

to meet these difficult challenges and to restore the vitality of our economy.

Mr. KYL. Madam President, I support H.R. 6867, the Unemployment Compensation Act of 2008. The unemployment level is high, it is increasing, and it is likely that this condition will prevail for many months. Thus, the need for this extension.

According to the Labor Department, claims for unemployment benefits have increased dramatically, last week reaching a 16-year high. The unemployment rate in October was 6.5 percent; last year the rate averaged 4.6 percent. The Federal Reserve also released estimates Wednesday that project the jobless rate will climb to between 7.1 percent and 7.6 percent next year.

As everyone knows, the economy has slowed dramatically. Retail and business spending has decreased. The next several months are projected to be a period of contraction. As long as the economy continues to struggle, the people of Arizona and the rest of our country will face difficult job prospects, given the limited number and types of jobs available.

This dramatic downturn in the economy and surge in unemployment convinced me to support this extension of unemployment coverage. But this step simply treats a symptom of the bad economy; it is not a solution. We must try to take steps to improve the economy and, thus, create new jobs. As I have said in the past, I do not believe an extension or expansion of Federal unemployment benefits stimulates the economy. In fact, most economists believe that continual, temporary extension of unemployment benefits has little effect on the economy, and, in some circumstances, actually lengthens the time individuals remain unemployed because of the incentive to remain on unemployment insurance.

Accordingly, I support this extension with a steadfast commitment to work to pass pro-growth measures that will actually help the economy recover and create new jobs. In the long run, people would rather have a job than have to take unemployment insurance; and, at some point, it will have to end.

What can we do immediately to help Americans get back to work? First, we must maintain existing tax rates. During an economic downturn, the last thing Government should do is take more money out of the economy by increasing taxes. Everyone benefits when lower tax rates enable businesses and entrepreneurs to expand and create more jobs.

When Congress returns to Washington, its first priority should be to reassure taxpayers that taxes will remain low by maintaining existing income-tax rates, marriage penalty relief, current rates on capital gains and dividend income, and relief from the death tax. Under existing law, the tax relief enacted in 2001 and 2003 will expire after 2010. Extending current tax rates now would give individuals and small businesses the certainty they

need to plan their family budgets and permit small businesses to make critical long-term investments in our Nation's economy that will increase job growth now and in the future.

Unless the tax relief is extended, 43 million working families with children will face a \$2,300 tax increase. Small businesses will see their taxes increase by an average of \$4,100. The death tax will rebound from zero in 2010 to a whopping 55 percent. The tax on capital gains will increase 33 percent, and the dividend tax rate will increase an astounding 164 percent, affecting 18 million senior citizens who will see their taxes rise by an average of \$2,200. We shouldn't be asking Americans to pay out more of their hard-earned money at a time when they need it most; but if Congress doesn't act, we will be asking exactly that.

The current economic downturn has also affected the Nation's investors, especially seniors who rely on their investments for their income. We need to continue to encourage responsible savings and investment, and one of the things we should do to ensure savings is to allow unlimited contributions to retirement accounts such as 401(k)s and IRAs. We should also raise the age at which holders of tax-deferred retirement savings accounts must begin making minimum required annual withdrawals. I believe that Congress will likely suspend the mandatory withdrawal rules for one year. While that is a positive step, a more permanent measure would provide certainty to seniors.

The United States also needs to improve its competitiveness. We need to encourage trade between our country and others, and we need to enact, as soon as possible, the Colombia, Panama, and South Korea free trade agreements. We also need to stop taxing overseas corporate income and decrease our corporate tax rate—let's not provide additional reasons for valuable companies here in the U.S. to move all their operations overseas.

The United States has the second highest corporate tax rate in the world. We can make the United States more attractive to foreign investment by reducing our own corporate tax rate, perhaps from its current rate of 35 percent to 25 percent.

I will vote for the unemployment extension today. But I am also calling on the President-elect and Congress to quickly pass measures that will actually help the economy to maintain and create jobs. I look forward to working with my colleagues toward such an end in the coming weeks.

Mr. LEVIN. Madam President, passing an unemployment insurance extension today is urgent. More than a million people have lost their jobs this year alone, and there are 10.1 million unemployed individuals. We must ensure that these individuals who have lost jobs and are looking for work, during a time when industries are cutting jobs and the price of food and other ne-

cessities is rising, are not also struggling to put food on their table, pay their utility bills, and provide shelter for their families.

