

rule? Is the Senator from West Virginia aware of the rule? Yes.

The Senator from West Virginia will take his seat. I thank the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. BROWN. I ask unanimous consent that the Senate now stand in recess under the previous order.

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 2:15 p.m.

Thereupon, the Senate, at 12:25 p.m., recessed until 2:15 p.m. and reassembled when called to order by the Presiding Officer (Mr. CARPER.)

RECOVERY REBATES AND ECONOMIC STIMULUS FOR THE AMERICAN PEOPLE ACT OF 2008—MOTION TO PROCEED—Continued

The PRESIDING OFFICER. The Senator from Maryland.

Mr. CARDIN. Mr. President, let me first express my disappointment that we are not able to vote on the economic stimulus package. That package was reported out of the Senate Finance Committee last Wednesday. Each of us had plenty of opportunity to review the report from the Finance Committee and the provisions they added to the House package. For reasons I cannot understand, the Republican leadership is denying us the opportunity to act quickly on the package.

One of the major criteria for the economic stimulus package is it must be timely. The House took it up, passed it. Now it is our turn. We are ready to act. We have the bipartisan recommendations from the Senate Finance Committee. Now it is time for us to take action.

These are very difficult times. Let me review some of the most recent economic news. It is not good. The stock market is 11 percent lower than it was last October when it reached its peak. The price of oil has reached \$100 a barrel. That is causing hardships for many families. Last month we saw job loss, an actual decline in employment for the first time in 4 years, a shrinking workforce. The President submitted his budget. He is showing the deficit, by his own numbers, increasing from \$162 billion to \$410 billion. That debt does not include the use of Social Security surpluses. It does not include such things as paying for the alternative minimum tax that we know we will have to deal with. We have tough economic times.

When one looks at the housing market, there is reason to be concerned. In 2007, home sales were down by 13 percent over 2006. There are over 4 million properties currently in inventory, a very high level of homes that can't seem to move off the market. We are all concerned about the subprime foreclosure rates. It is estimated now that we could have as many as 2 million

subprime foreclosures by the end of next year. There are many ripple effects to what is happening in the economy. I was talking to some people in Baltimore, where we have the General Motors transmission plant. They were telling me that their sales of light trucks are down because of the housing industry, because so many of the people who work in the housing industry need light trucks. We have lost jobs in Baltimore as a result of what is happening in the housing market.

Another interesting fact, it is affecting local governments. It is now estimated that as a result of the decline in housing values, local governments will lose close to a billion dollars in property tax revenues. There is a real ripple effect to what is happening in our economy.

We have a responsibility to act. I congratulate the Federal Reserve for taking action on the prime rate. That was helpful. It was directly helpful in reducing interest rates, but it was also a clear signal that the Fed is going to operate to help the economy. So should we. For us to be effective, we must be timely. To be timely, we must vote on this bill. I am extremely disappointed that we can't use the time we have available today to take the necessary votes so each Member can cast their vote as to whether they agree with the Finance Committee, and then we can move on and send this bill back to the House and hopefully to the President within a short period.

I am pleased with the work of the Finance package. Another major point about a successful economic stimulus package is that it should be targeted to those programs that will help create job opportunities immediately. It is short term so it needs to be targeted. The Senate Finance package incorporates what the other body did in rebates to taxpayers, providing business relief through expensing and depreciation, but it goes further with some relatively modest changes in the total dollar amount but extremely important, if we want to make sure the economic stimulus package is targeted to those who need it and will help our economy. It also should be targeted to be fair, looking after the people who need help, the people who have been disadvantaged by a downturn in the economy.

The Finance Committee is recommending that we include low-income seniors. Low-income seniors are hurting today. They don't know where they are going to get the money to buy food or pay utility bills or medical expenses. There is a misconception that seniors have this wonderful health care system called Medicare. Seniors as an age group have the highest amount of out-of-pocket health care costs of any age group. Seniors are being hurt by the high cost of fuel. Seniors need help. Why should we leave them out of the package? Certainly, if we want to target it to those who will spend some money to generate economic activity,

low-income seniors should be high on the list. Looking at it from the point of view of fairness, we should want to include low-income seniors. Quite frankly, I believe it was an oversight by the other body. I don't think this is controversial. It should not be controversial. That should be clearly added to the package. I congratulate the Finance Committee for including low-income seniors.

The Finance Committee also included disabled veterans. Those receiving disability benefits would qualify for a rebate. Let me talk about a matter of fairness. We are talking about men and women who answered our Nation's call who are now receiving disability benefits. That, again, was an oversight by the other body. They clearly wanted to include disabled veterans in the tax rebates we are putting forward. I don't believe this is a controversial issue. It is a matter of fairness, a matter of people who will help our economy, targeting the economic stimulus properly.

The Senate Finance Committee package also included an extension of unemployment insurance benefits. I want Members to concentrate on this one. When you have economic downturn, people lose their jobs. When they lose their jobs, in many cases their sole source of income becomes unemployment insurance compensation. The money we give as a safety net into which they paid through employment taxes—it is their money—is an insurance program. When we go through an economic downturn, it is more difficult for someone who has lost a job to find a job, because there are less jobs available. Historically we have extended the traditional 26 weeks of unemployment benefits beyond that, when we have an economic downturn. The Finance Committee said, as a matter of fairness, we should extend those benefits by an additional 13 weeks. For those States that have high levels of unemployment, we should go to 26 weeks of additional benefits. That is certainly the fair thing to do, because they are the people mostly hurt by the downturn in the economy. If our criteria is to target money into people's hands who are going to spend it if that is their source of income, we know that is going to get back into the economy. So it will help our economy to extend unemployment benefits.

The Finance package also includes an energy package to provide incentives for businesses to move toward more efficient energy sources and more environmentally friendly energy sources. It would include a package that will allow us to energize the economic sector for what we call green jobs. We know we need to change our energy policy. We know we need to be more sensitive to the environment. We need to be energy independent for national security so we don't depend upon other countries who are unfriendly toward us for our energy needs. We need to do that in order to deal with the problems

of greenhouse gas emissions and global climate change. We need to get on with an energy policy for our economy. We can't sustain abrupt increases in energy costs because of the whim of oil producing countries. For all those reasons, we need to be energy independent. We all agree—and I have talked to my colleagues from around the country on both sides of the aisle—that we have to unleash the creativity of America's businesses and the creativity of our free market. This package coming out of the Finance Committee provides the tools so American businesses can respond to the needs we have on creating alternative energy sources and a greener and more friendly environmental energy policy.

The package also includes the net operating loss so businesses that have lost money can benefit from this economy and can stay in business and can try to help our economy. It also includes a very important provision that Senator KERRY offered dealing with mortgage revenue bonds. Part of the problem we have in the housing market today is what we call a credit crunch. We also have people who are suffering from subprime mortgages and need some help as far as refinancing. The revenue bonding authority to local governments will help in both cases. It allows local governments to buy these mortgages. In many cases they will be below par. They will buy them for their value, but then they can refinance the property so people who are living in these homes can stay in them and are not going to be subjected to potential foreclosure. It is certainly in our interest to provide that help. It will also help with the credit crunch because the more money out there, the more dollars that will be available.

As I think I related earlier stories I have heard from the State of Maryland, I can tell you about homeowners in Salisbury trying to sell their homes, but they can't because the buyers can't get a mortgage. Everybody is being affected. So the package that includes the mortgage revenue bonds is important. The problem in our economy was triggered by the housing market. It wasn't caused by the housing market. There are a lot of problems out there, and it was certainly not the cause, but it was triggered by the housing market. So our stimulus package should try to deal with that. The Finance Committee package deals with it.

I thank the majority leader for adding one substantial change to the Finance package. He did that because there was bipartisan agreement. We have had Senators on both sides of the aisle urging that the package include help for LIHEAP, low-income energy assistance for families who can't afford their utility bills. The package will include some help for that group. There is consensus that we need to do that, but it is also part of the economic downturn, families who cannot afford and have to make the decision between food and energy. This will help them a

little bit. The money will get right back into the economy, helping to stimulate the economy and helping us make this downturn as brief as possible so we can grow our economy.

This is a short-term economic stimulus package. It is important for us to act quickly. I am disappointed that we are being stalled by the Republican leadership and not having a chance to vote on it as promptly as we should. We are ready to vote. We know what is in the package. We should be voting on it and getting it back to the House so we can get to it conference and to the President as quickly as possible. It is short term. It will help stimulate the economy.

Then I hope we will see the same type of bipartisan cooperation between the White House and the Democratic leadership in the House to deal with deep problems we have in our economy. These are more long term. We are not going to reverse it overnight. These are not appropriate to be included in the short-term economic stimulus package that is on the floor. But these are issues that need to be dealt with. Quite frankly, I don't think they can wait until a national election. We need to work on them this year. We are in business. Let's get some work done. Let's work together, Democrats and Republicans. Let's stop stalling. Let's use the time this year to work on the problems of energy independence. We could take a major step forward. I have heard my colleagues on both sides of the aisle talk about how, if we would make a Manhattan type commitment or a commitment as we did to put a person on the Moon, we could become energy independent in a relatively short period of time. We have to start on that.

In 2007, we passed an energy bill that was a good bill. But it certainly didn't move as far as most of us wish to see us move. Let's move forward on that proposal. There is a proposal coming out of the Environment and Public Works Committee that contains a step forward on America being a leader on dealing with global climate change that the Presiding Officer worked on. So this is a bill that I think is very important that we move forward on. We can get it done this year. Let's not wait. Let's use the spirit of cooperation and understanding. This economic downturn occurred because we didn't pay as much attention as we should to the underlying problems of our country.

Let's get on with health care. Let's get a bill to the floor that will at least help start to deal with those who are uninsured, take on some of the major cost issues in our health care system, whether it is the high cost of prescription drugs or the high cost we pay because people don't have insurance so they go to emergency rooms or the need for medical technology so we have a more efficient system, a better use of preventive health care so people can get the care in a less costly way.

Let's move on in 2008. Let's not lose that opportunity, because it is going to

take us years to accomplish those goals. We are not going to accomplish them overnight, but we need to get it done.

