

RECOVERY REBATES AND ECONOMIC STIMULUS FOR THE AMERICAN PEOPLE ACT OF 2008

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of H.R. 5140, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 5140) to provide economic stimulus through recovery rebates to individuals, incentives for business investment, and an increase in conforming and FHA loan limits.

Pending:

Reid Amendment No. 3983, of a perfecting nature.

Reid amendment No. 3984 (to amendment No. 3983), to change the enactment date.

Motion to commit the bill to the Committee on Finance, with instructions to report back forthwith, with Reid amendment No. 3985.

Reid amendment No. 3986 (to the instructions of the Reid motion to commit), of a perfecting nature.

Reid amendment No. 3987 (to amendment No. 3986), of a perfecting nature.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. COBURN. Madam President, could the Chair explain the unanimous consent order under which we are operating?

The PRESIDING OFFICER. There is 45 minutes, evenly divided, to be followed by 30 minutes, evenly divided and controlled by the two leaders prior to a cloture vote.

Mr. COBURN. Madam President, I ask unanimous consent to be allotted 10 minutes to discuss the fiscal stimulus package.

The PRESIDING OFFICER. Is there objection?

Mr. BAUCUS. Reserving the right to object, I understand that the Senator's time will be charged to the Republican side.

Mr. COBURN. Absolutely.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. COBURN. Madam President, we have heard a lot in the press, and we have certainly heard a lot from our own Finance Committee, and we have seen what the House passed in terms of the stimulus package.

I think, once again, in our hurry to address a problem, we have not asked: Are we fixing the right problem, the problem in connection with the House leadership passing a bill that will spend \$150 billion. One of the first questions we ought to ask is, Where is that money coming from, the \$150 billion? Nobody can dispute the fact that we are going to borrow that from our grandchildren; we are going to go to the markets and borrow the money to stimulate our economy. Nobody will dispute the fact that there is very little payback into the Treasury, in terms of tax collections, from this stimulus plan.

The facts as they are, we had an overheated housing boom. We can deny economic reality, but until we mark the market—the overinflated cost that has extended credit in our country—and

recognize that is going to have to be paid for, we are not going to walk out of this slowdown we appear to be facing. The reality is that the model is the Japanese banking industry: When they refused to recognize the losses, what it did was impact their economy for 10 years. So the realities are that there has to be an economic price when we have an economic excess. Our job should be to make that as easy on our economy as we can, thinking about the future of our economy.

Now, all the options that have been presented, when scored in the long term, have very little beneficial effect for the economy other than the psychology we are putting through. The reason it is important to discuss alternatives is because there is a way, which is proven in economics, proven in capitalistic societies, in free market societies, where you can generate stimulus and revenue back to the Government so that, in fact, you solve the right problem, the real problem, and you don't bankrupt your children further, which is what we are going to do whether we pass the House bill or the Senate bill. We are going to steal \$150 billion or \$190 billion from our grandchildren. I think we ought to think twice about that. Do we really, as senior citizens, want to steal \$600, to \$800, to \$1,200 from our grandchildren for us today? Do we want to do that? Is there another way in which we can stimulate our economy without stealing from our kids and ultimately putting the money back in so that our children don't have to pay for this stimulus package? There is. There are a lot of economic theories and experience in this country that prove that.

So let's talk some about what we should be doing that we are not. Instead, we are pandering to people, thinking they are going to get \$600 or \$800, and we don't have any idea other than to think a third of that money might have a stimulus effect, but it will have a negative effect in terms of what our kids have to pay back.

One thing we can do is create certainty about economic decision-making. We can extend the Bush tax cuts. We can extend them so people will continue to make positive decisions based on a tax rate they know is there rather than one they know is going to go away in 2 years, which will limit their investment.

Second, we can lower corporate tax rates. We now have the second highest corporate tax rates in the world. That hasn't been part of any discussion. We know that when we lower corporate tax rates, we see increased investment, which increases the tax revenues for the country, and we also see economic growth. So there is a positive there, but it is not complete. There is a cost associated with that, but at least there is some feedback. But we have not considered that.

We have not reduced the capital gains tax rate on corporations—the people who invest great sums of money

on the basis of the fact that if there is a capital gain, if we were to lower that, they might invest more or they might recognize the gain they have today, consequently, even generating taxes. We can index capital gains for inflation. That creates a stable investment environment whereby business decisions will invest in capital, create jobs, which create salaries, which create income, which create tax revenue.

We can markedly advance—much more so than we have done in this bill—depreciation schedules if we want to have an impact. We could go to full expensing for capital equipment forever. We don't have to stop it now. What that would do is create investment in capital goods in this country, which would create jobs, which would raise wages, which would create incomes, which would create tax revenues for the country.

There are other things we can do besides just send money out the door. We can establish a repatriation window for corporate taxes overseas. The best way to not ever have to deal with this again is to have a corporate tax rate equivalent to what is going on in the rest of the world—have one at 25 percent instead of 35 percent so that we, in fact, are competitive worldwide, so that corporations don't refuse to bring income they have earned overseas back to this country because we have an excessive tax on it, so they decide not to do that.

Finally, what we can do is make the Small Business Administration work. Seven years ago, the impact of Government regulation on small business was less than \$4,000. It is \$7,400 per employee. That is the impact of the Federal Government. That is not the taxes you pay, that is the impact of the regulations in terms of the cost impounded onto small business by the Federal Government.

I will end with talking about the budget that was just submitted by the administration. We are going to spend probably \$150 billion or \$190 billion, and we are not going to pay for it. We are not going to reduce any of the wasteful spending, including the inappropriate payments in Medicare, and there is another \$40 billion in fraud. Medicaid has \$30 billion worth of fraud and another \$7 billion in improper payments. Food stamps has \$6 billion worth of improper payments, not counting the fraud.

There is nothing associated with fixing what is wrong with the Government so that the American people get value from it. We are going to throw money at a problem rather than secure the future for our children and grandchildren. We can do better. We ought to do better. We should not say we are just going to throw money at the problem.

Let's make long-term structural changes in the Tax Code that raise the opportunity for our children rather than lower it by putting debt on their shoulders. Let's make the long-term changes and tough choices of eliminating programs that aren't working

effectively, or let's refine programs that are wasteful, not efficient, and loaded with fraud. Let's eliminate the wasteful programs that account for \$150 billion of money spent each year. Let's get rid of the \$30 billion in waste at the Pentagon. Let's get rid of the \$3 billion we spend every year maintaining buildings the Pentagon doesn't want. We don't have a way to get rid of them, but we don't have the courage to change the law.

There are all kinds of ways to save a couple hundred billion dollars a year, but it means you have to ruffle some feathers. It is time we do that and do the hard work, rather than the easy work.

Thank you for the opportunity to speak in terms of what I think is a long-term way to resolve this economic trough we appear to be facing. I am not confident we are going to do it the right way. I think we are going to do it the politically expedient way, which helps people get reelected but doesn't fix the real problem. To me, to my regret, that is a sad misnomer for this body.

I yield the floor.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BAUCUS. Madam President, the book of Leviticus teaches: "Rise in the presence of the aged, show respect for the elderly, and revere your God."

Today, the Senate can show respect for America's elderly. Today, the Senate can extend needed stimulus checks to 20 million seniors whom the House left behind.

America's seniors have earned the right to get stimulus checks, every bit as much as other Americans. They worked hard all their lives. They paid a lifetime of taxes. They contribute to the economy.

And seniors can use the money. And because they can use the money, seniors are excellent targets for economic stimulus checks. Because they can use the money, they will spend it quickly.

Americans over age 65 spend 92 percent of their incomes. Households headed by a person over age 75 spend 98 percent. That is higher than any other group over the age of 25. And that means that a check sent to a senior will have a greater bang for the buck in terms of helping the economy.

The Finance Committee amendment would help 20 million seniors who were left out of the House bill. The Finance Committee amendment would provide seniors with rebate checks of \$500. The underlying House bill would not help those 20 million seniors.

And the Finance Committee amendment would also provide rebate checks for 250,000 disabled veterans who receive at least \$3,000 in nontaxable disability compensation. The Finance Committee amendment would make them eligible to receive the same \$500 rebate as wage earners and Social Security recipients. The Veterans Administration would distribute the rebate. The House bill would not provide re-

bate checks to disabled veterans who don't pay taxes.

And the Finance Committee amendment would provide an additional 13 weeks of unemployment insurance. And high unemployment states would qualify for an extra 13 weeks. The House bill does not provide an extension of unemployment insurance.

Almost a million more Americans are unemployed today than were a year ago. And 69,000 additional unemployed workers filed claims for unemployment insurance just last week.