During economic downturns in the past, we have always provided longer periods of unemployment benefits. The bill that I hope we pass today will provide a much needed unemployment insurance extension. This extension would ensure that out of work Americans in high unemployment States like Michigan will receive an additional 20 weeks of insurance, for a total of up to 59 weeks.

In October, Michigan's unemployment rate increased from 8.7 percent to 9.3 percent, the highest unemployment rate since July 1992. The Nation's unemployment rate also increased to 6.5 percent. These are very hard economic times. Unemployment rates are rising dramatically, and since January 2001 we have lost 3.7 million manufacturing jobs nationally and more than 250,000 manufacturing jobs in Michigan. There are currently 429,000 unemployed people in Michigan. Between August 2007 and July 2008, the long-term unemployed—those who have been unemployed and looking for a job for 27 weeks or more—comprise about 27 percent of the total unemployed in Michigan. This is approximately, 100,000 unemployed persons.

The numbers of unemployed are rising all over the country. We must do something now to protect American workers and their families.

• Mrs. LINCOLN. Madam President, I regret that I will be unable to be present for today's vote on the Unemployment Compensation Extension Act, H.R. 6867, due to a hunger awareness event previously scheduled in Arkansas. If I were present for the vote, I would vote to support this important piece of legislation as I did in June when the Senate passed a 13-week unemployment insurance extension as part of the Supplemental Appropriations Act of 2008, Public Law 110-252. •

The PRESIDING OFFICER. Under the previous order, the question is on third reading and passage of the bill.

The bill (H.R. 6867) was ordered to a third reading, was read the third time, and passed.

ADVANCING AMERICA'S PRIORITIES ACT—MOTION TO PROCEED—Resumed

Mr. REID. Madam President, I now move to proceed to Calendar No. 894, S. 3297.

The PRESIDING OFFICER. The motion is now pending.

MORNING BUSINESS

Mr. REID. Madam President, I ask unanimous consent that we now proceed to a period of morning business with Senators permitted to speak therein for up to 10 minutes each.

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

The Senator from Oregon is recognized.

TRIBUTE TO SENATORS

GORDON SMITH

Mr. WYDEN. Madam President, at this moment, exactly 13 years ago, I was locked in the toughest political battle of my life against GORDON H. SMITH. I went on to narrowly win that race and continue to hold that Senate seat today. But GORDON SMITH dusted himself off only a few months later and took on yet another very tough battle, and that time he won the Senate seat that had been held for 30 years by our remarkable Senator Mark Hatfield.

At that point, Oregonians did not know what to make of their Senate delegation. They had two Senators, myself and Senator SMITH, who were replacing Bob Packwood and Mark Hatfield. Those two individuals were the chairman of the Finance Committee and the chairman of the Senate Appropriations Committee. And, of course, the old story was that Bob Packwood got to raise all of the money because he was chairman of the Finance Committee, and Mark Hatfield got to spend it all because he was chairman of the Appropriations Committee.

Of course, I was very much concerned about what was ahead because I thought it was very possibly going to be a long and uncomfortable 6 years serving with the fellow with whom I had just duked it out over many months of a political campaign that, as the two of us like to say, was not exactly for the faint hearted.

One of the great surprises of my career came, however, when I discovered that my new colleague, GORDON SMITH, was as thoughtful and kind and decent outside the political arena as he was tough and competitive inside the political arena. It was that charm and that decency and his desire to meet me halfway on Oregon's interests that got me closer to GORDON over the years and led to an unusually strong working relationship and what became a strong and genuine friendship.

GORDON lost a very tough reelection race a few weeks ago in a State that has changed rapidly from what was a very small Democratic voter edge, back when we ran against each other in 1996, to what has become a significant Democratic voter edge in 2008. GORDON and his skillful campaign team battled hard and tough as they always have. They did everything they could to withstand a formidable political tide and a very strong Democratic challenger, a challenger whom I support. So it is with mixed and conflicting emotions that I come today to pay tribute to my colleague and my friend of 12 years, GORDON H. SMITH.

GORDON and I have had plenty of political differences, enough differences, differences that we knew would be the case, that made us say from our very first meeting, when GORDON won that

race to replace Mark Hatfield, that we would be supporting each other's opponents in years ahead.