By the way, let's also take a look at this budget that was sent to us. I am glad to see my colleagues on both sides of the aisle raise very serious problems with the President's budget. Let us this year come together on a budget that starts to bring us into balance. We started with this administration 7 years ago with a budget that was in surplus. I was proud to be a part of the Congress that brought that budget into balance. We are going to have to do that again, but let's start in 2008. We don't have to wait until 2009. Let us start to get these problems resolved. If we do, we will be on a much sounder economic basis and we would not have to worry about another trigger coming along that causes us to go through another economic downturn with people being hurt.

But our responsibility at this moment is to deal with the short-term economic stimulus package. That is the opportunity we have that we can get done this week. That bill we can get to the President this week. Every day is important. I know I speak for most of the Members of this body that we want to get it done now. The choice is clear. We have the package, the bipartisan package from the Senate Finance Committee. Let's bring it up and vote on it and let's move forward. I would urge my colleagues to do that.

Mr. President, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CONRAD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. CONRAD. Mr. President, yesterday, we received the President's budget for this year and for the next 5 years. I wish to take a few moments to comment on that and then on the need for a stimulus package given what is happening in the economy.

First, I wish to indicate that we have seen under the President's leadership a dramatic deterioration in the budget circumstance for the country. Last year, the deficit was about \$160 billion. They are now forecasting, the administration is forecasting that under its budget proposal, the deficit for this year will reach \$410 billion, the second biggest deficit in dollar terms in our Nation's history, and for next year, again a deficit of more than \$400 billion.

This does not tell the whole story. This is the deficit story. The debt story is far more serious. As I have been saying for a number of years, the debt is the threat. However, we will never hear the word "debt" leave the lips of this President. Never. We will never hear him talk about the growth of the debt.

We will never hear him discuss the threat of the debt. We will never hear him discuss a plan to deal with the debt. It is as though the debt of the country for this President does not exist. Why? Well, perhaps because the debt is growing far more rapidly than the deficit.

(Mrs. MCCASKILL assumed the Chair.)

Mr. CONRAD. Madam President, the President says the deficit for 2008 will be \$410 billion. If you look at his proposals, you see the debt will increase under his plan by more than \$700 billion. Let me repeat that. Under the President's plan, the debt will not increase by the advertised deficit of \$410 billion; the debt will increase by more than \$700 billion.

Why the big difference? The biggest reason is that, under the President's plan, nearly \$200 billion in Social Security money is being taken to pay other bills. If you were doing that in the private sector, if you were taking retirement funds of your employees to pay operating expenses, you would be on your way to a Federal institution. But it would not be the House of Representatives or the White House; you would be on your way to the "big house" because that is a violation of Federal law. But here the President can propose a budget that does it. In fact, that is what he has done the entire time he has been in office. He has taken trillions of dollars in Social Security money and used it to pay other bills. The problem with that, of course, is that while none of it is counted in the deficit calculation, it all gets added to the debt. The result is that here is what is happening to the gross debt of the United States. At the end of the President's first year—and we don't hold him responsible for that year because he inherited a budget from the previous administration—the debt was \$5.8 trillion, the entire debt of the U.S. Government, the Federal Government. We now see that at the end of 2009, which is the last year he will be responsible for, the debt will be \$10.4 trillion. So he will have increased the debt of this country by 80 percent in 8 years. What a disastrous legacy this is. He has us on course to have more than \$13 trillion in debt by 2013. This is before the baby boomers retire. We cannot pay our bills now. Can you imagine what is going to happen when we double, in very short order, the number of people eligible for Medicare and Social Security?

Madam President, perhaps of even greater concern is what this President has done to foreign holdings of our debt. It took all of these Presidents pictured here on this chart—all of the 42 previous Presidents—224 years to run up a trillion dollars of U.S. debt held abroad. This President has more than doubled that amount in just 7 years. He has added over \$1.3 trillion of foreign-held debt in his 7 years. That means we now owe the Japanese nearly \$600 billion; we owe the Chinese a sum ap-

proaching \$400 billion; we owe the British over \$300 billion; we owe the Koreans over \$40 billion. That is the legacy of this administration.

Now the President comes with his budget, and says he is going to start doing something about the spending side of this equation. He said: I want to cut Medicare and Medicaid over the next 10 years by \$600 billion. No, I didn't misspeak. That is what is in the President's budget. He wants to cut Medicare and Medicaid \$600 billion over the next 10 years. That is health care for those who are Medicare eligible—largely the senior citizens of this country. The President wants to cut that by \$600 billion.

At the same time, in the same breath, in the same budget, he says: While we are doing that, let's cut taxes another \$2.2 trillion. Let's dig the hole even deeper and add more to the deficit and debt. Let's go more in hock to the Chinese, the Japanese, and anybody else who will loan us money.

Madam President, these numbers of the President substantially understate how serious it is. Why? Because, magically, he has just left things out. On the war, the President has no costs beyond the first half of 2009. The President said there should be no timetable on Iraq. He has just provided the timetable, hasn't he? He provided the timetable for withdrawal in his budget because he says there is going to only be funding for next year. The President, who said he is against a timetable for withdrawal, just wrote one. His timetable is provided in his budget. He says that after 4 months of next year, there is not going to be any funding for the wars in Iraq and Afghanistan. How much will be spent for the wars in 2010? He says zero. Next year, it is \$70 billion, after spending nearly \$200 billion this year. This budget charitably can be called a great work of fiction because it bears no relationship to any reality.

In addition, regarding the alternative minimum tax, which everybody says has to be fixed, he has the money to fix it for 1 year. He doesn't have a dime to fix it for any of the next 4 years after that. So we are talking about hundreds of billions of dollars that are not in this budget.

Finally, for the fourth year in a row, for the first time in any administration's history, the President provides no spending details past this coming year. So he has the cuts in there, but he doesn't tell you how they are going to be done. More make believe, more fantasy, and more fiction—that is what this budget is all about.

Madam President, the war cost \$193 billion this year. Next year, it will only cost \$70 billion—that is what the President says. That is in this budget. Can anybody believe it? I have not found anybody who does—not if the President's policy is pursued.

In terms of the priorities of this budget, they are also subject to serious question because if you look at the rel-

ative priorities of what the President has proposed, here is what you see.

For those who earn over \$1 million a year, the cost of the President's tax cuts for that category of earners will cost \$51 billion in 2009 alone. Let me repeat that. The cost of the tax cuts for those earning over \$1 million a year will be \$51 billion in 1 year alone. On the other hand, the President says we have to cut low-income heating assistance by \$400 million. So you don't have \$400 million for low-income heating assistance, but you do have \$51 billion for tax cuts for the wealthiest among us.

The priorities continue in that same vein. It would take \$826 million to restore the cuts to education that are in this President's budget—\$826 million for 1 year. Again, the President says, no, it is far more important—if you do the math, he is saying it is more than 60 times as important to provide additional tax cuts for those earning over a million dollars a year, because the tax cuts for that category—the cost of the tax cuts are over \$51 billion for next year.

The same is true in law enforcement. In many ways, this is the most startling. The President says eliminate the COPS Program, which has put more than 100,000 police officers on the street. The President says forget it, cut it 100 percent. No additional police on the street. What sense does that make when crime is rising? He doesn't say cut it; he says eliminate it. It would cost \$596 million for 1 year to restore that program. Again, the cost of the President's tax cuts for those earning over \$1 million a year is \$51 billion. That is almost 100 times as much as restoring funding for police.

If we look at specific proposals by the President in this budget, we see he proposes cutting the COPS Program, as I have indicated, by 100 percent; weatherization assistance, cut that 100 percent; first responders—the aid to our firemen and our emergency personnel—he says cut that 78 percent; clean water grants, cut that 21 percent; community development block grants which help our cities—and every mayor will tell you these are the most flexible funds they get from the Federal Government—cut that 20 percent; cut low-income energy assistance 17 percent.

Madam President, that brings me to the subject of the need for a stimulus package. Economic growth, we are seeing, has slowed dramatically. The Congressional Budget Office says economic growth is going to slow to 1.5 percent this year.

By the way, all of the numbers I used, and the President's budget—do you know what economic growth number he used? He didn't use 1.5 percent, which comes from the nonpartisan Congressional Budget Office. He says the economy will grow at 2.7 percent. So all those numbers I showed are the best-case scenario, because he has a rosy scenario with respect to what economic growth will look like. If we look at the last quarter of last year, what

happened to economic growth? It slowed to six-tenths of 1 percent. That should be a tipoff that we have a problem.

Here is what is happening to the housing industry. They are not in a recession; they are in a depression. Here is what happened to new home building. It has gone from a peak in 2006, and it has virtually collapsed. We just met with the homebuilding industry. They say this is the worst downturn since the Great Depression. That ought to get somebody's attention.

Energy costs are spiking. We know what happened to fuel prices, fertilizer prices, home heating fuel, gasoline, and diesel. As a result of that, consumer confidence has taken an enormous hit.

Here is the index of consumer confidence, which was down very dramatically as we went through the months of last year and into the early part of this year. This is what signals that we are in serious territory and that the economy is seriously at risk.

The unemployment rate has risen sharply over the past year. We saw in the last jobs report that we actually lost 17,000 jobs. This was stunning to most economists, who were forecasting there would continue to be slow but modest job growth. Instead, it appears the economy hit a wall.

Madam President, this is what the Federal Reserve Chairman told us on January 17:

Any stimulus program should be explicitly temporary, both to avoid unwanted stimulus beyond the near term horizon and, importantly, to preclude an increase in the Federal Government's structural budget deficit.

He went on to say about an effective stimulus:

There is good evidence that cash that goes to low and moderate income people is more likely to be spent in the near term. . . . Getting money to people quickly is good, and getting money to low and moderate income people is good, in the sense of getting bang for the buck.

Here are the elements that represent improvements in the Senate stimulus package. We cover 20 million seniors who were not covered in the House package, and 250,000 disabled veterans are included in the Senate package but not in the House's. We have higher rebates for low-income households—\$500 versus \$300. It extends unemployment insurance benefits, which gives us the biggest bang for the buck. We prohibit illegal aliens from receiving rebates. That was not brought to their attention in an effective way, so, unfortunately, it is conceivable that illegal aliens could get rebates under the House package. We have prevented that in the Senate package. We also have better targeted business provisions, especially the net operating loss carryback. I am proud to have authored an amendment that losses in 2008 could be carried back to profitable years, so that companies that are in this depression—those in the homebuilding industry—will qualify for assistance to prevent them from having even steeper layoffs and cuts.

