

Mr. President, I yield the floor.

The PRESIDING OFFICER. The assistant majority leader.

SENATE GRIDLOCK AND ECONOMIC STIMULUS

Mr. DURBIN. Mr. President, I thank my colleague from Texas for speaking to a higher level of bipartisan cooperation in the Senate.

I sensed this in returning to Illinois and out on the campaign trail for my colleague, Senator OBAMA, that this is a sentiment widely shared. The American people understand we have a lot of challenges in this country, and they also understand it is easy to gridlock the Senate.

We had an all-time record number of filibusters initiated by the minority side of the aisle this last year. Sixty-two, I believe, was the final count, which eclipsed the 2-year record of 62 filibusters that had been prevailing. Certainly, we all know how to stop this train in the Senate. Minority rights are well respected by the Senate rules. And 15 minutes into our service in the Senate, you might hear the words "unanimous consent," and realize: Well, I will be darned. If I stand up and object, everything stops. And it is a fact.

Many Senators have used that for valid and invalid reasons, but it has been used a lot. We have one Senator on the other side of the aisle who takes pride in the fact that he has single-handedly stopped 150 pieces of legislation from even being debated and considered on the Senate floor. Many of them are not even controversial.

I hope we find a way around this. I want to respect every Senator's right, but if we truly want bipartisan cooperation, there are ways to achieve that. Using filibusters would not be that; objecting to bills just categorically would not be that approach either. But the one thing the American people certainly want us to do is to wake up and smell the coffee. And this morning, if you woke up and smelled the coffee, you also smelled something burning on Wall Street. What is burning is the Dow Jones Industrial Average. I do not know what it is at this moment, but it has been pretty awful starting this day, and it has been pretty awful for a long time.

It is interesting in American politics that when I first started running for Congress 25 years ago, the most important information for most voters was how many people were unemployed. And the monthly reports on unemployment really kind of fueled the campaign. If a President had more and more people out of work, there was a downturn in the economy and a downturn in that President's popularity. That was historically the standard. But over time we have stopped talking about the unemployment figures as much and tend to watch the stock market a lot more.

I think it has to do with many of us have our retirement savings tied up in

mutual funds and 401(k)s and IRAs. And so what happens is the stock market, at least in the back of our minds, is how I am doing. If the stock market is not doing well, my family is not doing well. So when the news came out yesterday that the bottom is falling out of international markets, and the Dow Jones opens with a tremendous slump of 400 points or more, people understand something is not right.

Last week, the Secretary of the Treasury, Mr. Paulson, called me and many leaders in the Senate and all but acknowledged that we need to do something, and do it in a hurry, if we are going to try to stop this economy from sliding into a recession.

Well, I agree with him completely. If you look at what we have done over the past 7 years, to many of us it is no surprise where we are today. There were many on the Republican side who argued for years and years, and still continue to argue, that tax cuts for the wealthiest people in America are the answer to everything.

If you have a surplus, you need a tax cut. If you have a deficit and need to stimulate the economy, you need a tax cut. You always need a tax cut. This kind of moralistic position of cutting taxes for the wealthiest people in America has been the basic doctrine of the Republicans in leadership for a long time.

They have had their way: President Bush's tax cuts, even though they have generated the highest deficits in our history; a greater dependence on foreign countries and foreign capital than ever before; the fact that the President made history, in an unusual way, in calling for more tax cuts in the midst of a war.

All of these things notwithstanding, our economy is slumping. There are a lot of reasons for that. One of the reasons, of course, is we have ignored the obvious. The strength of America is the strength of our families. And 40 percent of the families in America do not get close to the numbers that Republicans consider to be the right level for tax cuts.

Over 40 percent of the people in this Nation struggle in an effort to pay their bills and really live paycheck to paycheck.

It doesn't take much to derail that family train, whether it is the loss of a job or serious illness or some other catastrophe. These people have not been a priority of the Republican leadership in the Senate, the House, or the White House. Now comes the time when the economy is slumping, and all of a sudden this group that had been ignored for so long by Republicans in their tax-cutting priorities is, front and center, the centerpiece for saving the American economy. Welcome to real America, I say to my colleagues. These are the people who have been struggling for a long time and waiting to be rediscovered. They should be rediscovered.