Political campaigns are important, and each of us was called upon to separate our friendship from our beliefs every 2 years. Yet I will say this afternoon that I have come to genuinely loathe much of what has become of the political process in our country. The relentless and omnipresent negative ads obscure and distort to the point that it can be difficult for the typical citizen to maintain anything resembling a healthy perspective on fundamentally good and decent individuals who seek public office.

Thankfully, the negative ads are now off the air, and I want to make sure Oregonians once again remember the GORDON SMITH I have known for 12 years. GORDON has been a good and decent and selfless public servant.

The fact is, GORDON SMITH did not need to serve another term in the Senate. He and his wife Sharon have built a strong and prosperous business, and they could have done countless things with their time that would have been more glamorous and certainly produced less strain and wear and tear on their personal lives. But GORDON ran because of his belief in the role that he believed he could play in shaping our country's future. That, in my view, is the essence of being a good public servant. No one in this body or in the State of Oregon ought to lose sight of the extraordinary sacrifices that GORDON and his wife Sharon have made over the course of almost two decades of public service.

Among GORDON's many personal triumphs in the Senate, I would like to highlight two that are especially important to our State, to our country, and to me personally. I wanted to remind my colleagues and the people of our country of the very difficult decisions made by GORDON and Sharon to share with the public and the Congress their heartrending struggle on behalf of their son, Garrett. They did this selflessly to further the cause of mental health treatment, and particularly the cause of mental health parity.

If not for GORDON's courage in sharing their family's story, I believe Congress might not have acted on mental health parity this past fall, and thousands of parents might never know that they are not alone in their difficult struggle.

There were other critical tasks that GORDON shouldered and one that I was especially appreciative for his leadership on, and that was being the voice for rural folks, for people whose way of life and quality of life is connected to natural resources that are bountiful in our State.

GORDON spoke for the farmer, and he spoke for the rancher. He spoke for the logger, for the mill worker, and the miner. He spoke for the rural communities they live in, communities that struggle to retain a voice in increasingly urban America.

It was written fairly frequently in Oregon's papers, and was in the New York Times at one point, that there was something in the State of Oregon that people came to say was the Senate's odd couple. In fact, I think the headline in the New York Times when they talked about us was wildly inflationary, and GORDON and I came to laugh about it. I think the headline was, "Oregon's Odd Couple Makes It Work." It was essentially all about how there were two Senators from Oregon; one of them was a Mormon fellow. He was a Republican. He was from somewhere called Pendleton. GORDON and I were never convinced that folks in the New York Times knew exactly where Pendleton was, but that is how GORDON was described.

Then they said, the other Senator was a Jewish guy, and he was from Portland and he was a legal aide lawyer for the senior citizens, and he was an activist with the Gray Panthers. What in the world would these two people ever have in common?

Well, I want people to know that gentle spirit, that Mormon from wheat and pea country taught this Jewish fellow from the city an awful lot about the too often forgotten voices, particularly those in our rural communities.

In his absence, I will do everything I can to remind colleagues, particularly Democratic colleagues on my side of the aisle, of the challenges faced in rural communities, of the people and the issues that GORDON H. SMITH championed every single day in the Senate. I wish GORDON and Sharon well in whatever their future endeavors are. I have already made it clear they will always have my friendship and assistance in any project they pursue in the days ahead. But most importantly, I come to the floor and thank GORDON for his personal friendship to me and his service to our State. I ask my colleagues here and the people of our home State to voice their thanks today to two very special people, Sharon and GORDON H. SMITH.

I yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Madam President, I have listened to the eloquent comments of the Senator from Oregon, Mr. WYDEN. I had planned to insert a statement in the RECORD complementing Senator GORDON SMITH on his tenure, but I would like to add my voice of laudatory comments at the conclusion of the statement of Senator WYDEN. I agree with him that Senator GORDON SMITH has made an enormous contribution to the Senate in his two terms, and he will be sorely missed. He is a member of a small band of moderates on this side of the aisle. I suggest that GORDON SMITH's brand of Republicanism is very much in need in this body. Very frequently, Members on the Democratic side of the aisle seek co-sponsors. I have been told on a number of occasions that the "pickins are slim." GORDON's absence will make it more difficult.