CBO found unemployment insurance to have a big bang-for-the-buck. It acts quickly to boost the economy.

I heard my friend from Oklahoma. Frankly, all of the big ideas and great ideas are ideas we cannot address at this point. We have to act now, immediately. The President wants us to act now with the stimulus package. The House wants us to act now. We in the Senate have to act now; that is, we have to get some rebate checks out to the American people so they can spend those checks, those dollars, and prime the economy.

The Chairman of the Federal Reserve System has done his part by lowering interest rates to help keep our economy from going into recession, to help keep our economy from falling into high unemployment rates, because we are facing a time of slow growth, primarily due to the problems in the housing markets, the subprime problems, which cascade into securitized loans and which, frankly, were peddled in a way that caused a lot of investors in our country to not know, frankly, what they were investing in.

The Chairman of the Federal Reserve System, Mr. Bernanke, also wants this package now. He knows what he is talking about because he is, after all, probably the best economist in this country at the moment. The Chairman of the Federal Reserve System is saying that, in addition to lowering rates, we should have the stimulus package passed.

We on the Senate Finance Committee did improve upon the House-passed bill. We decided not to replace it but improve upon it, so that any changes we make can be easily folded into the House-passed bill, and get the final product on the President's desk very quickly. Nobody wants to hold up the stimulus checks or hold up stimulating the economy. So I am quite confident we will get this resolved quickly, with improvements.

The research organization *economy.com* found that each dollar spent on extended unemployment insurance benefits generates \$1.64 in increased economic activity.

Don't forget, we passed a bipartisan stimulus bill after 9/11, and that contained an extension of unemployment insurance. The President signed that bill. We should do the same now.

Further, we are adding a provision—it sounds technical, but it is simple—that would extend the carryback period

for net operating losses for companies from 2 years to 5 years. Very simply, the bonus depreciation and expensing provisions help companies that make a profit—many companies during this low economic growth time are not making money—it seems fair they be included in the stimulus package, and that is why it is very important that provision be enacted.

This provision will help the housing industry, especially homebuilders, from going belly up. There were a lot of loans made that should not have been made. The more we can show to the American people that we are thinking about them, that we are trying to add a stimulus to the Nation's economy, the better, including showing to the housing industry that by making a change in the tax laws they can carry back current losses to earlier profitable years so they can make payrolls and not have to go belly up.

I might add, we also in the Senate Finance Committee package—the House does not do this—tighten up provisions that make it extremely difficult for illegal aliens to get these rebate checks. That is very important. It is not in the House bill. We have that provision in the Senate bill.

Finally, this is clearly the right thing to do. It is clearly right that 20 million seniors and about 250,000 disabled veterans be included in the rebate check program. We do that in our bill. There are some other provisions, but that is the core of what we are doing here.

Clearly, the House will accept these changes, there is no doubt about that. The President can sign it, and we can get this rebate program up and going. We can get it passed very quickly.

I yield to the Senator from New Mexico, Mr. DOMENICI, for 6 minutes.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Madam President, I rise to outline my reasons for supporting the Senate Finance Committee stimulus package.

I have reviewed various proposals carefully. Clearly, the House-passed package is simply unacceptable. I predict that the House would not pass that bill again now that its flaws have been revealed. By denying rebates to Social Security recipients and veterans, yet giving it to illegal immigrants, the House has produced something most Americans would reject.

I understand that in the rush to produce the package, the House may not have completely vetted each and every provision. So when I say it is simply unacceptable, I believe the way I have outlined what probably happened is true. They did a terrific job in a short period of time. It is just that the product, unfortunately, had to go somewhere else, it had to come here, and in coming here the good staff and others had to look at it in its entirety again, and they found what I described and the chairman of the full committee described.

I say to the chairman of the full committee, I am not on this committee, but I follow it, and I know what is in the final package.

Yesterday, the Institute for Supply Management reported that business activity in the nonmanufacturing sector of our economy contracted. That is the part of the economy that has been holding everything together. It had not been contracting; now it has. The level of that key indicator is now at its lowest level since 2001. Right after the terrorist attacks of September 11, the stock market dropped 370 points and investors continued to move into ultrasafe areas, such as Government bonds.

Last week and earlier this week, we had more information about a devastated housing industry and the announcement of bankruptcy of a major home building firm. Last Friday, the Government reported that the Nation suffered a decline in job creation for the first time in 4 years.

In short, we clearly face the possibility of a recession. Worse, this recession may dovetail with the present near freeze in credit markets. And when that happens, none of us knows how these two things may interact and what it may bring to us.

A prudent person would do as the House has done and has been proposed by the Senate and pass a stimulus package that will get money into the economy as soon as possible and will target particular sectors especially hard hit.

The question isn't whether we should have a stimulus package. The question is, which do we prefer? The first thing to look at is the cost. The Senate Finance Committee package, as amended, will cost \$158 billion. The House-passed package was \$146 billion. In a \$14 trillion economy, a difference of \$12 billion is insignificant, almost a rounding error in an economy clearly the size we have. Both packages cost about the same.

Second, it seems to this Senator that speed is the important ingredient. Therefore, if we invoke cloture on the Senate Finance Committee package before us, we can move quickly and move toward a Senate-passed package.

Third, I believe the Senate Finance Committee bill spreads the rebates, including veterans and Social Security recipients, and making sure no illegal immigrants receive the rebates.

Fourth, the committee recommendations will give a strong boost to housing and home building through its net operating loss provisions. We cannot ignore the weight that the collapsing housing market and home building sector have had on our economy and loss of jobs.

It used to be common knowledge that you would not have a robust American economy without a robust home building sector accompanying it. That may still be true. We have had a robust housing economy until now.

Finally, I believe the passing of the energy tax provisions in this Senate

Finance Committee proposal as soon as possible is important. We can pass the provisions by invoking cloture, not waiting until later in the year to try to pass them on a different vehicle.

I have concluded that I will support cloture on the Senate Finance Committee proposal, recognizing that a conference with the House is likely and that both Chambers will be able to fine-tune the ultimate package and get it quickly to the President. I hope that is the case. The House had its turn. We will now have our turn. Then there will be a conference which will have to be called in any event, but they will now be operating under the gun, meaning getting something done quickly or they will lose all credibility.

I am hopeful I have chosen the right path. I know it is a difficult one for many who think I should do otherwise. I respect all of them, but I made my decision on what is best for New Mexico and what is best for America as I see it.

I thank the chairman for yielding me time. I yield the floor.

Mr. BAUCUS. Madam President, I commend and thank the Senator from New Mexico. He is making a courageous decision. More often than not, when somebody makes a courageous decision, it clearly is the right thing to do. It is easy to not make the courageous decision. Sometimes it is hard to make a courageous decision. He is making a courageous decision. I thank him and I know the people of New Mexico are proud of him for standing up and doing what he is doing.

The Senator from Arizona seeks recognition.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. Madam President, first, let me say that one of the points made by my dear friend from New Mexico is backward. We need to deal with this issue in a speedy fashion. There is one point that unites everybody with regard to this stimulus package: If it is not done quickly, its stimulative effect diminishes effectively, and there is a point at which it will not have the stimulative effect people would like. Therefore, speed is of the essence.

One of the points about the Finance Committee package is, of course, if it were to pass, we would have to go to a conference committee between the House and the Senate which would obviously delay this process. I don't know how long it will take to get to conference or how long a conference committee will take, but it could be a lengthy process taking us beyond the February recess which means that, clearly, we will be talking about weeks to get this bill to the President.

Were we, on the other hand, to follow Leader MCCONNELL's advice and reject the Senate Finance Committee package and move to a modified version of the House-passed bill, we could get that to the House which could pass it, send it on to the President, and be done with it. That can all happen, frankly, by the end of this week.

In terms of the issue of speed, it would behoove us to reject what has been called the Christmas tree package out of the Senate Finance Committee which substantially raises costs, spends more money, is much more complicated than it would be to take up the House-passed bill which can be done more quickly.

I don't mean to be pejorative when I talk about a Christmas tree, but that is pundits talk about a bill that starts out relatively small, but because Members have favorite adds to make to it, which is another favorite pundit phrase, things we like to add to the bill, we end up with a bill that started out small but ends up looking like a tree with a lot of ornaments on it.

Remember when Speaker PELOSI and Leader BOEHNER and the President struck the agreement they did that passed the House with 38 negative votes, there was a recognition this needed to be done quickly and cleanly.