I am troubled to learn—at least some speculation is out there—that this so-

called stimulus package is going to be limited so that it still doesn't help those in middle-income status or lower middle-income status, those working families who really do put up a struggle trying to get by. You don't have to spend much time out in the real world to meet them. They are not the legendary welfare kings and queens. These people get up and go to work every morning. They work hard. They don't make a lot of money. They struggle with no health insurance or health insurance that is virtually worthless. They struggle with trying to fill up a gas tank. It may be a beat-up old car, but it is their lifeline to get to work, to make a paycheck, to keep things going. They struggle with heating bills in a harsh and cold winter. They struggle with the dream of a college education for their kids and pray they will have a better life. These are the real-world struggles of real families who have been largely ignored in this economic debate in Washington.

When we get down to a discussion of an economic stimulus package, we ignore these families again at our peril. Any stimulus package that fails to acknowledge their need will fail to stimulate the economy. I don't know what the parameters will be. Targeted, temporary—all of these things make sense. But let's make sure we are doing the right thing for the right people.

Many people go to work every day making a minimum income. They struggle to get by. At the end of the day, they pay their taxes but don't have a Federal income tax liability. How can that be? They are paying their Social Security taxes, they are paying the Medicare requirements, all of the things all workers have to pay. But they don't make enough money because of the size of the family to be liable for Federal income tax.

Who are these people? I can give an example. We estimate that 40 percent of all households may not make enough to qualify for one of the proposed stimulus packages. Families of four making less than \$25,000 a year would get nothing. A family of four making \$25,000 a year, if it isn't given a refundable tax credit, will receive nothing by way of a stimulus check.

What does a family do if they are making \$25,000 a year and receives \$1,600, let's say, from the Federal Government? Well, if you are trying to get by on \$2,000 a month, \$1,600 from the Federal Government may be the answer to your prayers. You may finally be able to turn around and buy something you have put off for a long time. You may be able to catch up on some of your bills. Getting \$1,600 when you are making \$2,000 a month is a big deal.

Let's look at the other end of the equation. What if you are making \$20,000 a month and you get \$1,600 more? That is nice. I am sure there is something you can do. Will it change your lifestyle? Will it change the economy? It is not as likely.

That goes back to something I learned a long time ago from a Jesuit

priest who taught economics at Georgetown University called the marginal propensity to save. For every dollar you are given, what is the likelihood you will spend it and the likelihood you will save it? Economists look at that, and they know that if you are in a lower income group, you are less likely to save, more likely to spend, because you are living paycheck to paycheck. If you have a lot of money, you are more likely to save and less likely to spend because you are meeting your needs each paycheck. So when we devise a stimulus package, let's make sure we keep that fundamental rule of economics in mind. Let's make sure struggling families at lower incomes aren't left behind. The fact that they don't pay income tax doesn't mean they are tax free. They do pay taxes for Social Security, for Medicare, other things—sales tax, for example. This is the targeted group when it comes to a real stimulus.

I ask unanimous consent to have printed in the RECORD a letter sent to all Members in leadership on January 18 from John Sweeney. John is president of the American Federation of Labor and Congress of Industrial Organizations, the AFL-CIO. John lays out his priorities, the priorities of his organization when it comes to a stimulus package, a short-term stimulus.

There being no objection, the material was ordered to be printed in the Record, as follows:

AMERICAN FEDERATION OF LABOR
AND CONGRESS OF INDUSTRIAL ORGANIZATIONS,

Washington, DC, January 18, 2008.

Hon. NANCY PELOSI,
Speaker of the House of Representatives, Washington, DC.

Hon. HARRY REID,
Senate Majority Leader, Washington, DC.

DEAR SPEAKER PELOSI AND MAJORITY LEADER REID: As Congress considers legislative responses to current and anticipated weakness in the U.S. economy, the AFL-CIO urges you (1) to include in a short-term stimulus package measures that will have the most impact on the economy and get the "biggest bang for the buck"; and (2) to address the underlying causes of current economic weakness.

