

Obviously, it has been made clear, I am going to vote against the House package, the Senate package, and any other package that focuses on sprinkling money around America in a way we know is not going to affect our economy in any meaningful way.

Mr. President, as you know, it is a tremendous pleasure for me to serve with you in the Senate.

I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Ms. MIKULSKI. Mr. President, I wish to proceed for 10 minutes in morning business.

The ACTING PRESIDENT pro tempore. The Senate is in morning business.

#### ECONOMIC STIMULUS

Ms. MIKULSKI. Mr. President, I wish to talk about the stimulus package and I wish to talk about our economy and I wish to talk about the Senate.

I am very frustrated with the Senate. We spent a week maneuvering and twisting over parliamentary procedure. Our processes are slowing us down in meeting the day-to-day needs of the American people and the long-range needs of our country.

Our country is at risk. We are fighting a global war against terrorism. Our dollar is worth a box of Kleenex. We need an economic stimulus and an economic recovery package, and we are fooling around on motions to proceed and clotures and backward and forward, and so on. The American people wonder what are we doing. They believe that when all is said and done, more gets said than does get done. And guess what. Put me in the column with the American people.

I am very frustrated with this institution. The rules were designed to make sure the minority party could always be able to express their view. That should happen. But it was not to bottle up progress. It was not to stifle the opportunity to get our economy back on track. It was not to tie up the Senate so we could not help 250,000 vets, 20 million senior citizens, and actually get money in the pocketbooks of people so we can start getting our economy back on the track.

Everyone agrees we need to jump-start our economy, everyone agrees we need to do it now—everybody but the other side of the aisle who is sitting on their hands and sitting on parliamentary procedure and sitting on you know what. I think it is time they get up, and I call out to the people: Flood our phones, get them off this, and get this economy going.

We know we are being very hard hit. Last month, we lost 17,000 jobs in the

service sector. That was supposed to be job-loss proof. Families all over the country are losing their homes to the subprime crisis. The price of food, gas, and health care is going up.

We voted last night on a parliamentary procedure that would have moved this legislation on the economic stimulus forward. It lost. It lost by one vote. But did it lose on a majority? No. Under the rules of the Senate, we need 60 votes to win a majority or we need 67 votes to win a majority. I thought a majority used to be a majority. Now we find that one vote—one vote—is standing in the way of moving the economic stimulus package.

I say to America: You watch cable TV, you listen to the chattering class, you read the newspapers. You know where that one vote lies. You see those empty chairs over there? One vote lies there. Flood our phones with calls, flood our Internet, flood our fax machines so we can get moving.

Last night what we had was a plan to move the economy forward. It was a well-thought-out plan of tax rebates to help families. We included not only that but 250,000 disabled veterans and 20 million seniors. At the same time, we extended unemployment insurance for an extra 13 weeks because for people who lost their job, it is now taking a longer time to find another job. And we help small business.

Last night, we Democrats voted to stand up for those disabled vets, for those senior citizens, for those people who have lost their jobs to make sure they will have the opportunity to benefit from the stimulus, and as they benefit from the stimulus, because they have such modest incomes, the money they get will go right into the economy. It will not go into paying the bar bill for somebody who has a fifth home in the Hamptons. It will go into the economy.

This bill helps 250,000 disabled vets. They say they did not qualify; they did not have earned income. My God, my God. I have a veterans advisory board. I meet with the disabled vets. Some of them belong to the Purple Heart Association, some come in wheelchairs, some come with canes because they bear the permanent wounds of war.

We always say a grateful nation never forgets, but we forgot them in the stimulus package. We forgot 250,000 of them. If a grateful nation never forgets, let's say we think you earned that. We think you earned that at Iwo Jima. We think you earned it at Normandy and Porkchop Hill and the Mekong Delta. If you have worn the uniform, you have earned it.

Now we want to help 20 million seniors who are left out because they said those Social Security benefits are not earned income. You pay your Social Security based on your wages. I think that is earned income. Every day there are people out there working, or who have worked every day. They have spent their whole lives building our economy, building our Nation, and

they are ready to do it again. All they need right now is to qualify for what they should be entitled to.

People say: Well, there she goes again. You know, BARB has a master's degree in social work. Well, you bet I do. And that social work took me into the neighborhoods and families of our constituents, and as a Senator I often try to think that way. While everybody here likes to talk about the macroeconomics and they take codels to Davos to hang out with the rich and famous, who want to be even more rich and more famous, I worry about the macaroni and cheese issues. And the macaroni and cheese issues that we have to focus on are what is happening in our economy.