There were just three working parts to this legislation. Members of the House had a lot of other great ideas. There are a lot of other items they would have wanted to put on it, but their leaders convinced them to get bipartisan support. It was very important to keep the package trimmed down to the point where Secretary Paulson believed it would actually benefit the economy and not add extraneous spending and elements.

What happened when the bill came to the Senate Finance Committee on which I sit? I haven't added it up, but some have said there is \$40 billion in additional costs, in additional spending, and I will talk for a moment about some of that spending. Those who are concerned about adding to the deficit need to be concerned about the additional cost of this bill. Some of that spending has to do with some tax credits for various kinds of businesses that have no stimulative effect whatsoever and are being done to either please certain legislators or to find a vehicle for something.

For example, there is something like \$100 million that is owed to some coal companies in the United States. They have not been able to find a legislative vehicle to get the money appropriated so they can be paid their \$100 million. So this was thought to be perhaps the right kind of vehicle to do it on.

Apparently they are owed \$100 million and we need to send it to the coal companies, but that has nothing to do with stimulating the economy. It is payment for a past debt for a court case. But one of the Members wanted it in this bill and, as a result, it got put in the bill. That is not a stimulus package for the American people.

Then there was a group of tax breaks. What are some of the tax breaks for businesses? One is a tax break so we can build more efficient homes. One of our problems in our economy is we have a glut of housing on the market right now. So we are going to make a tax break so folks can build more

homes to put on the market to add to those that already exist, as well as commercial buildings.

There has been a lot of talk about the rich getting too much in this package. One of the tax breaks is to remove the income limit for people who can now, under the Finance Committee bill, take a tax break for investments they have made in marginal oil and gas wells. Maybe that is a good idea. I don't know. But it clearly has no place on a stimulus package.

My point is that the Finance Committee did a variety of things which Members wanted done. They may or may not represent good policy, but they have nothing to do with the stimulus and simply add costs to this bill. Remember, this is all borrowed money. So it takes us further into a deficit situation.

One of our colleagues on the committee pointed out that these energy tax breaks actually are part of a larger bill, which I support, called the extenders package and, indeed, that is true. What is the extenders package? The extenders package is a package of legislation that each year we pass without question to ensure that various kinds of tax provisions remain in the Tax Code, such as the research and development tax credit and a variety of provisions such as that. I asked for unanimous consent to offer that in committee and it was rejected. We do know, however, for a certainty, that is going to pass this Congress. So these energy provisions, even to the extent people want them, are going to become law, but they don't have to be put in the stimulus package to drag it down.

The other big expense added in the Finance Committee was the extension of unemployment. The Secretary of the Treasury and other people in the administration will tell you, in their view, this stimulus package could add anywhere from a half percent to three-quarters of a percent of growth to the GDP, if it is done very quickly and very cleanly. However, adding the unemployment extension, \$30 billion or so to it, would eliminate the effect of a stimulus that otherwise would be provided. So the irony is that by adding the unemployment compensation extension provision here, we actually remove whatever stimulative effect there is in the bill, and we are right back to a bill that ends up, as I said, looking like a Christmas tree.

Right now, unemployment nationwide is 4.7 percent. We have never extended unemployment benefits when unemployment was at that low a level. It has always been in the neighborhood of 6 percent or above, maybe a little below that, that has caused us to extend unemployment benefits. So there may well come a time, if we can't get the economy moving in the way we want it to, that there would continue to be stress in the employment sector and people might actually begin losing more jobs, in which case we might have to extend it. But the best way to pre-

vent that from happening is to do sensible policy in the meantime to try to obviate that situation. And the Secretary of the Treasury and the President and the House of Representatives clearly believe the best way to do that would be to pass the stimulus package that doesn't have this additional \$30 billion in unemployment extension added to it.

The final point I wish to make is that there is some concern that there are politically popular things in the Finance Committee package and it is hard to vote against those politically popular things. I think the Senator from Montana made a good point a moment ago in reference to a different matter, that when you do something as a matter of conscience, and it is hard to do, usually it represents good policy. This is a case where the House of Representatives was willing, on a bipartisan basis, under the leadership of Speaker PELOSI and Leader BOEHNER, to put together a package, with the administration, in the kind of bipartisanship our constituents would like to have us engage in more often, in order to pass a bill quickly, that could be sent to the President quickly, and they did that even though I am sure many of them were tempted to add all kinds of other politically popular things to it. Now the attention turns to the Senate, and are we acquitting ourselves as well? I daresay not, if this Christmas tree package from the Finance Committee is adopted on the Senate floor. Instead, our constituents will look at us as the folks who slowed it down; we added a bunch of spending to it.

The American people are already skeptical that getting a \$500 or \$700 rebate check is going to help stimulate the economy. But clearly they are going to look at the additional spending, the increased hit to the deficit, and wonder whether we were simply acting in a political way rather than in a way best for the country.

So my view is we would be far better served to do what is the best policy, and that is to reject the Senate Finance Committee package as too much, more than the traffic can bear in this case, and to go back to the version of the House of Representatives, which would be modified ever so slightly, to send it back to the House to immediately pass it and on to the President and get this done.

My personal view is the kind of spending that is involved in the Finance Committee package will actually act to the detriment, not to the benefit, of stimulating the economy, and that is why it should be rejected.

In a few moments, we are going to have a chance to vote on this, and I hope my colleagues will vote no on the motion for cloture to bring up the Finance Committee-passed package of the stimulus bill.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Madam President, I have a number of Senators seeking recognition.

I yield 2 minutes to the Senator from Arkansas, Ms. LINCOLN; 2 minutes to the Senator from Ohio, Mr. BROWN; 2 minutes to the Senator from North Dakota, Mr. DORGAN; and 2 minutes to the Senator from Minnesota, Ms. KLOBUCHAR.

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

Mr. BAUCUS. Madam President, I yield to the Senator from Arkansas.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mrs. LINCOLN. Madam President, a special thanks to the chairman for all his hard work.

As we look across this great Nation, we all understand our economy needs some help, and that is why the Senate Finance Committee quickly took up the economic stimulus package which the House and the administration had put out there. I have to give an incredible compliment to our chairman and ranking member, Chairman BAUCUS and Senator GRASSLEY, who went about this in such a thoughtful way, making sure there was no pride of authorship but recognizing what we had to do was to improve on this bill, to improve on what the House had done in such a hurried fashion, in order to be sure we didn't leave people out. This is very thoughtful with respect to the economy and the long-term debt issues out there, to keep a package that was small and reasonable, yet was comprehensive for the task that it had.

The package Speaker PELOSI and President Bush put together was a good start, but, unfortunately, there were some very important changes that needed to be made, and most notably some very hard-working and deserving Americans were disqualified from the stimulus rebate under their proposal: our seniors living on Social Security income and our disabled veterans. Why in the world would we want to leave behind this group of such important Americans—fabrics of our American family, people whose backs this country was built on and protected by—20 million seniors and at least a quarter of a million veterans who we know should qualify? The fact that there are disabled veterans who might qualify for that rebate is certainly reason enough to make sure we go back and get it right. I have no idea why the other side would not want to do that.

This is not the only thing we intend to do to stimulate the economy, but it is the jolt we need. The Senator from Oklahoma was worried it was the only thing. No. No one thinks this is the only thing we are going to do. We are going to follow with a farm bill, which will put an immediate stimulus into our rural areas. We will be looking at the energy tax package and a host of others—No Child Left Behind, which has been underfunded a tremendous amount.

The Senate Finance Committee took action quickly to address the inequities of the Pelosi-Bush package, and I am glad they did. The chairman and

ranking member did an excellent job, and I hope my colleagues will recognize we have a one-time shot at making sure the Americans understand what it is we are doing: stimulating and jolting the economy and making it fair.

The PRESIDING OFFICER (Mr. SALAZAR). The Senator's time has expired.

The Senator from Ohio.

Mr. BROWN. Mr. President, I appreciate the words of the Senator from Arkansas. They are good words.

We have an opportunity to both jump-start our economy and solve the problems staring us right in the face. It is the difference between investing in our Nation's economy and investing wisely in our Nation's economy. Of course, we should invest wisely.

We have an opportunity to put money into the pockets of almost every American or just some Americans. We can exclude retirees, we can exclude disabled veterans, or we can include them. Obviously, we should include them.

The Reid amendment incorporated in the Finance Committee proposal sends rebates to the homes of 21 million senior citizens, 250,000 disabled veterans, and thousands of unemployed who don't get a dime in the House bill.

Now, some decided they wanted to label this bill a Christmas tree. It is always what you do if you don't like the provisions in something. Anyone who thinks it is Christmas morning in these households is sadly mistaken.