SHORT-TERM STIMULUS

It is encouraging that President Bush has recognized the immediate need for an economic stimulus package. Judging from initial reports, however, it appears that President Bush's proposals are too heavily weighted towards tax cuts over much-needed spending, do not address crucial problems facing working families, and do not target tax benefits to those families who need them most and will spend them fastest.

In particular, we are concerned that the President's income tax cut proposal would not be sufficiently stimulative because it fails to target lower-income and middle-income households who, as the Congressional Budget Office (CBO) wrote last week, are likely to spend a larger share of any tax benefit they receive. We are also concerned that the President's proposal to cut business taxes would not be sufficiently timely and, because of the linkages between federal and state tax codes, could trigger economically depressing budget cuts and tax increases by state governments.

While we understand that compromise will be necessary to enact a stimulus package within the next month, we urge you to insist on legislative measures that will have the greatest stimulative impact on the economy and would not lead to economically depressing budget cuts and tax increases at the state and local level.

(1) Extension of unemployment benefits. The Congressional Budget Office (CBO) and Mark Zandi of Moody's Economy.com rank unemployment benefits at the top of the list of possible stimulus choices, increasing economic demand by \$1.73 to \$2.15 for each dollar spent. We urge you to enact a one-year federal unemployment compensation program that provides 20 weeks of extended unemployment benefits in all states; 13 additional weeks in "high unemployment" states with an unemployment rate of 6.0% or more; a \$50 per week benefit increase; and additional administrative funding. We also urge Congress to provide federal financing for states to expand eligibility to lower-income workers, part-time workers, and workers who leave their jobs for compelling family reasons.

(2) Increase in food stamp benefits. Many food stamp recipients are not tax filers and do not receive unemployment benefits, so they would not benefit from a tax rebate or unemployment benefit extension. An increase in food stamp benefits would be one of the most effective forms of economic stimulus, since it would almost certainly be spent in its entirety very quickly, boosting demand for goods and services in the short term.

(3) Tax rebate targeted towards middle-income and lower income taxpayers. The individual income tax rebates proposed by President Bush should be retargeted towards middle-income and lower-income taxpayers, who are most likely to spend the money and thereby stimulate economic activity, by making them available to taxpayers who pay payroll taxes but not income taxes. According to Mark Zandi, a one-time uniform tax rebate would increase demand by \$1.19 for every dollar spent.

(4) Fiscal relief for state and local governments to avoid the economically depressing effect of tax increases and budget cuts. State and local governments are experiencing lower property and sales tax revenues, due to the slumping housing market and slowing economic activity. Tax collections are down in 24 states, and at least 20 states are expected to have budget deficits this year. Since many states have balanced budget requirements, a decrease in revenues can lead to budget cuts or tax increases, both of which intensify the impact of an economic downturn. Congress should provide at least \$30 billion in aid to the states in the form of revenue-sharing grants and increases in the Medicaid match. According to Mark Zandi, state fiscal relief would increase demand by \$1.24 for every dollar spent.

(5) Acceleration of ready-to-go construction projects. Putting Americans to work directly in construction and repair projects is an obvious response to rising unemployment, and would directly create additional demand. Unlike tax rebates, all of this investment would be spent to increase domestic economic activity, none would be spent on imports, and none would be saved.

Furthermore, we believe public investment in infrastructure can be targeted and timely. For example, there is a backlog of at least \$100 billion in needed repairs to U.S. schools. There are 6,000 bridges that have been declared unsafe, and many of these projects are ready for work to begin immediately.

We urge Congress to provide \$40 billion for public investment in infrastructure, including school, bridge, and sewage treatment repair.

ADDRESSING THE LONGER-TERM CAUSES OF ECONOMIC WEAKNESS

We are hopeful that Congress and President Bush can enact a short-term stimulus within the next month. However, given the nature of legislative compromise, any stimulus package enacted within that time frame is likely to be only a down payment on what is necessary to address this country's economic problems—even in the short term. Congress may even need to consider a second stimulus package later in the year.

Congress must also begin focusing today on the most fundamental underlying causes of our current economic weakness. While it is appropriate for Congress to focus on measures that have an immediate economic impact as it crafts a short-term stimulus package, this is no excuse to put our heads in the sand and do nothing about the underlying longer-term problems afflicting our economy.