Finally, we encourage investment in alternative energy. Let me just point out that some say, in terms of incentives, that the extension for 1 year, for example, of the wind energy tax incentives, that is not stimulative. Really?

Tell that to the company in North Dakota that makes the big blades for wind turbines. They have told me, if the wind energy tax provision is not extended, they are going to start laying off people. They employ hundreds of people in my State. When people say the energy package is not stimulative, I tell you in my State it is because we have manufacturing facilities that make the giant blades for the wind turbines.

I have commented on the President's budget because the President is going to dump a debt bomb on the desk of the next President. That is what is going to occur. He has nearly doubled the national debt. He has it going up at a rate of \$800 billion a year, not the \$400 billion of deficit we read about in the paper. The debt is going up twice as much, \$800 billion a year, after this next year when it is going up \$700 billion.

The next President is walking into a fiscal meltdown of historic proportion. This President has been the most wildly irresponsible fiscal steward in this country's history. That is a fact. The next President and the next Congress better get ready because they are walking into an absolute fiscal quagmire.

I yield the floor.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Madam President, I ask unanimous consent that following my remarks, the Senator from Michigan be given 10 minutes, the Senator from Colorado 10 minutes, and if any Republicans come to the floor seeking recognition, that they be intervening between the Democrats.

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

Mrs. MURRAY. Madam President, first, I thank our budget Chair, Senator CONRAD, for presenting to us what has been given to Congress to consider from the President and the White House concerning our budget. I, too, am here this afternoon to talk about President Bush's proposed budget because, as we all know, we began debating it in our Budget Committee today. We have all had a look at this proposal now, and I think many of my colleagues on the Budget Committee agreed we could say it was nothing short of being dishonest and irresponsible and, frankly, unacceptable to many of us.

We are facing some pretty serious problems in this country today, but the budget President Bush sent to us on Monday fails to take any of those challenges into consideration. We are out here trying to pass an economic stimulus package in response to the fact that more than 1 million workers lost their jobs last year in this country. Across the country, we are seeing un-

employment claims rise. People are very concerned about what is happening to their paychecks. They are worried about whether they are going to be able to pay for food or their mortgages in the future.

On top of that, we see as many as 2 million Americans who are losing their homes because of the current subprime mortgage crisis. Economists now are telling us that problem is going to get worse before it gets better.

So here we are, and the President sends his budget to us on Monday. It is his eighth and final budget request. He had a chance to send us a budget that would set us off on a fiscally responsible path, one that would help us strengthen this economy, invest in our country's future, and help those families who are struggling today to keep their homes and pay their bills. But instead, the President gave us more of the same, more of what we have seen for the last 7 years. Instead of taking steps in his final budget to help American families get back on their feet, he cut programs, such as heating assistance and job training. Can you imagine how that feels if you are worried about how you are going to pay your home heating bill or if you just lost your job?

Instead of laying the groundwork to reduce our debt, which the chairman of our Budget Committee, Senator CONRAD, has repeatedly told us is a huge issue facing us, instead of dealing with that, he gave us a dishonest budget that fails to state the true cost of war. He sent us a budget that put out a blueprint of \$70 billion. He is asking \$190 billion or \$200 billion for this year alone. Does that mean the President is going to bring our troops home? No. He is simply being dishonest about what his programs and his proposals cost. The budget he sent us is going to require us to borrow billions from foreign governments to meet our expenses. I think that is irresponsible.

Over the last 7 years, America has paid dearly for the investments this President has failed to make, and this year in his budget we see nothing different. The Bush budget that was sent to us cuts critical programs at the Veterans' Administration, including medical research. When we have veterans coming home today who have post-traumatic stress syndrome, who have traumatic brain injury, who have lost their limbs, who are suffering from very debilitating issues, he cuts the medical research budget. He cuts funding for extended care facilities, even though we know the number of troops coming home who will need extended care is growing. And he asks the next generation of combat veterans to risk their lives in Iraq and Afghanistan and then says to them they are going to have to pay for part of the cost of their health care as a result of their serving this country.

The budget proposal he sent us cuts \$484 million from critical workforce training programs right at the time that 7.7 million people are out of work

and asking: How can I get trained for the next job out there?

The budget he sent to us, as Senator CONRAD talked about, freezes Medicare reimbursement levels for our hospitals, for our hospices, for ambulance services, and long-term care facilities, even though it threatens access to facilities that are already stretched to the limit. This is going to affect every one of us who will need access to our hospitals, long-term health care facilities for ourselves and our parents in the coming years.

And for the fourth year in a row, amazingly, the President is proposing deep cuts to community development block grants. These are programs that every mayor in every city has told us are the most flexible dollars the Federal Government sends to them that helps them create jobs right at a time when they are facing these tough economic times.

Sadly, the President is slashing funding for section 8 and other low-income housing programs, even as more of our families are set to lose their homes than at any time since the Great Depression.

In the last 7 years, we have gone from a budget surplus to a record deficit, our roads and our bridges are crumbling, and we are paying for a misguided war on the backs of our grandchildren. People desperately want to see leadership that invests in those priorities and helps begin to turn this economy around.

People at home say to me: Invest in our future at home. But sadly, I think the legacy of this administration is going to be red ink and broken promises.

We have some hard work ahead of us as we try to repair the economy and build a budget in the Congress that matches our country's real priorities. That was pretty obvious today at our first hearing of the Budget Committee.

During that hearing, we listened to our OMB Director, Mr. Nussle. He talked a good game about wanting to work with Congress on his budget. But when we began to ask him critical questions, it was pretty clear how little President Bush and his Cabinet understand the priorities of the American people today. It was clear when I asked Director Nussle about why the President is proposing deep cuts to the Veterans' Administration construction budget when thousands of new veterans are entering the system every year.

We all remember what happened at Walter Reed a year ago, when it exposed the deplorable conditions at our VA facilities across this Nation, where we are sending those Iraqi war veterans and veterans from previous wars in horrible conditions. He stood with us and said we are going to fix this situation. Yet today, we get a budget that cuts the construction budget. How are we going to rebuild those facilities and make them into a place Americans can be proud of if the President doesn't ask for the money to do it? It was clear

when Mr. Nussle refused to estimate the full cost of the Iraq war even for this year that they were not serious about this budget.

Just like any American family that is sitting down to balance its own checkbook, we are going to have some pretty tough decisions ahead in this Congress. We have to do it now. We have to be honest about what our obligations are and the expenses we face. It is time we take stock of our finances and get our books back in order. We have to invest in the priorities of America's families, and it is going to take a true commitment, but that is certainly something the President's budget failed to do.

We need an economic plan that works for everyone in this country. We need the economic stimulus package that we are trying to get passed that the Finance Committee did an excellent job in the Senate to put forward that will help provide short-term economic stimulus that is dramatically needed. Beyond that, we need a budget that invests in the American people and their priorities so our families can begin to feel strong once again. That is how we are going to get this economy moving.

It is time for a change, and I am looking forward to getting it started now.

I yield the floor.

The PRESIDING OFFICER. The Senator from Michigan.

Ms. STABENOW. Madam President, I first lend my voice to that of the Senator from Washington and the Senator from North Dakota, our distinguished chairman of the Budget Committee. I, too, am a member of the Budget Committee and am extremely disappointed that the President's budget this year is simply more of the same, in some cases worse—higher deficits, more cuts in a number of areas, and certainly the wrong priorities for families in America. It takes us in exactly the wrong direction from where we need to be going.

We are going to do what we have done in other years, which is put forward a very different vision for America, one that focuses on paying down the debt rather than increasing the debt, focuses on health care and education and investing in areas that will clean our water and our air and protect our lands and focus on the economy and good-paying jobs for middle-class families who are being hurt all across this country.

We heard today a larger number than I have even been using about what is being spent on this war. The number now is \$16 billion a month, \$4 billion a week on this war, and yet at the same time, the President believes we should eliminate funding for the COPS Program for local police officers and firefighters, makes dramatic cuts in Medicare and Medicaid, health care programs, cuts 48 different educational programs, and the list goes on and on.

I am looking forward, as a member of the Budget Committee, to put forward

a very different vision. We intend to change the priorities of this country and put them back on those priorities that directly affect middle-class families and help them survive and thrive in an economy that is having a very tough time, where they are being hit on all sides with increased costs.

I wish to take a moment to speak about the stimulus package. As a member of the Finance Committee, I am very pleased with what we have been able to do working together on a bipartisan basis to come forward, again, with something that reflects a stimulus in the short run and focuses on critical areas, and we make sure a number of folks who were left out of the House package are not left out.

We start with 20 million seniors. I should also say we are going to have in this body two votes: a vote on whether to include 20 million seniors or a vote on whether to leave them out. That is the reality. Unfortunately, seniors on fixed incomes, whose only income is Social Security, have been left out of the House package. We, on a bipartisan basis, have put it into the Senate package.

So the question will be: Do my colleagues support and join with AARP and all the senior organizations that have been pushing and advocating and sending cards and letters and phone calls and urging us not to forget them, will you join with them, 20 million seniors, or will they be left out? We also want to make sure our disabled veterans are not left out.

I am proud of the fact that we, in this new majority, this Democratic majority, have put veterans health care at the top and last year included real improvements in health care funding for the first time since that war began—the largest funding increases to support our veterans since the war began. This is another step in supporting our veterans. Two hundred and fifty thousand disabled veterans will be left out if the House bill is passed.

So we have a choice when we vote. We vote yes on 250,000 veterans—our disabled veterans, who have given more than I will give or most of us will give for our country—250,000 disabled veterans get the rebates and are part of the stimulus or they are not. The Senate package puts them in, the House package leaves them out.

There is another very important piece of this package, and that goes to the question of millions of middle-class Americans, who, through no fault of their own, have found themselves in a situation without a job. I have spoken many other times on the floor about the reasons for that—from not enforcing our trade policies and not investing in the technologies and the infrastructure and the things that we need to be doing to grow a 21st century manufacturing base and to be able to keep manufacturing jobs, middle-class jobs, all across this country.