The Reid amendment is inclusive and sends money to individuals who will spend it. In a stimulus package, you stimulate the economy, and in times of recession you help those who have been hardest hit by the recession. It is smart and it is right.

The Finance Committee package provides extended unemployment benefits for those who are looking for jobs in a sluggish economy. Thousands of Ohioans lost their jobs not because they wanted to, but they have lost their jobs and they are looking for some help as they try to return to the workforce. Economists have confirmed that is the most potent strategy for stimulating the economy. You put money into the economy to stimulate the economy, you particularly put money into the pockets of those who will spend it—disabled veterans, senior citizens, and unemployed workers who need extended benefits. It makes sense and it is the right thing to do.

I thank the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, we are required from time to time to make tough votes in the Senate, but this isn't one of them. This is not a tough vote. The question is, Shall we try to stimulate the economy? The answer, clearly, is yes. I think most people feel we should do that.

So then, if we are going to give a rebate, some kind of rebate to people who should get the rebate, perhaps we

should think of it in terms of a family sitting around a supper table and they are talking about who is going to get this rebate. So somebody says: Well, you know what, let's make sure grandpa and grandma don't get it. Let's not give grandpa and grandma a rebate. They don't need to be in it. And by the way, Uncle Carl is unemployed. He doesn't need it. He ought not get a rebate. Or Cousin Ralph, he is a disabled veteran. He is not going to need a rebate.

Do you think any family sitting around a supper table would make those choices; that they are going to throw grandpa and grandma off the train and the disabled veteran who served this country and put his life on the line?

So here is the deal. We are told by some: Well, you know, they haven't earned income, so, therefore, they are not going to qualify for this rebate. Oh, really? You haven't earned your Social Security check? Seems to me that is a lifetime of earning. You didn't earn your disability payment? You earned it by putting your life on the line for this country.

So let's include the 20 million people who are senior citizens, many of whom live near poverty trying to stretch their reasonable income—in many cases a very small income—through the month to pay for both food and medicine. Let's include senior citizens, let's include veterans who are being paid veterans disability, who otherwise would not be included.

And let's do what we have always done during economic downturns: Let's extend unemployment benefits. That is the economic stabilizer we have always used. Let's do the right thing and vote for the finance bill and move it into conference. Let's do that now.

This is not a tough vote. We know what the right thing is.

I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

Ms. KLOBUCHAR. Mr. President, for 8 years, I served as the chief prosecutor for Minnesota's largest county, and we had something we said when we were working on white-collar cases. We said: Follow the money. Follow the money. Is it going where it is needed? That is what I ask today. I would say with the Senate finance package it is.

I hope that as Congress works on this package, we will work to redirect the money to new priorities for America. At the same time, the urgent need for America to get our economy moving forward again is deep and it is long. I saw it last month, when I was touring around our State, visiting 47 counties, visiting solar panel factories down in southern Minnesota, up at a turkey processing plant, and I can tell you people want to move forward with this economy, but they feel our Government has not been supporting them. That is why we put together the Senate stimulus package, which is targeted, which is temporary, and which is going to be timely.

I know we are all going to get this done, but I believe it is very important we not neglect the seniors, 600,000 seniors in Minnesota. I have always believed this is a country where we wrap our arms around the people who have been there for us—our seniors and disabled veterans. When these guys signed up for war, there wasn't a waiting line. Why would we put them at the end of the line when we are looking at these rebate checks?

So I believe it is important we move forward with the Senate finance package, which does some very good things, as the Presiding Officer knows, for the State of Colorado, to promote energy—renewable energy, and wind and solar—and I wish to move forward with it. But I believe that long after these rebate checks are cashed, we are going to have to change it for the long term. This means rolling back those tax cuts for the wealthiest people, making over \$200,000 a year, investing in our infrastructure, and moving this country in the right direction.

I yield the floor.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. ALEXANDER. Mr. President, let us remember that the stimulus package we are considering is a plan agreed to by the Democratic Speaker of the House, the Republican leader of the House, the President of the United States, and about 400 Members of the House. It is one that is timely, targeted, and temporary which will help people keep more of their own money and help small businesses to have more money to create jobs.

What began as a package to stimulate the economy in the House of Representatives has become an excuse for spending money in the Senate. That is why I hope we will reject the Senate Finance Committee proposal. It is too expensive, spends too much money, and it doesn't stimulate. The goal should be to move quickly, to show the American people we can act in a bipartisan way and get a good result that is to their benefit. The Finance Committee proposal does not do that.

I spoke with Senator MCCONNELL, who suggests we simply amend the House bill by adding the seniors and the disabled veterans and send it back, send it to the President, and show the American people we can move promptly to give a boost to the economy.

I thank the Chair, and I yield the floor.

Mr. KENNEDY. Mr. President, I commend Senator REID and Senator BAUCUS for their leadership in getting stimulus legislation to the floor so quickly. It is not a moment too soon. In recent weeks, the many warning signs of a troubled economy have turned into loud alarm bells that we cannot ignore.

Last week's worrisome GDP figures show that economic growth has ground to a near halt. Savings are plummeting. Debt is rising. The Fed has cut short-term interest rates more rapidly

than at any time in its history. For the first time in years, we are losing more jobs than we are producing. It is clear that we are facing an economic crisis that will present enormous challenges in the months and years ahead.

This crisis will affect every man, woman, and child in our country, but it will be particularly hard on the millions of families who are already struggling who are having trouble finding work, heating their homes, and paying the mortgage. For these families, a recession isn't just part of the business cycle—it's a life-altering event from which they may never recover.

Already far too many families are on the brink. Unemployment has skyrocketed more than 7.6 million Americans are looking for work but can't find a job. Foreclosures are rising 200,000 families each month are at risk of losing their homes. Bankruptcies soared by 40 percent last year, and experts predict they will rise even faster in 2008.

Our actions today are vital for the entire economy, but they are most critical for these struggling families. Our decisions will help determine whether they keep their homes, whether their teenagers stay in college, and whether their children go to bed hungry.

The current recession is a major turning point for our country. We have to choose a path out of this crisis, and the path we choose will determine the kind of America we will be for years to come. Do we choose to help some, or do we choose to help all? Do we choose a path of shared prosperity, or a path that leaves countless hardworking families behind?

These are questions of basic fairness, and the American people understand fairness. They don't want to see their friends and neighbors who are struggling get left behind. They want us to do what is right for all.

Today we have the opportunity to take a few basic steps forward to demonstrate our commitment to a fair economy.

First, we have to tackle unemployment. It is clear that no matter what we do to boost economic activity, we will continue to have a significant unemployment problem for at least the next 2 years. Goldman Sachs predicts that the national unemployment rate will rise to 6.5 percent by the end of 2009. Many States around the country are already struggling with high unemployment. Michigan's unemployment rate is 7.6 percent. South Carolina's is 6.6 percent. Ohio just hit the 6 percent mark as well.

Workers who lose their jobs are having much more trouble finding work now than before the last recession. Today, 18 percent of workers have been looking for a job for more than 26 weeks, compared to only 11 percent in 2001. This problem is affecting workers across the economic spectrum even those with college educations and years of experience can't find work.

There are nearly two unemployed workers for every job opening across the country.

Because it is becoming much harder to find a job, many more families are finding that our unemployment insurance system doesn't provide enough support. Across the country, 37 percent of workers are running out of benefits before finding a job, and more will follow as the recession deepens. Mr. President, 2.6 million people ran out of benefits in the year ending in October of 2007 that is far more than before the last recession.

These shocking numbers represent real hardship for millions of hard-working people across the country. It is all too easy for a job loss to turn into a financial crisis, and many families never fully recover. In the last recession we saw the real impact of unemployment on working families parents cutting back on spending for their children, or even pulling older children out of college to cut back on expenses. We saw teenagers who should be in school forced to take jobs to help support their families.

To prevent this downward spiral, we must act immediately to shore up the safety net for families struggling to find work. These workers have paid into the system for years. It is wrong to abandon them when they need our help the most.

The Senate bill is a major step forward. By extending unemployment benefits for up to 13 weeks, and providing as much as 13 additional weeks of benefits in high-unemployment States, we provide an immediate boost for our economy. And, at the same time, we help working families weather the storm.

Economists agree that extending unemployment benefits is a powerful, cost-effective way to stimulate the economy. Every dollar invested in benefits to out-of-work Americans leads to a \$1.64 increase in growth. That compares with only pennies on the dollar for cuts in income tax rates or cuts in taxes on investments.

I hope that all of my colleagues will join me in supporting an extension of unemployment insurance benefits. It's an essential solution that will jumpstart our economy and help families in crisis get back on track.

