this country and told people this policy was to eliminate double taxation. His argument was that corporate profits are first taxed at the corporate level and then taxed again when they are paid out into dividends.

So his initial proposal included a corporate accounting provision that guaranteed that taxes on profits were paid at the corporate level before those profits could be paid out to shareholders on a tax-free basis. Do you know what? Here in the Senate they took that provision out. So now you can have a circumstance where the money is not taxed either at the corporate level or when it is paid out as dividends. That is not a matter of eliminating double taxation, that is a matter of eliminating all taxation on corporate earnings.

Now, if that isn't an utterly preposterous outcome, I don't know what is. That is what this Senate passed last week. I expect a lot of Members who voted for it did not even know that provision was taken out. I expect they did not know you are going to have a circumstance in which corporations do not pay taxes at the corporate level and then get to pay the dividends out completely tax free—well, at least for a few years until it is all restored and we face a massive tax increase on dividends that would do real damage to the economy of this country.

As shown on this chart, here is a Republican tax analyst who ridicules the Senate GOP dividend tax plan:

"I can understand the political reasons why they put it in that way, but it's such an incredibly bad idea," said Norbert Michel, a tax policy analyst at the Heritage Foundation, a conservative research group in Washington.

That is from the New York Times.

I think Mr. Michel had it right.

This next chart shows that economists say the Senate GOP dividend tax plan makes little sense:

Many economists say a temporary reduction of the dividend tax makes little economic sense, blunting the goal of boosting companies' stock prices and leaving them more money to invest. "Phasing something in but letting it go away doesn't have a very large economic impact," said Christopher Wiegand, economist for Citigroup Inc.

This is according to the Associated Press.

The evidence is mounting that what was passed here last week makes no earthly sense. It does not make economic sense. It makes no fiscal sense because the deficits of this country are already at a record level. This year some have said it would be a small deficit. Let the American people make the judgment if they think it is small.

The deficit this year, on an operating basis, is going to be between \$500 and \$600 billion on a budget of \$2.2 trillion.

Some say that is a small deficit. What would they call a large deficit? A \$500 to \$600 billion deficit on an operating basis on a \$12.2 trillion budget, and you know that is just the beginning. Once the President's plan is put in place, that increase is spent. That cuts revenue, and when we already have record deficits, you can only have one result; that is, deficits that multiply. It will also occur at the worst possible time because these deficits are coming at us right before the baby boomers retire.

When I talk about a tax plan that makes no sense, it is not just people on our side of the aisle saying that. You have Republicans saying what was passed in the Senate makes no sense. Here is another lawmaker who says he considers the bill a bad idea. It is the Speaker of the House, DENNIS HASTERT, who described the plan as an "all of a sudden you see it, and now you don't" idea. He went on to say:

If the dividend tax is 50 percent and then nothing, and all of a sudden it is back to 100 percent or whatever it is, my feeling is that it does not solve the problem.

But he did not mention that his Chamber's bill also sunsets a half-dozen major provisions.

Rarely have we seen tax bills so riddled with gimmicks and false assumptions.

This is what the Joint Committee on Taxation found when they did a "dynamic analysis" of the bill passed in the House of Representatives. They concluded that the increased deficits that will be created will eventually outweigh the benefits of tax cuts.

This is what a number of us have been saying repeatedly. These are not tax cuts offset by spending reductions; these are offsets paid for by borrowing money from the Social Security trust fund. In fact, virtually every penny of Social Security trust fund surpluses over the entire next decade are being taken to pay for these tax cuts. And people think that is a good idea.

The President says this is the people's money. He is exactly right about that. This is the people's money. But do you know what? It is also the people's debt. It is also the people's Social Security. It is also the people's Medicare. All of those are the people's. The policy he has fashioned is taking Social Security trust fund surpluses from the people in order to pay for a tax cut; taking from a circumstance in which people are paying payroll taxes—by the way, 80 percent of American taxpayers pay more in payroll tax than they pay in income tax—it is going to take from their trust fund surpluses and use it to give an income tax cut that flows overwhelmingly to the wealthiest among us. You talk about Robin Hood in reverse, this is it. It is not good economic policy, it is not good tax policy, it is not good fiscal policy, and it is going to put us in a deeper and deeper hole.

The Joint Committee on Taxation said this about the plan:

This stimulus is reduced over time because the consumption, labor, and investment incentives are temporary, and because the positive business investment incentives arising from the tax policy are eventually likely to be outweighed by the reduction in national savings due to increased Federal Government deficits.

That is exactly what is wrong with this plan. It is not the economic growth plan, it is a plan to borrow from the future and to take Social Security trust fund surpluses and give a big tax cut to those who are the wealthiest among us.

This plan also flunks the fairness test. The plan benefits the wealthiest in a way that is truly stunning. Taxpayers with income over \$1 million will get a benefit of \$73,790 in this tax year alone. The typical taxpayers—those in the middle income in this country, the 20 percent of taxpayers who are in the middle of the income distribution—will have an average benefit of \$245.

Let me conclude by saying I hope my colleagues will take a second look at what was passed. I think it is going to prove to be a serious mistake for our fiscal future.

I thank the Chair and yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota.

Mr. DORGAN. Mr. President, am I recognized for 10 minutes?

The ACTING PRESIDENT pro tempore. The Senator is recognized for 10 minutes.

