

such as Medicare or Medicaid, the programs I mentioned a moment ago. The main goal, and this is a problem, is that it is designed to make tax relief for working families and small businesses almost impossible.

Now, we ran into this pay-go requirement when it came to relieving middle-class taxpayers from the alternative minimum tax this last December. And I agree in that instance it was important to waive the pay-go requirement. Because, frankly, if you will recall, the alternative minimum tax was never designed to hit the middle class. But because it was not indexed for inflation this last year, it covered 6 million taxpayers. If we hadn't acted, it would have hit 23 million middle-class taxpayers. So I agree it was appropriate not to require pay-as-you-go principles for that alternative minimum tax that Congress never intended the middle class to have to pay.

As a matter of fact, back in the 1960s, the alternative minimum tax was adopted, as a result of a report issued by the Department of Treasury that said that 155 high-income taxpayers did not pay Federal income tax because of other deductions. But as is typical in schemes designed to "tax the rich,"—we have heard that before—eventually it grows and grows and grows to cover the middle class. So be wary when Congress says: We are only going to tax the rich. That means we all need to put our hand on our wallet because it eventually grows into a middle-class tax.

Another time Congress used the pay-go gimmick, which gives rise to the title of this article called "The Pay-go Farce," was on SCHIP. Now, you will recall that is the State Children's Health Insurance Plan, something we all support on a bipartisan basis. But the way it was proposed by the leadership last year, to fund the 140-percent increase in this program, was a joke. The SCHIP bill included a spending cliff that disguised its actual cost. It assumed spending would rise to \$14 billion by 2012, but then pretended the costs would fall to less than half in 2013, which just so happens to fall outside the 5-year budget scoring window. Some \$60 billion in spending over the next 10 years were hidden through this ploy of creating a cliff in spending, suggesting that somehow Congress would cut this program in half and deny children access to health insurance, something we all know would not happen.

So that is why the pay-go requirement has been called a farce and why I likened it to Swiss cheese. It has so many holes in it, it doesn't do what it has promised to do, which is to restore budget discipline; and it unfairly impacts the ability to provide tax relief to working families in a way that can grow the economy and allow people to keep more of what they earn—money they can use to pay for things like education, health care, and transportation.

As a matter of fact, as a result of the 2001–2003 tax relief that this Congress

voted on and passed in the wake of 9/11, in the wake of the stock market scandals, and with the recession at the beginning of that decade, we saw more than 50 months of uninterrupted job growth in the country, with 9 million new jobs being created. It should not be surprising that tax relief ends up being one of the best stimulæ we could possibly give the economy. We saw Federal revenues at historic highs and that is because more people working means more people paying taxes and more revenue to the Federal Government; and thus the budget deficit reduced from roughly 1.9 percent of the gross domestic product to about 1.2 last year.

So, in closing, I would say this debate we are going to have next week is vitally important, and the question is: Are we going to wreck the Federal budget or will we find ways to help families balance their budget, especially with the economic challenges that they face? It is all about taxing, it is all about spending, it is all about whether we are going to increase the Federal debt, it is all about whether we are going to meet our responsibilities as elected officials to deal with the impending entitlement crisis which threatens to act similar to a tsunami and engulf us in a huge wave of red ink.

Mr. President, I appreciate the courtesy of the majority leader, and I yield the floor.

The PRESIDING OFFICER. The majority leader is recognized.

UNANIMOUS-CONSENT REQUEST— S. 2664

Mr. REID. Before my friend leaves the floor, I have a unanimous consent request to make.

Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 583, S. 2664, which is the 30-day extension of the Protect America Act; further, the bill be read a third time and passed, and the motion to reconsider be laid upon the table with no intervening action or debate.

The PRESIDING OFFICER. Is there objection?

Mr. CORNYN. Mr. President, reserving the right to object, I don't believe this extension includes the immunity provision for the telecoms; thus, I will object.

The PRESIDING OFFICER. Objection is heard.

FISA EXTENSION

Mr. REID. Mr. President, let me say a few words about a number of issues today. I think we have had a productive week. I did wish to say a few words about the FISA bill—the Foreign Intelligence Surveillance Act.

Both the House and the Senate have passed bills to strengthen the 1978 FISA law. The House passed its bill in November, and we passed our bill several weeks ago. Since Senate passage, the chairmen of the Senate and House

Judiciary and Intelligence Committees have been working to resolve their differences between the two pieces of legislation.