There are many reasons for the fact that we have millions of people who are

currently unemployed, but the fact is we do. We have middle-class Americans who find themselves on unemployment insurance, which pays about 40 percent of the normal wage, while they are trying to keep the house, keep up the mortgage payment, put food on the table, keep the lights on, pay for the kids' clothes that they need, and to put gas in the car so they can survive until they can get that next job.

Now, some have said, well, it is not that bad. I come from a State with the highest unemployment in the country. We have about 7.6 percent unemployment, and we are seeing not only in Michigan and a few States around the country that have been hit first, that this unemployment situation is beginning to creep out into millions of people, millions of middle-class families all across the country. So we are now hearing from Goldman Sachs and from the Bureau of Labor Statistics that while, as of January of this year, the unemployment rate was 5 percent, by next year the prediction is 6.5 percent. That is not Michigan, that is nationally. That is national unemployment.

So one of the things that is important about the Senate package is that instead of being behind the curve—and economists talk about our being behind the curve on a stimulus—we actually are putting in place a way to respond quickly to be ahead of the curve; to be there to extend unemployment compensation for 13 weeks and an additional 13 weeks if you hit this 6.5-percent unemployment, which, unfortunately, too many are saying we will reach. I hope they are wrong. I hope it goes in this direction. I certainly hope it goes in this direction for the great men and women in Michigan who have been working so hard. But the reality is it is most likely to be going in the direction of the 6.5 percent.

So for millions of middle-class families that have done nothing but play by the rules, care about their families, working for the American dream, proud to be Americans, sending their children or husbands and wives off to war, this package in the Senate will give them the dignity of knowing they can keep the household together while they are looking for their next job.

Now, a lot of folks say, well, this is going to discourage—in fact, I heard this from the Secretary of the Treasury this morning in the Finance Committee—that this may discourage people from looking for a job. Well, let us look at the reality of this. Let us look at the reality of what is happening right now in an economy where we have not focused on making sure we have a strong middle class, where we have not focused on enforcing our trade laws, where we are exporting jobs, not just products. Let us look at what is happening right now.

We have 7.7 million Americans—7.7 million Americans—competing for 4 million jobs. That is the reality in America today. So when we talk about the need to support and to help those

7.7 million Americans, this becomes absolutely critical as we look at our economy. The good news is that every economist, from the most liberal to the most conservative, as well as the Congressional Budget Office and so many others, has said that one of the best ways to stimulate this economy, in the short run, is to extend unemployment benefits. For every \$1 in benefits, you generate \$1.64. For every \$1 that you put into unemployment benefits. Why? Because if you are unemployed, you don't have the option of saving. You are going to spend every single nickel you get.

Madam President, I ask unanimous consent for 1 more minute to close.

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

Ms. STABENOW. So when we look at this package, we have a choice between including or excluding 20 million seniors, excluding or including 250,000 disabled veterans, including or excluding millions of middle-class Americans looking for a job and, in addition to that, create jobs through alternative energy production and efforts to help the home-building industry, which is at the heart of what has been happening in terms of our economy. I am very pleased we have addressed those businesses that have operating losses now, to help them through the tax system and be able to keep going and not find themselves in a vice this year in terms of having fire sales to eliminate their inventory. I am pleased we have been able to include a \$10 million revolving loan fund for States and local governments to help with refinancing of subprime loans.

We have a number of very important provisions, and it is very exciting to see the broad coalition that has come together, from business to labor, to seniors, to the environmentalists, to those creating energy jobs, to those in the housing workplace; and from home-builders to those who are involved with State and local governments, and millions and millions of middle-class families all across this country who are counting on us to do more than provide a check but to create the ability for investments and for jobs that will grow the economy.

So I am very hopeful we will come together with the necessary votes to stop the filibuster that is happening here. I wish we could simply have an up-or-down vote on this. We certainly have the votes. But because of the situation we are in, because of the Republican filibuster, it is necessary to get 60 votes to be able to stop the filibuster. So I am very hopeful we will have enough colleagues joining together on a bipartisan basis in order to be able to do that.

Madam President, I thank the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. SALAZAR. Madam President, I wish to thank my colleague from Michigan for her great leadership on the Finance and Budget Committees

and raising these issues that are so important to America. I think particularly when you come from a State such as her State of Michigan, where they have an unemployment rate that is knocking on the door of 8 percent, she knows how hard it is for families in Michigan and the families across America as they see our economy spiraling downward and going into a ditch, which essentially makes what we are trying to do in the Senate today more important than at any other time.

Madam President, I wish to start first by asking unanimous consent that I be permitted to speak on the Finance Committee stimulus package for such time as I may consume.

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

Mr. SALAZAR. Madam President, I wish to first comment on the Finance Committee and the way that committee works.

First, we are on the floor of the Senate with a Finance Committee package in large part because we have two great Senators who have been a part of this Chamber, a part of this institution for a very long time and who make it their priority to get results. They transcend partisan politics for the public purpose for which they were elected.

It is in that vein that time and time again the packages we have brought forth from the Finance Committee have had both Democratic and Republican support as we have tried to move forward to confront the challenges that face our country today. This economic stimulus package that is before us today is no exception. It was voted out of the Finance Committee, a committee I am very proud to be a part of, with a bipartisan vote, in a bipartisan spirit, and with the sense that we needed to give a flu shot to this economy before it gets sicker; and with the sense that we need to help this economy go into a positive direction as opposed to getting further and further stuck in the ditch of disrepair, where it has been headed for the last several months.

So this is a very important package that comes before the Senate today, and we must remember its genesis in the Finance Committee is in fact a bipartisan genesis to respond to what the President has asked the Congress to do, not only in his State of the Union speech but even before that, when he said we need to have a stimulus package to help get our economy back on track. Well, we have done our level best to try to put together that package in the Finance Committee. I am proud to support it, and I hope that when we get to a vote on the Finance Committee package tomorrow, we are able to get Republicans and Democrats to stand together in a resounding positive vote for moving forward with this Finance Committee package. I hope the vote is not just a vote that gets us to 60 but hopefully gets us to 70 or 75.

Now, why is it important that we move forward and jump-start our economy? Well, it is important for the American families whose lives are very much affected by the actions we take on the floor of the Senate. It is important to embrace what the President and the House of Representatives have done, which is to say we ought to put money back into the pockets of the American consumer so they can spend that money which then helps create jobs in America and helps to stabilize our economy. But what the White House and the House of Representatives did in their negotiations with Secretary Paulson and others is something that can be improved on, and certainly the bipartisan work of the great team on the Finance Committee, which includes the staff of that committee, has brought forth what is a significantly improved package over what came out of the House of Representatives.

The first of those improvements has to do with dealing with those Americans who were left out: 20 million elders, 20 million seniors, 20 million people who have given their lives to give us the opportunities we have in America today. I am speaking about those who came before us and who now depend on Social Security. The package out of the House excluded 20 million seniors because it says you have to have earned income in order to qualify for this tax check that is going to go out from the Government to the people of America. Why should we exclude these 20 million seniors who are receiving Social Security? Because Social Security is not earned income. Therefore, they are excluded under the provisions that came out of the House bill.

So if we are to honor what I believe is one of the fundamental values of America—that is to honor our elders, to respect our seniors—then it is important for us to make sure we change the package to include the 20 million seniors of America.

The one thing we do know, from what all the economists have told us, is that if you put this money into the pockets of 20 million elder Americans, those 20 million elder Americans are going to spend that money, which means it is going to help stimulate our economy. So that is one improvement.

Are there other improvements that could be made to this economic stimulus package? Well, the fact is there are other improvements that can be made. A second improvement we made in this package that we deliberated and worked out in the Finance Committee has to do with our disabled veterans. We have 250,000 disabled veterans in America today; 250,000 disabled veterans. Many of these veterans are veterans from World War II, some of them from the Korean conflict, some of them from the Korean war, and some of them are part of the 1.5 million veterans who have served in Operation Iraqi Freedom and Operation Enduring Freedom.

Why should these 250,000 veterans not receive the benefits we are providing

all the rest of America today? It makes no sense, in my view, if we are trying to stimulate the economy. We put, probably for a family of four, \$1,600 checks into their pockets. They are going to spend this money to help stimulate the economy. It is the right thing to do for us to uphold the American values and to support our veterans here in America. It is absolutely the right thing to do.

It is also the right thing to do in terms of one of the objectives which we have, which is to help stimulate our economy. Third, when I ask the question, can we improve this bill—yes, we can improve it by adding 20 million seniors. We can improve it by adding the 250,000 disabled veterans. But we can also deal with the reality of unemployment.

Maybe some people around here have not dealt with families that have been unemployed. But when you lose your job, you lose everything that creates a quality of life for you. Because you cannot take care of your family, you cannot take care of making your mortgage payment, you cannot take care of buying medicine for your children. And, yes, we have now States in America that are reaching an unemployment rate of 8 percent, and the economists are saying there are a number of States that are going to be up into 6 to 7 percent before too long. So extending unemployment benefits is also an important improvement in this package.

But it is not that we can take care only of seniors and disabled veterans and extend unemployment benefits; there are other things, I believe, we can do to help make sure that we improve upon the stimulus package for America we are considering here today, and that is to help the business community of America, make sure that business community remains in a way where it can continue to create jobs for the people of this country.

The incentive we have created in this legislation with the expensing provisions relating to small business, with bonus depreciation for businesses that expend money on equipment, will help keep America strong. Without those businesses creating jobs for America, we are going to continue to spiral downward. It is important that we do that.

I want to point out one provision relating to our efforts to try to support the business community of America here today, and it has to do with housing. The other day when we heard from the many economists who have come before the Finance Committee, one thing was very clear. One of my colleagues, Senator BAUCUS, talked about how the housing crisis itself was a canary in the coal mine. It is a signal to us that our economy is in trouble. The housing sector of our economy demonstrates that perhaps in a way that very few other sectors of the economy do. So it is important that we do something for the housing issues facing our country today.

The chart that is here by me demonstrates what is happening with housing across America. You look at what Moody's said would happen in terms of what they forecast to be, where we will end up as we move forward into these difficult economic times with respect to the housing market.