Unfortunately, jobless families are not the only ones facing tough times. Millions of families today are facing a "perfect storm" of high costs and low wages. Every bill that comes in the mail just adds to the flood, until everyone ends up completely overwhelmed.

Working families are being swamped by the extraordinary increase in the cost of living. On President Bush's watch, the price of gas is up 73 percent. Health insurance costs are up 38 percent. College tuition costs are up 43 percent. Housing costs are up 39 percent. Yet in the face of these skyrocketing costs, employees' wages have been virtually stagnant, rising only 5 percent. Family budgets can no longer

make ends meet, and families across the country are feeling the painful squeeze.

In the face of these economic pressures, workers are struggling to keep their families warm. The winter has been bitterly cold in many parts of the country, and the cost of heating oil is rising so rapidly that it is impossible to keep up. Since last year alone, the price of a gallon of heating oil has increased by more than 40 percent. A typical household may have to spend \$3,000 or more on heating oil this winter.

Our Senate HELP Committee held a field hearing on fuel assistance in Boston last month. One of our witnesses was Margaret Gilliam, a senior citizen taking care of her grandchildren in Dorchester. She has already spent \$4,000 on heating oil this winter, which is nearly as much as she spent all last year, and there are still 6 or more weeks of winter to go.

She told us that she tries to make each Social Security check stretch by asking her fuel company to deliver just 50 gallons at a time, because she can't afford to pay to fill her tank. Most often, heating oil companies will not deliver less than 100 gallons.

Even for those fortunate enough to have fuel assistance under LIHEAP, the benefits will cover less than a third of these costs. Most households won't get any help at all—of the 35 million households eligible for fuel assistance nationwide, fewer than 6 million receive these benefits.

The high cost of basic essentials forces families to make impossible choices between paying for fuel, paying for groceries, paying for health care, or paying their mortgage. If parents choose to keep their children warm and fed, they risk losing their home. The lack of even a small amount of assistance—just an extra 100 or 200 gallons of fuel oil—can mean the difference between security and homelessness.

There are simple steps we can take to end this "perfect storm." One of the most important is the provision in the Senate bill providing additional home heating assistance for families struggling to stay warm this winter. Mr. President, \$1 billion in additional LIHEAP funding will help 2.8 million families pay their heating costs and make it through the winter. Helping families meet this basic need is also one of the quickest ways to jumpstart the economy. An increase in LIHEAP benefits takes as little as 2 weeks to get to the pockets of working families.

This year, we provided a significant increase for LIHEAP. But it is far from enough and we still have a long way to go to get to the program's authorized level of \$5.1 billion.

It has been said that some people know the price of everything but the value of nothing. How else can you explain the administration's latest budget request which cuts the program by 22 percent?

LIHEAP represents a tiny fraction of 1 percent of the entire Federal budget.

Yet it does so much for those most in need.

Programs like LIHEAP are the best economic stimulus money can buy. But even if they weren't, we would still have an obligation to support them—simply because it is the right thing to do.

Finally, there is widespread agreement that we need to put money into workers' pockets to encourage consumer spending that will boost our declining economy. The Senate bill includes a tax rebate to do just that.

In order to create an effective stimulus, any tax cut must be designed to give the money to those who are most likely to spend it immediately—middle and low income families who are strapped for cash because of these dramatically higher costs.

These families are the ones who need the help the most, and the dollars they receive from a one-time tax cut will be quickly spent. The money will be used to buy things they need but currently cannot afford. In contrast, wealthier taxpayers already have the money to purchase what they need. A tax rebate for them is much more likely to be deposited in their saving accounts than spent. Unless the tax cut is spent, there will be no increase in economic activity generated.

That is precisely what the rebate proposal in the Senate bill will do—provide direct assistance to the millions of working families who are feeling the squeeze of this economic downturn the most. They work the hardest, and they deserve our help. They are also the ones who will spend the money most quickly, for necessities they otherwise couldn't afford.

The Senate package also includes needed relief for seniors and disabled veterans. Both of these populations live on fixed incomes. Rising prices means a choice between buying food or needed medication. These Americans have sacrificed so much and worked so hard to build up our country, and they deserve our best efforts to help them weather the storm.

In all of these respects, the Senate bill makes major improvements over the measure passed in the House of Representatives. It is fairer, and it produces a greater stimulus effect by paying low and moderate income workers the same size tax rebate that more affluent taxpayers would receive. It also extends the tax rebate to include 20 million retirees struggling to make ends meet. The Senate bill will provide 14 billion more dollars in tax cuts to households with incomes below \$40,000. That is the best way to get the American economy moving again.

There is no question that every family in America is struggling in today's economy, and that they face difficult times ahead. But today we have a choice about how to move forward. Do we do what is easy, or do we do what is right? Do we go part way or do we do what it takes to add dignity to the lives of all of America's working families?

I hope that each and every one of my colleagues will listen to their conscience, do the right thing, and support the kind of stimulus that will help all Americans achieve better days ahead.

Mr. KERRY. Mr. President, first I would like to thank Senate Finance Committee Chairman BAUCUS and Ranking Member GRASSLEY for their prompt action in developing this economic stimulus package. Last week, the House passed an economic stimulus package. Although it was not perfect, it did provide us with a solid foundation from which to build a comprehensive bill in the Senate. I believe the Finance Committee proposal that is before us today makes a number of crucial improvements to the House version. For that reason, I urge my colleagues to vote to invoke cloture on the Finance Committee economic stimulus package.

The Finance Committee package was designed in a bipartisan manner to improve upon the House bill, not to add "pet projects" or so-called "goodies." Our goal is not to delay the passage of an economic stimulus bill, but to provide a package that will provide a genuine stimulus that is targeted to Americans who need our help the most. According to the Center on Budget and Policy Priorities, the Senate package would not delay, but accelerate the delivery of a stimulus.

The Finance Committee makes improvements in the following areas: structure of the rebate; business tax incentives; housing; unemployment insurance; and funding for LIHEAP. Low-income families should not receive a smaller rebate just because they do not have taxable income. These families need our help and economists that testified before the Committee have pointed out the potential for this investment to truly aid in kick-starting the economy. The Finance Committee will provide a \$500 rebate to all eligible singles and \$1,000 to married couples.

The Senate Finance rebate is structured in a manner which will allow senior citizens receiving Social Security benefits without taxable income to be eligible for the rebate. Senior citizens are facing the same increases in food and energy prices as are other Americans and cannot be left out of the package. Many seniors in Massachusetts live on fixed incomes. They struggle to pay their medical and heating bills.

Unfortunately, 20 million seniors were left out of the tax rebate in the House-passed stimulus bill. When we are contemplating distributing stimulus checks broadly across most American families, it would just be wrong not to include 20 million seniors of the Greatest Generation.

Not only does the House passed economic bill exclude seniors from rebates, it excludes 250,000 disabled veterans who do not file a tax return. There is no valid reason to leave out those who were wounded while serving their country.

As Chairman of the Committee on Small Business and Entrepreneurship, I

am pleased this economic stimulus plan includes two tax provisions which Senator SNOWE, who serves as the ranking member of the Committee, and I believe will help small businesses. The first provision doubles the amount of business purchases that a small business can write-off from \$125,000 to \$250,000 for 2008. This will provide an incentive for small businesses to purchase more equipment and expand their business.

The second provision expands the carryback period for net operating losses, NOLs, from 2 to 5 years. This targeted provision will help businesses address losses. By allowing NOLs to be carried back for a longer period of time, business owners will be able to balance out net losses over years when the business has a net operating gain, helping small businesses with their cash flow. Any action we take to foster their growth benefits our economy as a whole.

At the Real Estate Roundtable earlier last week, Treasury Secretary Paulson said, "the U.S. economy is undergoing a significant housing correction. That, combined with high energy prices and capital market turmoil caused economic growth to slow rather markedly at the end of 2007, as reflected in the gross domestic product numbers." The GDP fell from 4.9 percent in the third quarter of 2007 to only 0.6 percent in the last quarter.

A strong economic stimulus package needs to address the root of the problem—the housing crisis. The unexpected losses on subprime mortgages and the breadth of the exposure has created uncertainty in the economy. Homeowners facing higher interest rates on the subprime adjustable-rate mortgages, ARMs, and lower housing prices are having trouble refinancing. Approximately 1.7 million subprime ARMs worth \$367 billion are expected to reset during 2008 and 2009.

Owning your own home is the foundation of the American dream. Home ownership encourages personal responsibility, provides financial security, and gives families a stake in their neighborhoods. According to the Mortgage Bankers Association's National Delinquency Survey, there were roughly 2.5 million mortgages in default in the third quarter of 2007—an increase of about 40 percent when compared to the same quarter in 2005.