GLOBAL AIDS

Mr. DORGAN. Mr. President, last Thursday and early Friday morning, the Senate was in session for I believe 17 hours, and it took 36 rollcall votes. Many of us arrived at our homes at 1:30 or 2 in the morning. I had trouble sleeping despite the hour because of what happened on that day. I want to describe something that has bothered me all weekend.

In the middle of discussing the tax vote that came to us from the Finance

Committee, the majority leader brought up the global AIDS bill. I guess it was about 10 o'clock at night. Those of us who prepared to offer amendments were told by the majority leader twice on the floor of the Senate that we would be able to offer our amendments and they would defeat them. Understand that this is a global AIDS bill that was done in committee, and none of us who do not serve on that committee had an opportunity to deal with that subject.

Yet we were told in the Senate we would be able to offer our amendments and they would defeat them. This was about 10 o'clock at night. We were, by the way, at that moment debating a \$430 billion or \$450 billion tax cut. And I proposed an amendment to the global AIDS bill to spend \$250 million—one-fourth of a billion dollars—to address a famine, particularly in central and sub-Saharan Africa, that threatens 11 million people. But before we had a debate about the substance of that, we were told: Your amendments will be defeated. Why? Because they are not a priority.

We had already passed the level of food aid that was proposed in my amendment previously. That \$250 million was already passed by the Senate in the omnibus bill and taken out by the House of Representatives in conference. But we were told we didn't have the capability in the Senate to do it last Thursday. So we had a record vote. I lost 49 to 51.

Just so we understand this is not about some abstract theory, let me read Nicholas Kristof's piece in the New York Times of May 13.

Ladawi is a 16-month-old girl with twigs for limbs, blotched skin, labored breathing, eyes that roll back and skin stretched tautly over shoulder blades that look as if they belong to a survivor of Auschwitz. She is so malnourished that she cannot brush away the flies that land on her eyes, and she does not react when a medical trainee injects drugs into her hip in a race to save her life.

"She's concerned only with trying to breathe," says the trainee, the closest thing to a doctor at a remote medical center here in southern Ethiopia. "Most likely she will not survive."

I don't understand this. I just do not understand. We have people dying, children dying, and we have substantial food in this country and the most productive farmers in the world. They are told at the grain elevator that food has no value. If you produce it in such abundance, it has no value. And then a young girl in Boricha, Ethiopia, lies on her bed dying because she doesn't have food.

I served on the Hunger Committee when I served in the House. I have traveled to many spots in the world to refugee camps. I have seen desperate hunger. I have held in my arms children who were dying because they didn't have enough to eat. We live in a world of plenty—at least here in the United States. Obesity is a major problem. A substantial part of our country is on a diet. Our farmers can't make a

living because they are told their food has no value. Yet we have 11 million people at risk. This Senate says no to the food aid that needs to go to those kids, to help those kids. I just do not understand it.

Let me read further from the Nicholas Kristof piece:

We've all been distracted by Iraq, but an incipient famine in the Horn of Africa has been drastically worsening just in the last few weeks. It has garnered almost no attention in the West, partly because it's not generally realized that people are already dying here in significant numbers. But they are. And unless the West mobilizes further assistance immediately to Ethiopia, Eritrea and Somalia, the toll could be catastrophic. . . .

"We've been overwhelmed by this, especially in the last three weeks," said Tigist Esatu, a nurse at the Yirba Health Center, crowded with mothers carrying starving children. "Some families come and say, 'We've lost two children already, three children already, so you must save this one.'"

He continues:

Since weapons of mass destruction haven't turned up so far in Iraq, there's been a revisionist suggestion that the American invasion was worthwhile because of humanitarian gains for the liberated Iraqi people. Fair enough. But as long as we're willing to send hundreds of thousands of troops to help Iraqis, what about offering much more modest assistance to save the children dying here?

"How is it that we routinely accept a level of suffering and hopelessness in Africa that we would never accept in any other part of the world?" asks James Morris, the executive director of the World Food Program. . . .

Fair enough. But as long as we're willing to send hundreds of thousands of troops to help Iraqis, what about offering much more modest assistance to save the children dying here?

Later in the article he quotes a mother:

"Now I worry about my other children," said Tadilech Yuburo, a young woman who lost one child last month and has three left. In her village, Duressa, population 300, five children have died in the last month. In nearby Falamu, population 400, six children have died. This famine has not yet registered on the world's conscience.

I offered an amendment to provide some food aid which we have in abundance. We have plenty of food aid to give. I offered an amendment at 10, 11 at night. We didn't have the time to do that, didn't have the willingness to do that. We didn't have the votes to do that. We were way too busy providing tax cuts, the majority of which will go to upper income Americans.

I had a friend who died of a car crash in 1981. He was a wonderful man, a singer, named Harry Chapin, who dedicated most of his life to fighting rural hunger. Harry wrote a song I want to read that describes why I feel so passionately about this. The song is called "The Shortest Story."

I am born today. The sun burns its promise in my eyes. Momma strikes me and I draw a breath to cry. Far above a cloud tumbles softly through the sky. It is now my seventh day. I taste the hunger and I cry. Brother and sister cling to momma's side. She squeezes her breast, but it has nothing to provide. Someone weeps. I fall asleep. It is 20