They predict that housing prices will decline by 15 percent before we see bottom. How many people in America own a house, and how many people in America have most of their value tied up in that house? When you see these times of declines in housing values, you know the people of America, the people who are watching us debate here on the Senate floor, know there is pain in the economy here in America today. When you lose 15 percent of what is your most valuable asset, you know there is a major issue with the economy. So it is important that we address the housing issues of America, and we are doing that partially in this legislation by including revenue bonds. There are other things we are going that have to do with the housing crisis we face here in America.

It is my hope one of the things we are able to do is to come back and address the housing issues, along with energy, along with the farm bill, in a chapter 2 of our economic agenda in the Senate. But it is also important, as you look at this chart, to look at what is happening with housing starts in America. We are in the worst shape today in housing starts in America than we have ever been. In fact, those who are associated with the home building industry will tell you we are in worse shape today than we have ever been since the Great Depression. There is no end in sight when this housing crisis is going to end with respect to the decline in housing starts that we see.

The economists out of Moody's project that housing starts are down 60 percent, at the bottom of this trough, with no end in sight. Who knows how far that will go down?

What we have done, spearheaded by Senator CONRAD and with the help of Senator STABENOW and Senator SMITH, is included in this legislation that will address the operating loss carryback provisions that apply to the housing industry. That economic injection will help the housing industry continue to stay afloat to weather the very troubled times ahead. Now, some people will say: Why are you bailing out the housing industry? Well, we are not bailing out the housing industry, we are trying to keep one of the sectors that is pivotal to a successful economy alive here in the United States of America.

Across my State, I know how many people work in the housing industry, from the roofers to the plumbers to those who put up the drywall. We know how many of them work. There are 300,000 people in America who are working in the housing industry today. So if the housing industry continues to go downward, if it continues to spiral

downward, we are going to see the bankrupting of one of the most important industries today.

This stimulus package does include some legislation that will allow them to take their carryback losses in a manner that makes sense for them economically so that they will not be forced into the halls of the bankruptcy court.

For a lot of reasons, I believe this stimulus package which is before us is a solid package. It is very significantly improved from what we were seeing come over from the House of Representatives. I would hope that the President of the United States, his Cabinet, Secretary Paulson, others, Secretary Gutierrez, join us in helping move this Senate Finance package through to the finish line.

The final point I would make is that though we hope we will get this package through, we know that our work here on the economic issues of America is not yet done. A second and short-term phase, which I believe we should undertake here in the next month or so, is we need to deal more comprehensively with the housing issues that face our country. We need to deal with the 2007 farm bill and get that through conference and get that done to ensure the food and fuel security of America.

We need to return to that Finance Committee-produced package on energy that would have fueled the clean energy future of America for the 21st century. We need to go to that as soon as we get the stimulus package through. I am hopeful that we will be able to move in that direction.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DORGAN. I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. DORGAN. Madam President, I have listened with some interest today to many of my colleagues who have come to the floor to speak about what is called a stimulus package. I have never quite understood the word "stimulus" as it applies to economics. I did teach economics in college at one point. I guess the notion of a stimulus is to excite the economy, to do something to expand the economy.

The fact is, until a couple of months ago, the President was telling us the economy was doing really well; we have a strong, sound economy. The Secretary of the Treasury was telling us the economy is solid and we are on solid ground. Of course, most Americans knew better. Now we discover that the economy needs a stimulus. Let me describe why that is the case, and a response to some of the discussion on the floor of the Senate today.

We have had an almost unbelievable 7 years. President Bush came to the Con-

gress at the start of his Presidency, and he said: President Clinton has left a large budget surplus. Alan Greenspan said he couldn't even sleep; the surplus was so big. He was worried the surplus was so large it was going to be a problem.

President Bush saw this projected surplus, a surplus in the first year of his Presidency and then projected for the next 10 years. He was so excited, he rushed to the Congress and said: You have to help me. We need to get rid of this projected surplus. We need to provide very big tax cuts. By the way, if you earn a \$1 million a year in income or \$10 million a year, brace yourself, I have big things in mind for you. I am going to give you a very big tax cut.

Some of us said: Mr. President, you said you were a compassionate conservative. Where is the conservative part of this? What if something goes wrong? These are just projections. Let's wait and see if these surpluses materialize.

The President said: Don't worry. Be happy. We want to give tax cuts, with the biggest tax cuts to the wealthiest Americans.

Sure enough, he got that through the House and the Senate—but not with my support. I did not vote for it. But almost instantly we saw, No. 1, the country move into a recession in 2001. Then we had 9/11 and the devastating attack by terrorists. Then we had a war in Afghanistan pursuing Osama bin Laden and the Taliban. Then we went to war in Iraq and had all of the homeland security issues. All of a sudden, we had all of this extra expense, and we had a downturn in the economy. What had been budget surpluses turned into very large budget deficits.

The President, oblivious to all of that, said: It doesn't matter. Things are the same, as far as I am concerned. We want more and more tax cuts for upper income Americans.

So that has been the fiscal policy for 7 years: ignore the obvious, ignore reality, and just preach the positive message and hope everything turns out all right.

The fact is, everything has turned out all right for some. If you are at the top of the income ladder, you have to be ecstatic. Your share of the assets and wealth of this country has dramatically increased. But if you are someone at the bottom of the economic ladder, working two jobs, trying to make ends meet for your family, if you are someone who is trying to buy a home, somebody who is trying to hang on to a job in a plant that the owners want to move to China in search of 30-cent labor, if you are someone who works in a company that has now told you times have changed, you no longer get health care and your retirement program is gone and if you don't accept a \$2-an-hour decrease, your job is going to Shenzhen, China, you are somebody who is having a tough time with things in recent years.

Then, all of a sudden, we see the subprime mortgage scandal. The

subprime mortgage scandal is an unbelievable scandal with greed in every direction, the brokers making massive amounts of money with fast-talking sales pitches to a lot of folks, putting them in a new subprime loan at a 2-percent interest rate that will reset 3 years later at rates people have no capability of paying; just buy it and flip it in 2 years, and you will make a lot of money.

The mortgage companies that were advertising on television were saying: Hey, get a mortgage from us. If you have had bankruptcy, no problem. You have trouble, you have bad credit, no problem. Can't pay your monthly home bills, no problem. We will give you a loan. Come to us. Bad credit, come to us.

You saw the ads. All of us saw those ads. Those mortgage companies and brokers together ratcheted up this huge bubble. Then what they did is, when they sold these subprime mortgages, they cut them up like sausage. Just like meat-packing plants filled sausage with sawdust for filler, they sliced up these mortgages, collateralized debt obligations—some subprime, some decent loans—and securitized them and sold them, and nobody knew what they had. All of a sudden, people can't pay their house payments. Interest rates get reset. They have no capability of paying. We have substantial bankruptcy, home foreclosures—it is a huge mess. It has caused a serious drag on the economy.

Couple that with this President's fiscal policy in which we have a \$600 billion requirement to borrow in this fiscal year alone and a \$700 billion trade deficit, \$2 billion a year that we import more than we export. That is \$1.3 trillion in debt this year on a \$13 trillion economy. That is a 10 percent indebtedness in 1 year on top of the greed that comes from a subprime loan scandal and an economy that seems to have come to a dead stop.

Then they say: We need to stimulate the economy. Yes, we probably do. This economy probably needs a lot more than stimulus. We need to hook up some jumper cables to something.

The Federal Reserve Board—a board that has gotten a lot of my attention over the years—has taken aggressive action. They seldom take aggressive action on anything. They did two cuts, a three-quarters of a percent interest rate cut and a half a percent interest rate cut. The fact is, that is a bold move for the Federal Reserve Board.

Now it is up to Congress to do something on the fiscal policy side. But it is just a step, an important step. Psychologically, we must take this step, or markets and others would have an apocalyptic seizure. So we write a piece of legislation in the Finance Committee, try to bring it to the floor of the Senate, and we have people doing all kinds of gymnastics on the floor. They say: Well, this is loading up a bill with ornaments and goodies and projects and so on.

I guess they want to avoid the obvious. The obvious difference that exists with this stimulus package is very simple. This stimulus bill, coming out of the Finance Committee, is supported by the Democratic chairman and the Republican ranking member. Senators BAUCUS and GRASSLEY said this: If you are going to stimulate the economy and you are going to give \$500 rebates, you need to include the 20 million lower-income senior citizens who would not get a rebate under the House-passed stimulus plan.

Folks who work in this Chamber, take a shower in the morning, put on a blue suit, and come to work, are not, in most cases, trying to count their pennies to see if they will have enough for soup and medicine the rest of the week. But there are a whole lot of folks, senior citizens especially, living on fixed incomes who have an awful time making it stretch month to month. I meet a lot of them, especially a lot of older women living alone in many cases, trying to figure out: How do I make this income stretch to be able to pay for my medicine and to buy the food and pay the rent?

I mentioned medicine. Senior citizens are about 12 percent of the population. They consume one-third of all prescription drugs. One of the fastest growing elements of health care is the cost of prescription drugs. You can't do a stimulus package and decide that some 20 million senior citizens should not participate. You are going to give a rebate to the American people to try to stimulate the economy, and you are going to say grandpa and grandma don't apply, they don't count? What kind of approach is that? Grandpa and grandma don't count? We inherit this place from them. They were the stewards of this country of ours. They helped build this country. They provided the roots by which we, the branches, have been able to succeed. But now we have people in this Chamber who say grandpa and grandma don't count; millions of senior citizens shouldn't be a part of this.

The difference in the stimulus package being debated is one that is pretty stark: 20 million lower income seniors, many of whom need it most, under our proposal would get a rebate check of \$500. To some, that doesn't mean much, I suppose. There are people around here who lose a cuff link worth \$500, I reckon. But to a lot of people, \$500 is very significant. We cannot—I emphasize—we cannot pass a stimulus package and walk out of that door with our heads high if we decide 20 million senior citizens don't count, that these senior citizens won't be included.

There is another issue in this piece of legislation that we passed out of the Finance Committee. It is something that for anyone who has studied rudimentary economics 101. It is one of the economic stabilizers in our economy: When there is an economic slowdown, you extend unemployment benefits. It is axiomatic that when there is a slow-

down in the economy, you must extend unemployment insurance benefits. We have always done that. Yet those who object to what we have passed out of the Senate Finance Committee are saying, no, you can't do that. Don't support that. We don't support giving rebates to senior citizens who need it and we don't support extending unemployment insurance benefits to those at the bottom of the economic ladder who have lost their jobs.