A few weeks ago, I held a roundtable discussion on the economy in Massachusetts. Jim Harrington, the Mayor of Brockton, MA, told me that his city had 400 foreclosures last year and expects 400 more this year. In the City of Boston, there were 703 foreclosures in 2007 after just 261 in 2006. The dramatic increase in foreclosures in cities across the nation are lowering revenues and making it more difficult for them to respond to the housing crisis.

The Finance Committee amendment includes a provision to provide \$10 billion for mortgage revenue bonds. This provision is based on a bill introduced

by Senator SMITH and myself. It passed in the Finance Committee by a 20-1 vote. It is also important to note that President Bush, during his State of the Union Address, asked the Congress to provide additional authority for mortgage revenue bonds and included a similar provision in the budget for fiscal year 2009.

Specifically, this provision would provide \$10 billion of tax-exempt private activity bonds to be used to refinance subprime loans, provide mortgages for first time homebuyers and for multifamily rental housing. This provision will help families retain affordable housing. The housing crisis also affects rental housing because many families who lose their homes will move into rental housing.

With the additional mortgage revenue bond authority, States and local governments could rapidly escalate demand for housing and stimulate the economy by increasing the flow of safe, non-predatory mortgage loans. In 2006, State and local governments financed 120,000 new home loans with MRBs. With the additional \$10 billion in funding, States and localities can match that amount and finance approximately 80,000 more home loans.

According to the National Association of Home Builders, every mortgage revenue bond new home loan produces nearly two, full-time jobs, \$75,000 in additional wages and salaries and \$41,000 in new Federal, State and local revenues. Also, each new home loan results in an average of \$3,700 in new spending on appliances, furnishings, and property alterations.

Separate from mortgage revenue bonds, the Finance Committee extends unemployment benefits by thirteen weeks through the end of 2008. In December alone, the national unemployment rate shot up from 4.7 percent to 5 percent and half a million more workers joined the ranks of the employed. Labor statistics released last week show the labor market is faltering. In the past month, our economy lost 17,000 jobs. We need to extend unemployment benefits now. When it takes longer to find a job, current unemployment benefits are not adequate.

Extending unemployment benefits is one of the most effective ways to stimulate the economy. Families struggling to make ends meet after losing their paycheck will spend the benefits quickly. Every dollar spent on benefits leads to \$1.64 in economic growth. In addition, unemployment benefits will reach workers about two months before rebate checks start to be delivered.

Finally, the Finance Committee package has been modified to include an additional \$1 billion for the Low-Income Home Energy Assistance Program—one of the most effective programs to help low-income Americans struggling with rising energy costs. According to economist Mark Zandi, an increase in LIHEAP funding should be part of a stimulus bill. Increased LIHEAP funding will eliminate the

need for families to choose between food and energy costs—a choice no family should ever face.

Home heating prices in Massachusetts are 44 percent higher today than they were just 1 year ago, and thousands of families will have difficulties paying their heating bills this winter. Massachusetts families will be able to benefit by approximately \$22 million from this proposed increase in LIHEAP funding.

Mr. President, once again, I would like to thank Chairman BAUCUS for his efforts in developing this important stimulus package. I ask all my colleagues to support this amendment so that more seniors, small businesses, homeowners, and hard working families struggling to make ends meet can get the assistance they deserve.

Mr. GRASSLEY. Mr. President, we have come down to the crucial vote on whether we are going to greatly improve the House stimulus bill. In a few minutes, all Senators will have to undergo that balancing exercise I referred to last week.

On one hand, you have the legitimate concerns on the part of the House, White House, and Senate Republican Leadership. That concern is that a wide open Senate process would slow down and complicate a straightforward House bill. Those who hold this view correctly point out that the House bill was the product of tough negotiations.

The White House and House Republicans made concessions in that negotiation. Likewise, House Democrats made concessions in that negotiation. Supporters of the House bill emphasize the need for speedy action to send the signal to workers, investors, and business people that the Federal Government is responding to the slowing economy.

On the other hand, are concerns about the substance of the House bill and a truncated process that limits the role of the Senate.

It comes down to this, Mr. President. The leaders' concern with timing must be weighed against the question of the quality of the House bill. In other words, is a take-it or leave-it House bill, which passes quickly, better than a Senate bill which allows the Senate to work its will.

I have laid out the leaders' concerns about timing. Now, we question of the adequacy of the House bill. That is the other side of the balance we need to strike.

Let's examine this side of the question. Asked another way, did the committee process improve the House bill with a Senate amendment?

I think everyone would have to answer yes. That is, the Finance Committee amendment is an improvement over the House bill. Twenty million seniors will get the checks. Over 200,000 disabled veterans will get the checks. Illegal immigrants will not be entitled to checks. These improvements to the rebate structure were the direct result of deliberations in the Finance Com-

mittee. They were contributions by members on each side. We improved the business stimulus provisions as well.

Our goal was a bipartisan economic stimulus package. The committee worked its will and improved the bill. The committee bill responded to the needs of Americans and business and, if enacted, would provide a very much needed boost for the economy.

The best proof of this point is the concession by opponents of the Finance Committee bill that the House bill must be changed on the structure of the rebate.

Before you vote, I ask Members to go back to the basic question of balancing quick action on the House bill versus improvements made by the Finance Committee.

The House bill could be passed quickly without improvements. Or we could finish the process here in the Senate and add the improvements made by the Finance Committee.

If cloture is achieved on the Finance Committee amendment, then we will have a different challenge.

We must not load up this stimulus package else further or it is likely to sink. Our leaders are right that we need to act quickly.

Mr. REID. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MCCONNELL. 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. MCCONNELL. Mr. President, in a few moments we are going to have an extremely important vote. Nineteen days ago, the President first proposed an economic stimulus package and implored the Congress to act. It was impressive to see the Democratic Speaker of the House, the Republican leader of the House, and the Secretary of the Treasury of the Bush administration all together having worked out an important stimulus package that we believe will help our economy.

Then in an apparent jolt of nostalgia from last year, Senate Democrats decided to co-op a bipartisan proposal produced by the House, to put together a carefully crafted political document coming out of the Finance Committee.

It may be a good proposal in some respects. I am sure it contains a lot of what is appealing to Members. But the point here was to try to do a targeted, temporary jolt to our economy, and to try to astonish the American people by doing it on a bipartisan basis, rapidly.

This package will not achieve that result. There is an opportunity, however, to do that. First, we must defeat the Reid proposal, and then there will be an opportunity to adjust the House proposal in a way that is acceptable to the Speaker of the House, the Republican leader of the House, and the

President of the United States, thereby achieving an early signature.

So I will offer, along with Senator STEVENS, after the Reid proposal does not achieve cloture, an amendment to the House-passed bill that will deal with Social Security, with veterans, and with the immigration problem. And with regard to the veterans piece of it, one of the deficiencies of the Finance Committee or Reid proposal is that it does not cover the widows of veterans. That omission will be corrected in the proposal I will offer.

So if we want to provide this stimulative effect for the widows of veterans, a way to do that, and the way to do it in a proposal that will be signed by the President of the United States, approved by the House of Representatives on an overwhelmingly bipartisan basis, is to approve the McConnell-Stevens amendment.

Now, let me say, Senator STEVENS and I don't have any pride of authorship. If it will help us get this job done, if it will help us get this job done, we can call it the Reid-Obama-Clinton proposal as far as I am concerned. The goal is not so much to claim credit as it is to astonish the American people and do something on a bipartisan basis and do it quickly—do it quickly.

People will be astonished, and we think the markets and others around the world will watch in amazement to see that, on a bipartisan basis, the U.S. Government can do something effective and fast. So I would be more than happy to change the name of the amendment if that would make it more palatable.

We have no particular pride of authorship. This whole path we are going down started out on a bipartisan basis; I was hoping we would end it on a bipartisan basis. As far as the credit part of it is concerned, we can all take credit, we can go upstairs to the gallery together, Senator REID and I, side by side, and say: We came together. We did something for the American people.

The House can simply take this up—we know; the majority leader of the House said today, he implored us, the majority leader, not to load up this bill with too many extras that would imperil the bill.

He was referring, of course, to the package upon which we will be having a cloture vote shortly. So the way forward is clear. Let's defeat the proposal that we know will not be accepted by the House, we know will not be signed by the President. Let's modify the House bill—we can call it the Reid-Clinton-Obama bill as far as I am concerned—and get it back over to the House. We have their assurance they will take it up, pass it, and send it to the President for his signature. But first we must defeat the Reid-Finance Committee package.