Democratic staffers have been meeting to work out a strong and broadly supported final bill, but with the exception of Senator SPECTER, Republicans have instructed their staffs not to participate in these negotiations.

Today, the Republican leader asserted on the Senate floor once again that the Senate bill should be jammed through the House. As my friend, the Republican leader, knows, that is not how Congress works and never has worked that way. The law-making process dictates the House pass a bill, the Senate then passes a bill, or vice versa, and then Members in both Chambers work through their differences in a conference to see if they can work out a compromise.

On numerous occasions, the Republican leader himself has insisted upon following that time-honored method of legislating. On issues such as the Children's Health Insurance, raising the minimum wage, and Iraq war funding, Senator MCCONNELL has refused to jam a House bill through the Senate. But now, he insists we must jam a Senate bill through the House. Demanding the House of Representatives pass the Senate's FISA bill—as is—and refusing to sit down and talk to negotiate differences accomplishes nothing but needlessly delaying final passage of that bill.

I know my Republican colleagues are as serious about protecting the safety and security of all American people as are Democrats. If the Republican leader is interested, and I am sure he is, in getting this done, I invite him to sit down anytime with House leadership and committee chairmen—and I will be happy to be there—to work out a final bill.

Will it be a painful discussion? No, it would not be. Would it take a long time? No, it would not. It would not be a political exercise. It would be an exercise in responsible lawmaking. That is how we have done it for 233 years.

We should be negotiating on a bipartisan basis. A new FISA law that passes with broad bipartisan support in both Houses will provide greater certainty to the intelligence community to make our Nation stronger. That can only happen if Republicans take a seat at the table, and it can only happen if President Bush lays aside the overheated rhetoric and embraces bipartisan negotiations.

In order to facilitate these discussions, we have suggested a temporary extension of the Protect America Act—that is what I just did—that would ensure there are no gaps in our intelligence gathering while we work for a long-term solution. That is common sense. Even Admiral McConnell, Director of National Intelligence, has testified an extension would be valuable. But President Bush has threatened to veto an extension, and our Republican

colleagues continue to follow his lead in lockstep.

The President can't have it both ways. He has said many times: Why don't they extend the legislation? We tried to. He would not let us. So it simply is illogical as to what he is talking about.

Never in our Nation's history has national security succumbed to this kind of political posturing. It is time for my Republican colleagues to withdraw their opposition.

MORNING NEWS

Mr. REID. Mr. President, every morning when I get up, I go out and do my exercise. It takes about an hour. I usually listen to public radio. I am anxious to hear the news in the morning to see what has happened.

This morning, hearing the morning news was very distressing. It was a terrible day both at home and abroad in Iraq. A coordinated suicide bombing killed—we don't know how many at this stage—at last count, about 70 and injured at least 120. We don't know how many, but 120 will die. It happened in a crowded Baghdad shopping district.

A couple days ago, another attack killed 26. A few weeks ago, a horrifying suicide attack on Shiite pilgrims killed about 100. This doesn't take into consideration the kidnappings, the small bombings, and other acts of terror that take place in Iraq every day.

Although it may have receded from the front pages of our newspapers, there is no doubt the Iraqi civil war wages on, with no end in sight.

There are 150,000 brave young Americans in that far-off land policing another country's civil war. Our troops are shouldering an enormous burden of the war, but all Americans are suffering the consequences. We are now spending \$12 billion a month on that war. That is more than \$400 million every day, \$17 million every hour. In my short remarks here, we will wind up spending about \$5 million in Iraq. Mr. President, \$12 billion a month from a country, our country, that is staggering economically; \$12 billion a month to build roads in Iraq while our own roads crumble.

From where does this money come? It is all borrowed. President Bush already burned through trillions of dollars prudently saved by the Clinton administration and has spent trillions of dollars on tax giveaways for big business and the superwealthy.

We are putting the cost of the war on credit cards. Who will pay the bill? My children, my children's children and my children's children's children will be paying this bill. Future generations will be burdened with paying this bill, plus interest; meanwhile, the burden of an economy that is spiraling downward every day.