Again, there is no one in this Chamber who would have lost their job during this slowdown. No one in this Chamber is going to go home and say, Honey, today wasn't a very good day. I was given notice that my job was over. It wasn't my fault. I worked pretty hard, but I was given notice that I am no longer needed. Nobody in this Chamber will have to get that message. But there are a whole lot of people in this country who have experienced that.

So when we talk about the economic stimulus package that came out of the Finance Committee, the major differences are simple and easy to understand. We say 20 million senior citizens cannot be left out of an opportunity for the rebate check. They too will stimulate this economy. They especially need that help. We say when those who have lost their jobs during an economic downturn and have run out of unemployment benefits, that their benefits should be extended, as we have always extended them during an economic downturn.

Yesterday, President Bush sent us a new budget, and it reflects much of what I have described of the priorities that seem to be completely backwards. The President's priorities are: Let's continue to borrow, borrow, borrow more money. Let's decide to cut substantially here at home the investments we should make in this country.

I spoke to a group about a half an hour ago that is very interested in rural water investments. All of us who come from rural States understand the urgency of getting good water to our communities. Rural water systems are unbelievably important. The President, as one example in this budget, said: Let's cut funding for the Corps of Engineers by \$851 million. Let's cut funding for the Bureau of Reclamation by \$183 billion. He said: Let's cut water funding for projects that will bring quality drinking water to people around this country in rural areas; let's cut that by about \$1 billion.

I say consider this: In the President's budget, he said, let's cut water project funding in our country—the infrastructure investment that will bring dividends for years—let's cut that by \$1 billion. This is from the Special Inspector General for Iraq. The Special Inspector General for Iraq says, we are now, American taxpayers, funding 967 water projects in the country of Iraq. We are going to cut \$1 billion in water projects in this country, and we are funding 967 water projects in Iraq. We

are designing and constructing the Ifraz main water supply project, \$194 million. We are doing the Haditha project, the Baladrooz water supply project; we are building the water supply project at Meshkab. We are designing and constructing the water supply project at Nassriya. The list is long—I could read this for a long while. The water treatment plant in Sadr City, the water treatment plant in Al Wathba.

There is plenty of money, apparently, as long as it is overseas someplace. There is just not enough money to take care of things here at home. It is unbelievable to me.

By the way, while I am at it, most of this is done with contract work. We hire contractors. There is the greatest waste, fraud, and abuse in the history of this country with the hiring of those contractors. I brought this item to the floor a number of times—and I want to do it again, because I held about 17 hearings on this subject. I ask unanimous consent to show this towel on the floor of the Senate.

This towel was brought to us by Henry Bunting. Henry Bunting was a purchaser in Kuwait for the Halliburton Corporation, their subsidiary Kellogg, Brown, & Root. I had a hearing about waste, fraud, and abuse in contracting which is hair raising: \$45 for a case of Coca Cola, \$7,500 to rent an SUV per month. How 50,000 pounds of nails that were ordered to Iraq and they were too short. They are laying in the sand now, discarded, because none of that matters. Henry Bunting said Halliburton said: Don't worry about it. The taxpayer picks up the tab. He held up this towel. He said: This is an example of everything that is wrong. My job was to order towels for the troops, among many other things. He said: I filled out a requisition to order towels for American troops in Iraq, and I ordered white towels. He said: My supervisor at Kellogg, Brown, & Root said, No, no, no, that is not the towel we are going to order. You are going to order a towel that has KBR embroidered on the towel, the initials of the contracting company, the Halliburton subsidiary. Henry said: Yes, but that is going to quadruple the cost. It is going to cost four times more to buy a towel like that. His supervisor said: It doesn't matter. This is a cost-plus contract. The taxpayers are going to pay for this. This is just a towel. It is a towel that costs four times what it should have cost for the American taxpayer. But it is not just a towel; it is a brand new \$85,000 truck that has a flat tire, and because it has a flat tire and they cannot fix it on the road because they didn't have the right wrench, they leave it there to be torched; or an \$85,000 brand new truck that has a plugged fuel line that is left to be set on fire. Why? The American taxpayer will pay for all of that. That is not a problem. Nobody will even know, except I know, and some of my colleagues know. Nobody seems to care, however, in the executive branch. Nobody.

When I see what is now coming to us in this budget—it is interesting. When I talk about this issue of a hand towel with the embroidered initials of the Halliburton subsidiary, Kellogg, Brown & Root, that cost four times more, but they said, don't worry, it doesn't matter, the taxpayers pay for that. We don't care about that. All of this is funded out of these emergency requests sent to us by the President. Here is what he has done. It starts again this year.

In 2002, the President said: We are going to fight a war, and I want \$49 billion, and I want it now, and I want it declared an emergency, and we are not going to pay for it. We are going to put it on top of the debt.

In 2003, he said: I want \$76 billion. I want all of it declared an emergency and we are going to put it on the debt. We need that for the war. In 2004, he said: I want \$87 billion. We are not going to pay for it. Add it to the debt. In 2005: I want \$82 billion. In 2006: I want \$92 billion. In 2007, he said: I want \$103 billion. Last year, for fiscal year 2008, he said: I want \$193 billion. That is \$16 billion a month, \$4 billion a week. He said: I don't want any of this paid for. I want to add it to the debt, because I am sending soldiers to war and they are going to come back and help pay the bill. Now, that is nearly \$700 billion—nearly three-quarters of a trillion dollars, not a penny of it paid for. Not a cent.

Don't ever talk to me again about what is liberal or what is conservative. If this is a conservative President, as he claims, saying let's add almost three-quarters of a trillion dollars to Federal indebtedness because we don't have the courage to ask the American people to do what we should do, and that is pay for that which we are pursuing in Iraq—on top of this added to the debt, the budget we received yesterday is an almost unbelievable description of what has gone wrong and what will continue to go wrong as long as this administration doesn't recognize the unbelievable danger that comes from fiscal policy debt and trade debt.

As I indicated earlier, we are doing a stimulus package. I strongly support that which came out of the Senate Finance Committee. I strongly support the notion that we must include lower income seniors; we must include, for example, the stabilizers we have always included of extending unemployment insurance. All of that is very important. When we are finished with that, we must say to this President and to the next occupant of the White House that we have structural problems that cannot wait. We cannot possibly have a growing, vibrant American economy that expands opportunity for the American people unless we put our fiscal house in order. In terms of priorities, we can't be American leaders and say: Oh, by the way, let's cut \$1 billion in water projects in the United States, and Katy bar the door, here are 967 sep-

arate water projects we want to fund in Iraq. We are going to say we can't build hospitals in the United States, but we will build hospitals in Iraq. We say we don't have enough money to rehabilitate the schools in the United States, but we will build the schools in Iraq.

My point is it is long past the time to start taking care of a few things here at home, and this President's budget is a completely bankrupt budget. This President's budget says the following: This President's budget says he will take our Federal debt from \$8.9 trillion to \$12.2 trillion in the next 6 years. Think of that. That is a complete abdication of responsibility. It means we have no leadership. It falls on our shoulders, it seems to me, to begin using some modicum of common sense, and we intend to do that.

I have some other things I was going to visit about today, but I want to wait because some of my colleagues are on the floor. I don't know whether Senator REID is ready with the unanimous consent request, but when he is, I certainly would want him to do that. I also know my colleague Senator SANDERS from Vermont is on the floor as well.

I would be happy to wait until after Senator SANDERS makes a presentation. But I want to make a presentation about a couple additional issues that relates to some of this.

At this point let me relinquish the floor, and perhaps I could ask unanimous consent that after Senator SANDERS is finished, I be recognized.

The PRESIDING OFFICER (Mr. NELSON of Nebraska). The majority leader is recognized.

ORDER OF PROCEDURE

Mr. REID. Mr. President, I tried to be very patient. I have been waiting for an hour to have some Republican come to the floor so I may offer a unanimous consent request. I don't know how much more patient I need to be. The unanimous consent simply says we are doing nothing today; can't we at least have amendments offered on FISA. I was talking with staff, Republican and Democratic staff. I understood that was something we could do. But now maybe we can't even do that.

I have called Senators. I have called Senator DODD and he is willing to come here and offer his amendment. Senator FEINGOLD is willing to come and offer two amendments. Senator WHITEHOUSE is willing to come and offer his amendment. We have people ready to work. But this is Super Tuesday, and at this late hour—Senator KLOBUCHAR is leaving in a few minutes to go back to Minnesota. They have a primary there tonight. The same in Illinois. A number of other Senators have left.

But we are willing to debate these amendments to speed up what we are trying to do. The President came out today with—it is difficult to comprehend this. He came out with a veto threat on FISA. Now, try that one on for size, everybody. The President has issued a veto threat on FISA today

when we don't have anything for him to veto. Maybe he has come to the conclusion that he doesn't like the Intelligence Committee-reported bill. But that is where we are. The President has stated he wants to veto FISA. I guess he is becoming impatient to become relevant. I don't know what to say.

It is obvious there would be an objection, because we can't even get someone here to object, so I won't offer this because I would like to have one of my colleagues here, but I was going to ask unanimous consent to resume consideration of the FISA legislation, notwithstanding rule XXII. I was going to specifically mention amendments my folks are willing to offer. The Republicans also have amendments to offer. Senator BOND has a couple. But it is obvious that this is slowdown time, so I will not offer the unanimous consent request unless I hear something from—here it is 4:15 in the afternoon, and the only thing we have heard today dealing with FISA is the President's threat to veto something that doesn't exist.

Mr. REID. Mr. President, I ask unanimous consent that the Senate now resume consideration of S. 2248, the FISA legislation, notwithstanding rule XXII, and that the pending amendments be set aside for the purpose of offering amendments as follows: Nos. 3912, 3913, 3907, two by Senator FEINGOLD and one by Senators DODD and FEINGOLD; and that this would be for debate only—they are on the list, and the unanimous consent is now before the body—and that all time count postcloture to the stimulus package now before us.

The PRESIDING OFFICER. Is there objection?

Mr. MCCONNELL. Mr. President, reserving the right to object, and I will not object, we had a vigorous discussion at lunch about moving forward on this bill. I think I am safe in saying that the overwhelming majority of the members of the Republican caucus would like to have been voting today on amendments; nevertheless, that appears not to be possible. So at least we can debate these three amendments and get started in that way. I think that is a step in the right direction.