I yield the floor.

The PRESIDING OFFICER. The majority leader.

Mr. REID. Mr. President, the President of the United States returned

from the Middle East 2 weeks ago tomorrow. I had a conversation with him on the telephone, with the Speaker, and a number of other people.

At that time, the decision was made that the President would hold off on any statement he would make on specificity on Friday following that Thursday, and that we should sit down and see what we could work out with his Secretary of the Treasury.

We did that. A decision was made, as I have said on this floor on a number of occasions. This decision was made because of the House rules compared to the Senate rules, that this would be a bill that would come from the House. That bill has come from the House. I have never in any way disparaged it.

But it is not something that does not need fixing. That was the whole purpose of the House working on it and then we are working on it. So any intimidation by my friend, the Republican leader, that whatever the House came up with we would just put a big stamp of approval on it does not speak well to the history of this body.

We have an obligation to do what we think is best to stimulate the economy. We have done that. What we have done is not a political document. It is a piece of legislation. Now, from what I have heard from my friend, it appears that they would agree, by unanimous consent, the bill that is now the House bill—what I understand they would be willing to add to that is language that would prevent undocumented from drawing the benefits of those rebates. They would also be willing to accept senior citizens as listed in the Senate Finance bill, 21.5 million of them; wounded veterans, 250,000 of them; and the widows of those veterans.

It sounds good to me. I would be happy, and I ask unanimous consent at this stage. Are they willing to accept that, to add that to the package that we now have? That is, add the widows to the package that is now before the body? I agree we can add widows. I ask unanimous consent that that be the case.

The PRESIDING OFFICER. Is there objection?

Mr. MCCONNELL. Would the majority leader restate his unanimous consent request?

Mr. REID. The Senate Finance package that is now before the Senate, I ask unanimous consent that we add to that widows of the veterans.

Mr. MCCONNELL. Mr. President, reserving the right to object, this is what has been going on all week: adjustments to the package in order to play political games.

Now, with all due respect to my friend, the majority leader, we are going to have an opportunity to fix this problem on the widows of veterans at a later date.

We do not have to fix it on this first vote. How many different times do they want to change it? They originally told us they were going to give us the paper last Thursday night. It kept

evolving and evolving and evolving. We will have a chance to fix this problem.

The first opportunity would be the amendment that Senator STEVENS and I intend to offer. Therefore, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. REID. That is somewhat unusual. It appears the changes as have been suggested by my friend—I wanted to be cooperative and say that is a good idea.

You can flip open any newspaper, tune in to any news program, tune in to any radio show, and you are bound to hear from professors, economists, analysts, and pundits debating about the state of our economy. It used to be a lot of them were asking: Are we in a recession now? Not too many are asking that now. They believe we are in a recession. But they do ask continually how deep will it be; how long will it last.

Those questions are valid and appropriate. But they are asked by those who spend their lives thinking about the economy, not by those who spend their lives working in the economy or building the economy, to those Americans working harder than ever who end up with less.

There is no doubt the state of the economy is not good. Millions of working families are trying to make their paycheck stretch until the next paycheck, as their gasoline, heating, and grocery bills skyrocket, of course, medical bills are never able to be paid.

They know how our economy struggles. Millions of senior citizens are living on incomes that are fixed but face living costs that are anything but fixed. They know how our economy struggles. Small business owners are facing rising health care costs for their employees and greater difficulty finding capital to grow. They know how our economy struggles.

Millions of homeowners are in foreclosure or face it soon; 37 million people. In California, foreclosure rates have gone up more than 300 percent; Florida, 250 percent. We could go through a long list of problems. But they are difficult. The housing market is in big trouble as these people watch their dreams and their security come crashing down. They, too, know how our economy struggles. It affects everyone.

I did a TV show down here with the mayor of the city of Fernley, NV.

Mayor, how is the economy?

He said: It is tough.

They just had a levee break and a Bureau of Reclamation project has been there for a long time. You know, the water came and covered homes for 2 miles. Some of it was 8 feet deep. With the state of the housing market so bad, a lot of people are saying: I don't think it is going to do any good to rebuild my home. I don't think I can borrow the money to fix it up or I can't make the payments.

It is fair to say that President Bush will not be remembered as a good steward of our economy. When he took office, there was a surplus over the next

10 years of some \$7 trillion. As Senator CONRAD mentioned at a presentation earlier today, in his 7 years, he has run up the debt. That is gone. The surplus is gone. He has run up the debt by more than \$3 trillion. We have now spent about \$750 billion in Iraq. Every penny of it has been borrowed. But even this President understands the urgent need for action, and we need to do that.

To his credit, President Bush called on Congress to pass an economic stimulus plan. House leaders, Democrats and Republicans, working with the White House, came together to craft a bill that serves certainly as a good starting point. That was always what it was supposed to be. But notably the House plan sends rebate checks out to the American people some time in probably May or maybe even June. They can't do anything with the rebate checks until the income tax returns are filed. Americans will use that money to pay their bills, to buy books and clothing for their children, or perhaps to make a long overdue repair of homes or cars or pay a doctor bill. Democrats, Republicans, we all agree, if we give the American people the money, they will spend it.

Last week the House sent the bill over here. In the Finance Committee, Chairman BAUCUS and Senator GRASSLEY put their heads together, one Democrat and one Republican, and made a good bill far stronger.

Here are some of the things they did that we are going to be voting on in a little while. Through bipartisanship, this Finance Committee package sends stimulus checks to 21.5 million senior citizens who would get nothing from the House bill. The bipartisan Finance Committee package sends checks to 250,000 wounded, disabled veterans who were left out of the House plan, veterans unable to work because of the sacrifice they made for our country. The bipartisan Finance Committee package extends unemployment benefits for those whose jobs have fallen victim to this economy which is on this down spin.

The Department of Labor recently told us that the economy lost thousands of jobs in January, on top of the millions who are already unemployed. The House bill doesn't extend unemployment benefits, and economists tell us that is one of the most effective ways to stimulate the economy.

The bipartisan Finance Committee plan helps both small and large businesses. Small businesses will have a greater ability to immediately write off purchases of machinery and equipment, and large business will receive bonus depreciation, an extended carryback period for past losses to recoup cash for future investments. The bipartisan Finance Committee package addresses the housing crisis by adding \$10 billion in mortgage revenue bonds that can be used by States to refinance mortgages. The reason I focus on this is the President of the United States in his State of the Union Message said:

... and allow state housing agents to issue tax-free bonds to help homeowners refinance their mortgages. (Applause.)

We stood and applauded when he said this. That was the right thing for him to say. It is the right thing for us to do. That is what we have in our Senate Finance package, something the President called for in his State of the Union Message. Why should we be criticized for trying to improve the House plan because the President asked for it and we agree with what the President asked for?

The bipartisan Finance Committee package includes an extension of energy efficiency and renewable energy incentives to create jobs, lower energy bills, and help begin to stem the tide of global warming.

The Arizona Republic Newspaper, a newspaper not known for being left-wing, said in an editorial recently: The economic stimulus package from Congress needs some power, renewable power. The plan should include an extension of tax credits for renewable energy sources such as wind, solar, geothermal. We get a 3-for-1 impact: creating jobs, diversifying our energy supply, and reducing pollution. These aren't new tax credits. They are existing ones that are serving us well. Last year nearly 6,000 megawatts of renewable energy came on line. That injected \$20 billion into the economy. That is what we have in this legislation. It is good legislation. It is important legislation.

The amendment I have submitted adds two bipartisan measures to the committee's bill. One is an amendment to increase loan limits for Fannie Mae and Freddie Mac as well as FHA-backed mortgages which will help more homeowners refinance and reduce mortgage interest rates. The other provides funds for the Low-Income Home Energy Assistance Program, LIHEAP. These funds will help low-income families—and there are lots of them—afford their heating bills which are skyrocketing even as big oil reports record profits. Shouldn't we do this? Last quarter Exxon made more money than any company in the history of the world. They had a net profit of over \$40 billion in one quarter. This effort to get individuals and companies investing in renewable energy is important. That is what is in this bill. We should not be criticized for this.

What the bipartisan Finance Committee accomplished, they took a good plan and made one much better—better for seniors, for veterans, for working families, for business, for our economy. They did it in a bipartisan manner. This isn't a Democratic package. It is a bipartisan package. They did it quickly. They did exactly what the Senate is supposed to do.

The stimulus plan before us tonight is smart, targeted, and it is effective. That is why it is supported by the AARP, Families USA, Alliance for Retired Americans, National Association of Manufacturers, American Home

Builders Association, National Council on Aging, union groups, Veterans of America, Easter Seals, and on and on. There is lots of support from lots of different organizations, scores of them. I have only hit a few of them.