This morning's news on the economy announced the U.S. economy lost 63,000 jobs last month. When I first started listening to the news this morning,

they expected this report to come out that they expected 5,000 jobs lost. They were 58,000 wrong; there were 63,000 jobs lost—the largest monthly job loss in nearly 5 years. For the second month in a row, our country has lost jobs. We also learned that the number of jobs lost in January was larger than previously reported. The number has been revised up to more than 20,000.

It comes as no surprise that the manufacturing and construction sectors were among the hardest hit. Manufacturing had 52,000 jobs lost; construction, 39,000 job losses. Homebuilders are laying off construction workers as new homes remain unsold. Today, we learned the fourth quarter of 2007 saw the highest level of homes having foreclosure in our history. And now the amount of equity Americans have in their homes has dropped to the lowest level since World War II.

Yesterday, oil went to more than \$106 a barrel. We all remember when we were concerned when it hit \$50 a barrel. It was good news last night because it dropped to \$105.47 a barrel.

The American people are already struggling under the enormous burden of skyrocketing prices for groceries, heat for their homes, gasoline.

I heard my friend, the distinguished junior Senator from Texas, say that during the Bush administration 9 million jobs have been created. That is nothing to brag about. During the Clinton 8 years—this President has been on the job 7 years and going on 3 months—President Clinton created 23 million jobs.

By every indication, things are getting worse. President Bush said this week that he does not believe our country is heading for a recession. This morning, all signs say he is wrong. But regardless of what label we use, there is no doubt whatever that people in America are suffering. There is likewise no doubt that if we do not take action, things will get worse.

The economic stimulus bill we passed last month will help. I am pleased Democrats were able to secure rebates for 21.5 million senior citizens and 250,000 disabled American veterans in the bill that was passed. There is no doubt that an extra \$600 will help Americans pay for groceries, health, and gas. But no one thinks this economic stimulus is enough to turn our economy around. We must legislate the growing housing crisis—the eye of the economic storm.

President Bush, who does not think America is headed for a recession, responded to the housing crisis by directing Secretary Paulson to create a voluntary program to encourage banks to work with homeowners facing foreclosure. Do we need a directive from the President to tell banks to work with homeowners who are facing foreclosure? I hope not.

This week, Secretary Paulson released data on the President's proposal. How did the voluntary approach work? Not very well. Just a drop in the buck-

et. It helps hardly any; some say about 2 percent. For hundreds of thousands, the only thing this offer did was to add on the amount of the missed payment to the amount due. That is not a modification. That will do nothing to help struggling families keep their homes.

The voluntary efforts Secretary Paulson led have had a positive impact but not much. Even one family saved from foreclosure is a good step. But with millions at risk to lose their homes and the news growing worse every day, the Bush administration's voluntary program is not the way to approach this.

Last week, we introduced a comprehensive housing stimulus bill that would help hundreds of thousands of homeowners that the President's voluntary program leaves behind. It has five points to help families avoid foreclosure: First, by improving loan disclosures. Second, we help families avoid foreclosure by increasing preforeclosure counseling funds. Third, we expand refinancing opportunities for homeowners stuck in bad loans. Fourth, we provide funds to help the highest need communities purchase and rehabilitate foreclosed properties. Fifth, we amend the Bankruptcy Code to allow home loans on primary residences to be modified.

How have our Republican colleagues responded to our responsible plan? They blocked us from going forward, stopped us. The Republicans proposed an alternative plan consisting of four concepts. One of these was to change the tort law. This is not the way to go. One of their other proposals was to lower taxes. This is not the way to go.

Just this week, Chairman Bernanke said the crisis demands a vigorous response. He said:

Reducing the rate of preventable foreclosures would promote economic stability for households, neighborhood, and the Nation as a whole. Although lenders and servicers have scaled up their efforts and adopted a wider variety of loss-mitigation techniques, more can, and should, be done.

Those are the words of Chairman Bernanke, a call for our legislation to pass. That is what we need to do. Voluntary programs will not work. We have to move forward. We ask the Republicans to join with us in this most important legislation and stop blocking our ability to stimulate the economy as it relates to housing. They have to stop being beholden to the big banks and Wall Street and be beholden to the people who are in trouble—middle-class America.

We have a few things left here.

My friend from Montana, who has, at this stage of the year, probably the most important job in the Senate, being chairman of the Finance Committee—every problem we have, we go to the Finance Committee to see what we can do to work it out. So I appreciate the good work of my friend from Montana. The people of Montana are fortunate to have this good man as their Senator because we all know that