Mr. REID. Mr. President, further, other Senators may want to come and consult with my friend, the Republican leader, to see if there would be opportunities to offer their amendments. Senator BOND has two. Senators WHITEHOUSE and SPECTER have one. They agreed to come over. I think Senator FEINSTEIN has an amendment. This would be a big help, to get rid of these three today.

There is an order before the body that when Senator SANDERS finishes his statement, the Senator from North Dakota will be recognized. How long will he be speaking?

Mr. DORGAN. I will be no more than 10 minutes and probably not that long.

Mr. REID. Would Senator FEINGOLD be ready then?

Mr. FEINGOLD. Yes.

Mr. REID. I yield the floor.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. SANDERS. Mr. President, let me concur with Senator REID. The American people want us to begin to get work done for them. It is high time we did that.

I also congratulate the Senator from North Dakota and share his concerns about many of the points he made, not the least of which, if we are going to spend hundreds and hundreds of billions of dollars on this war in Iraq, that bill should not be left to our children and our grandchildren. We should at least have the decency to pay for that ourselves.

Mr. President, I wish to say a few words this afternoon about the budget President Bush brought before us yesterday and tell you I was extremely dismayed by what was in that budget and what was not in that budget. Frankly, in my view, this budget is unconscionable, and it reflects priorities that are hard to imagine and are way out of step with what ordinary Americans feel and believe.

While providing hundreds of billions of dollars in tax breaks for the wealthiest people in our country—the wealthiest three-tenths of 1 percent—over the next decade, the President, at the same time, has proposed major cuts in health care, in low-income heating assistance, in weatherization, in nutrition, in housing programs, and in other basic needs of low- and moderate-income Americans. That is a set of values which I think reflect badly on the White House and does not reflect the values of the American people.

In my view, this is a Robin Hood-in-reverse budget. This is a budget which takes from the poor to give to the rich. This is a budget which cuts programming for those most in need and gives billions of dollars in tax breaks for those least in need. This proposed budget simply tells us—again, if we didn't need this reminder—just how out of touch this administration is with the needs of working Americans.

Let me be very clear. I am a member of the Budget Committee, and I intend to do everything I can to make sure that President Bush's budget is rejected and that we bring forth in the Senate a new budget that reflects the priorities of the vast majority of the people in our country and not just the wealthy few.

Most Americans understand that our health care system is disintegrating. Everybody knows that. Since President Bush has been in office, 8.5 million Americans have lost their health insurance, 47 million Americans are now uninsured, and the cost of health care is soaring. How does President Bush respond to the growing crisis in health care? Well, it is an unusual response: He slashes funding for Medicare. He slashes funds for Medicaid. He cuts rural health care programs. In other words, he is making a bad situation even worse.

As I have said, Mr. President, we are living in a period where our health care

system is disintegrating. More and more people lack health insurance. The costs are soaring, premiums are going up, copayments are going up, and deductibles are going up. The President's response to this crisis is to savagely cut Medicare, Medicaid, rural health care programs, and other health care programs. What logic is there in making a bad situation even worse? But it is not just health care.

I understand that it would be asking too much for this President to take on the insurance companies and take on the drug companies and move us toward a national health care program, which every other major country on Earth has. We are the only country in the industrialized world that doesn't guarantee health care to all people. I understand the President is not going to do that, but at the very least, he should not be adding more people to the rolls of the uninsured. At the very least, at a time when we have some 17,000 Americans who are dying every year because they lack health insurance, he need not make a terrible situation even worse.

In the State of Vermont and throughout many parts of our country, we have experienced extremely cold weather this winter. There are parts of America where we have seen 20-below-zero weather. At the same time, the price of home heating oil is soaring. In fact, it has more than doubled since President Bush has been in office. The result is that the LIHEAP program, Low Income Home Energy Assistance Program, which keeps millions of seniors and lower income households warm in the winter, is stretched to the breaking point. The simple truth is that when home heating costs soar, either States will cut back per person or they will deny large numbers of people any heating oil at all. That is the reality the States face.

I understand President Bush has no problem with the fact that his friends at ExxonMobil have just announced the largest profits in the history of the world for the third consecutive year—over \$40 billion in profits in 2007. I know he has no problem with that. I know he has no great problem with the fact that home heating oil prices are now at over \$3.30 a gallon. I know he is not worried about the fact that a few years ago, the former CEO of ExxonMobil, Mr. Raymond, received a \$400 million retirement package from that company. From President Bush's perspective and ideology, I suppose those are good things.

Despite the President's lack of concern about rising fuel costs, it really is beyond comprehension that he would slash the LIHEAP program by \$570 million in his budget—a 22-percent reduction from last year. Imagine that. The cost of home heating oil is soaring, LIHEAP is under great strain and it cannot do what it did last year for lack of funding, and President Bush's response is: Let's cut another half-billion dollars from LIHEAP.

What are people supposed to do next year under Bush's budget when the weather gets cold? What do old people who are living on Social Security and cannot afford the outrageously high prices for home heating oil do? Do they freeze to death? Do they move in with their kids? How many blankets do they have to throw on themselves? How do you treat old people when it gets cold? You don't slash LIHEAP by \$570 million. That is pretty cruel.

At a time when millions of low-income seniors are struggling to survive on inadequate Social Security benefits, this President, in his budget, wants to cut back on nutrition programs for low-income seniors, in addition to cutting back on senior housing.

There is a program which, in Vermont, works very well—the Commodity Supplemental Food Program. It provides a free package of groceries every month to low-income seniors. People all over the country utilize this program. They need this program. The President may not know this, but hunger is on the upsurge in America. In this great country, more and more fellow citizens are going hungry. What we are seeing is emergency food shelves not having enough food to feed desperate people all over America. And the President's response to this crisis is to cut back or eliminate the Commodity Supplemental Food Program. What is the moral justification for doing that? I don't know.

I am a member of the Veterans' Committee, and I am proud that last year, against opposition from the White House, we substantially increased funding for the VA and are providing billions more so that veterans can gain access to quality care in VA hospitals and clinics. Despite all of his rhetoric about how much he loves and respects the troops, this President, in his budget, has proposed a very large increase in health care fees for veterans who access VA facilities. The increases would range from \$250 to \$750. What is the goal there? It is very clear. The goal is to drive veterans—low-income veterans—out of the VA system so the VA can save money. Thank you very much, Mr. President.

A week ago, the President, in his State of the Union Address, was telling us how much he loved and respected the veterans. Now he is raising fees for VA health care with the explicit goal of driving veterans out of the VA health care system. That is wrong but, frankly, it is consistent with what President Bush did some years ago when he completely eliminated access to the VA for so-called category 8 veterans, who were too wealthy. These were veterans who didn't have service-connected disabilities, were not wounded, but had incomes of over \$27,000 a year. They were too wealthy to access VA health care.

Well, I say to President Bush, at a time when tens of thousands of our soldiers have been wounded in Iraq and Afghanistan, please do not balance

your budget on the backs of our veterans.

Since George W. Bush has been in office, we have seen recordbreaking deficits, and our national debt is now \$9.2 trillion—\$3 trillion more than when he came into office.

All of us in Congress want to move this country toward a balanced budget and to make sure our kids and grandchildren are not left with this enormous debt Bush has accumulated. But there are right ways to move us toward a balanced budget and there are wrong ways to do it and George W. Bush's budget moves us exactly in the wrong direction.

As many Americans know, since President Bush has been in office, the middle class has been decimated, poverty has increased, and the gap between the very wealthiest people in our society and everyone else has grown wider. In fact—and we do not talk about this terribly much, although we should be talking about it—the United States today has by far the most unequal distribution of wealth and income of any major country on Earth. In fact, our distribution of wealth and income is increasingly looking like Mexico, it is looking like Brazil, it is looking like those poor developing countries and certainly not looking like Europe, Scandinavia, Canada or other industrialized nations.

Mr. President, as you are more than aware, there are a lot of facts and figures that are thrown out on the floor of the Senate, but let me mention one statistic that I hope all Americans will pay attention to and to which I hope my colleagues in the Senate will pay attention. And that is, according to the latest available statistics, the wealthiest 300,000 Americans—men, women, and children—300,000 take in more income than the bottom 150 million. In other words, the upper one-tenth of 1 percent, 300,000, people earn more income than do the bottom 50 percent. One-tenth of 1 percent, 50 percent, more income for the top one-tenth of 1 percent. In my view, that is not what America is supposed to be about, but that is the direction in which we are moving. That gap between the people on top, a handful of people, and everybody else is getting wider and wider.

For those people who live in the bottom 90 percent of the population, the overwhelming majority of our people, their average income was \$33,000 way back in 1973 before globalization, before computers, before a huge increase in worker productivity. Thirty-five years have come and gone, and today, inflation accounted for dollars, that average income has declined from \$33,000 to \$29,000. That is a \$75-a-week pay cut. That is called the collapse of the middle class: people working longer hours, they are making lower wages. That is the reality facing tens of millions of our fellow citizens.

That explains to my mind why in yesterday's Washington Post a front page story was headlined: "U.S. Con-

cern Over Economy is Highest in Years." It doesn't take a genius to figure that out. People go to the gas pump and pay \$3.15 for a gallon of gas. They go to work and the boss says: Sorry, you no longer have health insurance. Oh, I can't afford to pay my mortgage; I am losing my house. Oh, too bad, 3 million Americans lost their pensions last year.

In area after area, in almost every aspect of middle-class life, people are getting hit. Then when they go to the grocery store and have to use their credit card to buy their groceries because they don't have the cash available, they find they are paying 28 percent in interest rates so Wall Street can become wealthier. That is what is going on, and that is why the American people are outraged about what is going on in terms of the middle class.

I have to tell you I find it literally beyond belief that with poverty in America increasing, with the middle class shrinking and with the wealthiest people in our country having it better than at any time since the late 1920s—incomes are soaring for millionaires and billionaires, a huge growth in the number of millionaires and billionaires—in the middle of all that, what President Bush is saying is he wants to repeal the estate tax which would provide \$1 trillion in tax relief to whom? To the top three-tenths of 1 percent; \$1 trillion going to the top three-tenths of 1 percent. That is what this budget, this Robin-Hood-in-reverse budget is all about.