The Republican leader and members of his caucus should have come to the Senate floor to congratulate Senators BAUCUS and GRASSLEY, as these groups did. After this was done, these groups made hundreds and thousands of phone calls to thank the Finance Committee for doing this. It was the right thing to do. This is not a partisan measure, and that is why these groups—many of these groups traditionally don't support Democrats—like this. It is bipartisan.

I am happy that a majority—and we will find out if there are 60—of this Senate approves of this package, a significant majority. We hope we will get 60, 61 votes. Time will tell. But the RECORD should reflect that a majority of the Senate, Democrats and Republicans, supports this bipartisan measure we got from the Senate. And it is interesting to note that as to this perfect plan we got from the House, the Republican leader said he would like to change it. So the House plan obviously needs to be improved. It needs to be improved because of language dealing with undocumented people. It needs to be improved because of seniors and veterans, which the Republicans admit. The House plan couldn't have been that great if they accept those changes.

This is a good piece of legislation. That is why I am happy and satisfied that a majority of the Senate approves what the Senate Finance Committee did. Secretary Paulson, whom I have enjoyed working with, said this morning that the Senate Finance Committee bill is "coming to the trough." My friend the Republican leader said these are pet projects. The majority of the Senate, Democrats and Republicans, disagrees with that. They do not think that seniors and veterans are pet projects. And if they are pet projects, I plead guilty, because they are my pet projects. Seniors are my pet project. Veterans are my pet project.

I have not served in the U.S. military. But during my entire career as a Member of Congress, I have bent over backward because of the sacrifices made by people such as DAN INOUE and CHUCK HAGEL and many others in this body and around the country. I do everything I can to have veterans as my pet project. And they are. And the vast majority of the Senate agrees with that.

So I think Secretary Paulson should retract what he said. This is not coming to the trough. We are coming to help people. We are coming to help veterans, seniors, people who are unemployed. Maybe my friend, the Secretary of the Treasury, has never been unemployed. Maybe he thinks those checks are not worth anything. We know the Secretary of the Treasury is a very

wealthy man. People who are on unemployment benefits, without exception, are not wealthy. They are people who were depending on a check to come when payday came. Payday came, and they had no job. The unemployed are a pet project of mine. I would say that the unemployed don't have the advocates, the lobbyists that a lot of other groups have, but they are as important.

Is it a pet project to help businesses weather the storm of this downturn? I don't think so. Is it a pet project to help people pay for their heating bills? And if there is something negative about that term, I plead guilty. Is it a pet project to help families avoid foreclosure? If the answer is yes, we know that a majority of the Senate is in favor of these pet projects. We know that a majority of the Senate supports these pet projects and will defend these projects.

I hope there are enough of my friends on the other side of the aisle who will step forward and do the right thing and support this bipartisan plan that will help stimulate the economy.

I am not naive enough not to know that when this bill leaves here, whatever shape it is, it goes to a conference with the House. The President will be heavily involved in that. It will have the stamp of approval of the House and the Senate. But pressure is building, and that is why a majority of the Senate of the United States believes that this Senate stimulus package is a good piece of legislation. We have already established tonight, through the words of the Republican leader, that the House package is far from perfect, because he has acknowledged that he wants to change that. If we stand together on this bill—and Senators BAUCUS and GRASSLEY have stood together—we can achieve something today that will make our economy stronger and make the American people proud that we have not forgotten the unemployed, that we have not forgotten the military folks who have given so much, and the seniors.

I still often want to call my mother. I used to call my mother every day. She was a Social Security recipient. I know I can't call my mother, even though I want to on many occasions. But I do know that if she got this check like we are trying to give her and others similarly situated, she would spend that money if she were alive. She would have that money spent in a matter of a few days. So this is the right thing to do.

The Senate should feel good that right now a bipartisan group of Senators, Democrats and Republicans, reported a bill out of the Senate Finance Committee and, after having done so, a bipartisan group of Democratic Senators and Republican Senators have joined together to say: Let's give the economy a boost. That is what this legislation will do.

Our time has expired, or it will in a minute or so.

Mr. President, as usual, we have people who want to get out of here and people who want to stay here. So we

are going to wait until the time expires. So I will ask that we have a quorum call. There is just a minute or so left.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

CLOTURE MOTION

Under the previous order, pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will report.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on amendment No. 3983 to H.R. 5140, the economic stimulus bill.

Herb Kohl, Max Baucus, Mark L. Pryor, Byron L. Dorgan, Robert Menendez, Jon Tester, Christopher J. Dodd, Barbara A. Mikulski, Joseph I. Lieberman, Frank R. Lautenberg, Daniel K. Akaka, Sheldon Whitehouse, Benjamin L. Cardin, Robert P. Casey, Jr., Richard Durbin, Claire McCaskill, Harry Reid.

The PRESIDING OFFICER. By unanimous consent, the mandatory quorum call is waived.

The question is, Is it the sense of the Senate that debate on amendment No. 3983, offered by the Senator from Nevada, Mr. REID, to H.R. 5140, shall be brought to a close?

The yeas and nays are mandatory under the rule.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. KYL. The following Senator is necessarily absent: the Senator from Arizona (Mr. MCCAIN).

The yeas and nays resulted—yeas 58, nays 41, as follows:

[Rollcall Vote No. 8 Leg.]

YEAS—58

| | | |
|----------|------------|-------------|
| Akaka | Durbin | Murray |
| Baucus | Feingold | Nelson (FL) |
| Bayh | Feinstein | Nelson (NE) |
| Biden | Grassley | Obama |
| Bingaman | Harkin | Pryor |
| Boxer | Inouye | Reed |
| Brown | Johnson | Rockefeller |
| Byrd | Kennedy | Salazar |
| Cantwell | Kerry | Sanders |
| Cardin | Klobuchar | Schumer |
| Carper | Kohl | Smith |
| Casey | Landrieu | Snowe |
| Clinton | Lautenberg | Specter |
| Coleman | Leahy | Stabenow |
| Collins | Levin | Tester |
| Conrad | Lieberman | Webb |
| Dodd | Lincoln | Whitehouse |
| Dole | McCaskill | Wyden |
| Domenici | Menendez | |
| Dorgan | Mikulski | |

NAYS—41

| | | |
|-----------|------------|-----------|
| Alexander | Cornyn | Isakson |
| Allard | Craig | Kyl |
| Barrasso | Crapo | Lugar |
| Bennett | DeMint | Martinez |
| Bond | Ensign | McConnell |
| Brownback | Enzi | Murkowski |
| Bunning | Graham | Reid |
| Burr | Gregg | Roberts |
| Chambliss | Hagel | Sessions |
| Coburn | Hatch | Shelby |
| Cochran | Hutchinson | Stevens |
| Corker | Inhofe | |

Sununu
Thune

Vitter
Voinovich

Warner
Wicker

NOT VOTING—1

McCain

The PRESIDING OFFICER. On this vote, the yeas are 58, the nays are 41. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

Mr. REID. Mr. President, I enter a motion to reconsider the vote by which cloture was not invoked on the amendment.

The PRESIDING OFFICER. The motion to reconsider is entered.

Mr. REID. Mr. President, first, let me express my appreciation to everyone who took my calls, who listened to Democrats and Republicans asking them to vote for this very important stimulus package. It was a good debate. The American people would have been better for having done this, but I appreciate the bipartisan nature of this vote. Fifty-nine Senators joined together to do what they thought was the right thing for the country.

I will have before the evening is out, in fact shortly, a conversation with the Republican leader in the immediate future this evening to let him know what I intend to do in the near future and not so near. So pending my conversation with the Republican leader, I note the absence of a quorum.

The PRESIDING OFFICER (Ms. CANTWELL). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. CASEY). Without objection, it is so ordered.

MORNING BUSINESS

Mr. DURBIN. I ask unanimous consent that the Senate proceed to a period of morning business with Senators permitted to speak for up to 10 minutes each.

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

RECOGNIZING EDWARD J. MOLITOR, SR.

Mr. DURBIN. Mr. President, Ed Molitor has been coaching basketball at Palatine High School for so long that when the local paper reported on his retirement, the sports trivia question it ran included the name of his predecessor.

When Ed Molitor was in college, he went to a playoff game between two Chicago high school basketball teams—DuSable and DePaul Academy. He credits this game with altering the course of his life.

At the time, Ed Molitor was a premed student at St. Procopius College. When he wasn't consumed with his studies, he helped a friend coach basketball at an elementary school on the