One of the underlying causes of our current economic weakness is the stagnation of ordinary Americans' incomes. This will probably be the first business cycle in which the typical family will have lower incomes at the end of the recovery than they did at the beginning of the last recession. Wage stagnation, which began in the 1970s, has led to longer working hours, higher consumer debt, and increasing reliance on home equities. But today home values are plummeting, home foreclosures are on the rise, consumer debt is reaching unsustainable levels, and prices for energy, health care, and education are soaring out of reach for many working families.

There are various long-term solutions to the underlying problem of wage stagnation. They include fixing our broken labor laws so that workers who want to form a union can bargain with their employers for better wages and benefits; ensuring affordable health care and retirement security; fixing our flawed trade policies; and reactivating the historically successful fiscal and monetary policies that place a higher priority on full employment. Near-term energy investments in the greening of our energy base would also offer both environmental and economic payoffs in the form of good jobs and improved competitiveness.

Another underlying cause of our current economic weakness is deregulation of the financial sector. The absence of transparency and effective regulation of the mortgage and financial services industries cries out for urgent attention.

Speaker Pelosi and Majority Leader Reid: though we have framed this discussion in the rather dry and impersonal language of stimulus and macroeconomic impacts, there is a human dimension to this story we can never lose sight of. Many, many working families all over this country are barely hanging on and are deeply worried that the steep economic downdraft will pull them off their perilous perch. The real test for any economic proposal considered by Congress in the coming weeks and months should be: what does it mean for them?

Thank you in advance for your consideration of our concerns.

Sincerely,

JOHN J. SWEENEY,
President.

Mr. DURBIN. If Members look at the list of things John Sweeney has highlighted, he understands what I have just described: the rules of economics, the fact that a lot of working families have not been part of the grand bargain in Washington for a long time. John Sweeney says: Let's extend unemployment benefits. That certainly is something on which money is well spent.

Every dollar you put into unemployment benefits increases economic activity by \$1.73, up to \$2.15. It is a terrific boost to the economy, plus it goes to the people who need it the most, the ones who are out of work.

Mr. Sweeney also calls for an increase in food stamp benefits. Many of these people are not tax filers and don't receive unemployment benefits, so they would benefit. They are struggling with their jobs, trying to get by, and many of them still qualify for food stamps.

He also talks about a tax rebate targeted toward middle and lower income taxpayers. He talks about acceleration of construction projects. That is money well spent too. It isn't just the Tax Code we should be looking at. There are other ways to move the economy and do the right thing for America.

One of the things Mr. Sweeney notes in his letter is that there is a backlog of \$100 billion in needed repairs to American schools. He also says there are 6,000 bridges that have been declared unsafe. The Presiding Officer certainly knows that issue well, as chair of the Transportation Appropriations Subcommittee. There is a lot we can do to improve the economy of America by improving the infrastructure. I don't have to remind people what happened in Minnesota not long ago when a bridge failed. People died. It is an indication to all of us that we have to be aware of that need.

This letter I commend to all colleagues because it is a good starting point when we discuss what we can do to this economy to make a difference, a real stimulus package.

This package should be funded at appropriate levels to have an impact on our gross domestic product. The money should go by way of help to taxpayers and their families who truly are struggling. I just have to tell you, if you are making a quarter million a year, the notion that the Federal Government is going to send a rebate check to Members of Congress and people who make dramatically more money—wait a minute; what is this all about? Doesn't it make more sense for us to focus on those folks who are struggling who will spend it, who will energize the economy, than maybe giving enough money for families so that they can put a little extra coat of varnish on their yacht? Is that really an economic stimulus? I don't think so.

I hope we will be able to help those businesses that will create good-paying jobs in America. That is critically important. I hope we will do this in a way mindful of the need for unemployment insurance and food stamps for those who are truly at the bottom and trying to move on with their lives and make a new life for their families.