If you are old and you are having a difficult time heating your home, President Bush is going to cut the program that keeps you warm. If you are low income or a working person in need of health care, President Bush wants to cut the programs that help you. If you are a veteran who has put your life on the line defending this country, the President wants to make it harder for you to access VA health care by substantially increasing your fees. If you are a low-income person in a home which lacks insulation and you are spending all kinds of money trying to keep your house warm, the President wants to completely cut back and eliminate the weatherization program. That is the bad news. But if you are a billionaire, if you are one of the wealthiest families in America, in this very same budget, the President wants to give you huge tax breaks. Cutbacks for those in need; tax breaks for billionaires.

Let me give one example. If the estate tax is completely repealed, as President Bush wants that to take place, one family, the Walton family, which owns Wal-Mart, which is worth about \$82 billion, that one family will receive over \$30 billion in tax relief.

We hear on this Senate floor a lot about morality, right? We hear a lot about values. I want to know what kind of moral values there are when there are some people, including the President, who would give one family,

an enormously wealthy family, a multibillion-dollar family, \$30 billion in tax breaks and then cut back on the needs of millions and millions of low-income and working families? What kind of moral values does that speak to?

We have a lot of work in front of us. We have to completely rewrite President Bush's budget. We need to work hard so the people of our country once again begin to have faith in their Government, that they know those of us who are elected are prepared to stand with them rather than the millionaires and the billionaires and their lobbyists who have so much power over this institution.

We need, for a start, to reject the President's budget, rewrite that budget so it works for ordinary people. We need to pass a stimulus package which represents the needs of our seniors, our veterans, the middle class, working people. We need to do that now, and we need to build on that. Not only do we need to reject the President's disastrous budget, but more importantly, we need to reclaim the faith of the American people. Mr. President, I look forward to working with you to do that.

THE PRESIDING OFFICER. The Senator from North Dakota.

PRIVATE DEBT COLLECTION FOR THE IRS

MR. DORGAN. Mr. President, I had wished to conclude a couple of comments in morning business, after which I believe the Senator from Wisconsin, Mr. FEINGOLD, will want to begin discussing an amendment. I talked about the stimulus package and about the economy generally. I wished to talk about two issues I have been working on that I think need to be resolved.

First, it is almost unbelievable to me, but there is a tiny little issue—not so tiny perhaps to some—that needs to get fixed. This administration decided they wanted to farm out the collection of taxes owed to the Federal Government to private debt collectors. A number of us—myself, Senator MURRAY, and others—objected strenuously. We tried that before, and it didn't work. The administration pushed ahead. We passed a funding prohibition through the Senate Appropriations Committee. The full U.S. House passed a bill saying don't do this. Nonetheless, the Internal Revenue Service and the Bush administration pushed and pushed very quickly. So they decided to farm out tax debt collection.

What they did was put taxes that were owed and not paid in the hands of private debt collectors. Now we have had 1 year of experience with it, and I want to share with my colleagues what has happened. It is almost breathtaking to hear.

What has happened at the end of a year is the cost of administering the program to provide these delinquent taxes to debt collectors for collection has exceeded the revenue by \$50 million. In other words, we have a project where the Internal Revenue Service

says we are going to take some of these areas where the taxes haven't been paid, we are going to give them to private debt collectors, and we are going to give them a commission for collecting it. So at the end of a year, the IRS lost \$50 million.

I don't know how you lose \$50 million when you are collecting taxes. That takes some genius apparently. It was estimated by the National Taxpayer Advocate that if the same money, just over \$70 million that was invested in this program, had been invested in hiring the agents at the Internal Revenue Service, generally based on what they calculate, they would have collected \$1.4 billion. So for this investment, the IRS could collect \$1.4 billion or they could lose \$50 million. Talk about staggering gross incompetence.

It would be kind of nice to put in the RECORD the names of every person who was involved in the administration so they can somehow be recognized in a "Hall of Shame." How on Earth do you lose \$50 million at the Internal Revenue Service with a program as goofy as this one? Again, take delinquent taxes, give them to private debt collection, and lose \$50 million, or take the same amount of money and invest it in IRS collection and collect \$1.4 billion.

What is the choice? The President's people said the choice is to give it to the private collection agencies because we like to privatize everything, and they end up losing \$50 million. That is unbelievable.

We are going to try once again this year—and I think we will succeed—to shut this program down. Aside from losing \$50 million, we have had experience with this program before. It was tried before. It was a miserable failure when it was tried previously. We have examples of what happens when private debt collectors get ahold of these things. First of all, you have very sensitive information about people's lives, the financial information on tax returns. There are criminal penalties for dealing with that information. You are going to farm that out. They say: We will farm it out, but we will protect the information.

It makes no sense at all to have been through this and then to farm it out to a private debt collection agency and find one elderly couple who gets 150 telephone calls over 27 day from a collection agency. It turns out they were not the taxpayers who were being called but, nonetheless, their phone rang 150 times. That is the kind of thing that goes on and shouldn't, in addition to the incompetence of losing \$50 million.

Senator MURRAY, myself, and many others are going to fix this problem. It is important the American people understand what happened, and someone needs to be accountable for it.

STRATEGIC PETROLEUM RESERVE

I wish to mention one additional point because tomorrow Secretary Bodman is coming to Capitol Hill. He is the Secretary of Energy. I have great respect for Secretary Bodman. I work closely with the Department of Energy. I chair the appropriations sub-

committee that funds all the water and energy projects in our country. So I have a relationship with the Department of Energy. I like the Secretary and I like some of the people who work for him down at the Department of Energy. But there is something going on down there that bothers me a lot, and I intend to talk to the Secretary about it tomorrow.

At a time when oil is priced at \$90 to \$100 per barrel and when the Strategic Petroleum Reserve—that is oil we stick underground that is saved for a rainy day, a national emergency or a time when we desperately need the oil—at a time when the Strategic Petroleum Reserve is 97 percent filled, this administration is taking oil through royalty-in-kind payments from producers in the Gulf of Mexico and sticking it underground. They are taking oil out of the supply pipeline that should have gone into the supply pipeline, at a time when we have these unbelievable prices for oil, and sticking it underground in domes to increase the supply in the Strategic Petroleum Reserve. It is exactly the wrong thing to do at this point in time. It is exactly what we should not be doing.

From August of 2007 to January 2008, 8.4 million barrels of oil were taken out of the supply. That is oil that was given as a payment in kind for the royalties our Government was owed. Instead of taking that and putting it into the supply, using the money to reduce the Federal debt and having the oil in the supply pipeline, the Dept. Of Energy stuck it underground. So at nearly a hundred dollars per barrel, we are putting oil underground, which tends to price gasoline at a much higher rate because you are diminishing supply at a time when that is the last thing we should do.

Now, the strategic petroleum reserve is filled with about 700 million barrels of oil. The administration's approach is: Well, let's top it off. Let's fill it to 727 million barrels of oil. The administration just awarded three companies contracts—Shell, Sunoco Logistics, and B.P. North America—to place an additional 12.3 million barrels of royalty-in-kind oil into the Strategic Petroleum Reserve for the next 6 months. So that means another 12 million barrels will be taken out of supply and stuck underground.

I mean, can anybody think of something that makes less sense at a time when \$100 or \$90 or \$80 a barrel of oil exists? People are driving to the gas pump and having to consider a mortgage to fill their tank. Can't anybody think of something that we should rather do than take oil out of the supply pipeline and stick it underground? It makes no sense to me at all.

So I am going to propose legislation that says no more for filling the strategic petroleum reserve for the next year, unless oil drops below \$50 a barrel. Let's take that royalty-in-kind oil and put it in the supply pipeline and make sure it contributes to an increasing supply and, therefore, lower prices for gasoline. Instead, the administration is intent on taking that oil and sticking it underground. That will have the impetus of pushing gas prices up.

Now, some would say: We are not talking about a large portion of oil here. Well, no, it is true, we are only talking about 12.3 million barrels in the next 6 months—8.4 million barrels from August to January. Is that a massive quantity of oil? No. But we have had witnesses testify before the Senate Energy Subcommittee and the Homeland Security Permanent Subcommittee on Investigations that the government is taking light sweet crude, which is part of a smaller subset of more valuable oil, and putting it underground that has the effect of increasing the price of gasoline.

So I am going to ask the Secretary a lot about this issue tomorrow when he appears before the Senate Energy & Natural Resources Committee, and I intend to address this in the appropriations process this year so that we can prevent this from happening further. At least until the point we have seen the price of oil come back down. My legislation proposes a prohibition from filling the Strategic Petroleum Reserve for 1 year or at least until a time when the price of oil comes back below \$50 a barrel.

Again, the Strategic Petroleum Reserve is nearly 96 percent filled. Why would we put upward pressure on gas prices? Because the Federal Government has decided to do things that would put upward pressure on gas prices by putting oil underground at a time when we have hundred-dollar-per-barrel oil. It defies common sense. You couldn't find two people in Mike's Bar in Regent, ND, to make a judgment like that after they have been there a couple hours. Just common sense would tell you this makes no sense and we ought to stop it, and I intend to visit about this at some length with the Secretary tomorrow when he comes before the Senate Energy Committee.

Mr. President, I yield the floor.

FISA AMENDMENTS ACT OF 2007

The PRESIDING OFFICER (Mr. CASEY). Under the previous order, the Senate will resume consideration of S. 2248, which the clerk will report by title.

The assistant legislative clerk read as follows:

A bill (S. 2248) to amend the Foreign Intelligence Surveillance Act of 1978, to modernize and streamline the provisions of that Act, and for other purposes.

Pending:

Rockefeller/Bond amendment No. 3911, in the nature of a substitute.

Whitehouse amendment No. 3920 (to amendment No. 3911), to provide procedures for compliance reviews.

Feingold amendment No. 3979 (to amendment No. 3911), to provide safeguards for communications involving persons inside the United States.

Cardin amendment No. 3930 (to amendment No. 3911), to modify the sunset provision.

Feingold/Dodd amendment No. 3915 (to amendment No. 3911), to place flexible limits on the use of information obtained using unlawful procedures.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, I ask unanimous consent that the pending