The Center on Budget and Policy Priorities issued a statement and said that the stimulus plan that some have suggested may fail a test of being effective if it doesn't help families making under \$40,000 a year. Keep in mind that

if you are being paid the minimum wage in America, you are making a little over \$20,000 a year. So even people making twice the minimum wage and more would receive no help from some of proposals made already. We don't need to bypass 45 percent of households, 65 million of them with modest incomes. If a family of four has an income below \$41,000 a year, under some of the proposals being discussed, they receive no help at all. We have to make sure they are included. We have to make certain the economic stimulus package really reaches those who have been left behind by the tax cuts for wealthy people that have been in vogue for so long in Washington.

These families are the strength of our country. These are the people who get up every morning and go to work, raise the kids, and make the neighborhoods and towns that make America strong. It is time for us to try to come together on a bipartisan basis, get an economy moving forward which helps all of us by making certain we don't leave behind those families at the end of the economic ladder who have been ignored for so long.

During the course of this break, I visited with a lot of families. It is hard to imagine sometimes, for those of us who are lucky enough to make a good living and have good health insurance, what these poor families put up with in trying every single month to keep it together. It is a lot of stress and strain. There is no stimulus package we will pass that will wave a magic wand and make their lives miraculously better. But woe to us if we pass a stimulus package which ignores the reality of economic sacrifice and struggle in America. Woe to us if we pass a stimulus package which ends up putting money in the hands of those who, frankly, don't need it as much as others. And woe to us if, at the end of the day, we stay hidebound to some old theories that have not worked and find our Nation sliding into a recession where we will all suffer.

I yield the floor.

The PRESIDING OFFICER (Mrs. MURRAY). The Senator from Montana.

Mr. BAUCUS. Madam President, is the Senate in morning business?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAUCUS. I rise to speak for less than 10 minutes.

The PRESIDING OFFICER. The Senator from Montana has 12½ minutes remaining on the Democratic side.

Mr. BAUCUS. I thank the Chair.

I would like to make two points. First, the Finance Committee held a hearing this morning—in fact, it is going on right now—on an economic stimulus package, pressing the Director of the Congressional Budget Office, Peter Orszag, on various options that will stimulate the economy the most and what options will help people who need their money the most. That is not just all Americans who pay income taxes but people who don't pay income

taxes, people who don't pay payroll taxes but file because they think, as good Americans, they should—they have no income tax liability and no payroll tax liability—and also some senior citizens who file income tax returns but who do not have any significant income tax liability. The fact is, if the rebate alone were to be given to anybody who files an income tax return, which was not the case with the 2001 rebate program—that applied only to people who paid income taxes—if a rebate were to apply to all filers irrespective of whether they paid income tax, that would reach 90-plus percent of all Americans. Add to that extending unemployment insurance benefits and food stamp benefits, I think that package would really help people who need it the most.

There are various ways to put this together. I even suggested as a possibility, so as not to spend more than we should on a total package, that whereas the President is suggesting an \$800 rebate for individual filers and a \$1,600 rebate for couples, that could be significantly cut down, but give a bonus to households that have children so that a couple with two or three children would get an additional, say, \$400 bonus per child in addition to the, say, \$400 or \$500 payment an individual would get or, say, an \$800 check that a couple would get.

My point is, the Finance Committee is exploring different ways to make sure we do what is best. Of course, it will depend on some negotiation with the White House and both Houses of Congress. But I want to make the point clearly that we in the Finance Committee are doing our level best to try to find what works best, to get the greatest bang for the buck, with a view toward getting a stimulus package passed quickly, not loading it up with measures that are going to bog it down and prevent passage.

INDIAN HEALTH CARE IMPROVEMENT ACT

Mr. BAUCUS. Madam President, I rise to speak briefly on the next order of business, and that is the Indian Health Care Improvement Act.

In the 1939 WPA Guide to Montana, it is written:

The Indian attitude toward the land was expressed by a Crow named Curly.

He was from the Crow Indian tribe. Here is what he said:

The soil you see is not ordinary soil—it is the dust of the blood, the flesh, and the bones of our ancestors. You will have to dig down to find Nature's earth, for the upper portion is Crow, my blood and my dead. I do not want to give it up.

But over our long national history, we all know, sadly, the Federal Government repeatedly separated America's original inhabitants from the land they so dearly loved and continue to love. As a result of that sad and sometimes dishonorable history, as a result of treaties, statutes, court decisions,