But I just don't want to be a bleeding heart—though I am happy to be a bleeding heart. I am happy to be a bleeding heart, but I know that something called Moody's Economy.com—Moody's Economy.com—tells us where we get the most stimulus from the techniques used to do the stimulus, and what do they tell us? They tell us to give it to the people who need it the most—to extend unemployment benefits and to extend other benefits, such as LIHEAP, which helps people with their energy costs.

Now, 41 Republicans blocked this bill. They called it a Christmas tree. They said it was loaded with pet projects. Well, yes, disabled vets are a pet project with me. I stand guilty. Disabled veterans are a pet project with me. Clean up the mess at Walter Reed, clean up the compensation system, and include them in the stimulus package. You bet. But I also resent that. Disabled veterans are not ornaments or decorations, they are heroes, and they are the backbone of our country. So one vote stands between the American people and some help during these tough times.

I thank the eight Republicans who voted with us last night to move the bill forward so we could vote up or down on amendments. We need one more Senator to join us, one more Senator who will stand up for the people, for families, for seniors, for wounded warriors, one more vote against policies as usual. I say over there to those empty chairs: Will one of you come forward and join this very important effort?

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

The PRESIDING OFFICER (Mr. BROWN). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GREGG. 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. GREGG. I wanted to rise briefly to express my concerns at the process as it presently stands here in the Senate. I am tempted to say: Wherefore art thou the stimulus package, because there is no reason there should not be action on it now.

I had some very serious reservations about this whole effort on the stimulus package. I believe very strongly that we need some sort of stimulus to this economy, that the economy is beginning to slow fairly dramatically, but that the present framework of the stimulus packages, as they were agreed to in the House and certainly the Senate Finance Committee, have very distinct flaws. But that does not mean we should not bring the packages up and vote on them. Last night we voted on the Finance package. It did not pass. It did not pass because it added \$44 billion of additional money to an agreement which had already been reached between Speaker PELOSI, Republican Leader BOEHNER, and the administration, a bipartisan agreement which was reached with the tacit approval of the leadership of the Senate, as I understand it.

Although I was not intimately involved in the negotiations, my understanding is the way this proceeded was that the Senate basically said to the House—the Senate leadership in the sense of Senator REID and Senator McCANNELL said to the administration and the House: You see if you can reach an agreement on this stimulus initiative. And the administration, in good faith, under the leadership of the Secretary of Treasury, negotiated with Speaker of the House PELOSI and with Congressman BOEHNER, and they reached an agreement. It was an agreement that involved very distinct compromises, compromises which basically reflected a classic political process where you basically put on the table your ideas, the other side puts on the table their ideas, then you work to the middle and come up with a concept that both sides can at least be comfortable with, even if they do not accept all of the details.

This package, as we all know, is a \$150 billion package, the majority of which is a rebate, to people who pay taxes, of \$600 to \$1,200, and the balance of which is an incentive, especially to small businesses to go out and invest and as a result create hopefully more jobs and a more efficient economy.

When it got to the Senate, for reasons which I still do not understand, the Senate decided it wanted to assert some prerogative here, even though the Senate leadership had said: Let the House leadership and the administration do the basic negotiations. We got a package out of the Finance Committee which took a \$450 billion package and increased it by \$44 billion.

A lot of that package was basically baggage being thrown on a train leaving the station. It had clearly nothing to do with stimulating the economy over the short run. There were tax benefits for the coal industry, tax benefits for the wind industry; there were a whole variety of things that had nothing at all to do with stimulus. They simply were there due to the fact that certain groups around here had enough influence to be able to put their baggage on this train.

What we have to remember is every dollar that is being spent on the stimulus package is being borrowed from our children and our children's children, because we do not have a surplus now. We do not have money to rebate. I mean "rebate" is the wrong term. This is basically money being borrowed from our children being paid to us, people who are working today or people who are paying taxes today under the House package.

Then on the Senate package, it is another \$44 billion of money being borrowed from our children and our children's children to be sent out the door today, for the purposes of different interest groups who have put their points forward.

The majority leader said we would take the Senate package or we take no package, which makes no sense at all. The House package was a bipartisan, negotiated package, which had the Speaker of the House, who nobody can accuse of being a conservative—she comes from San Francisco. I do not think she is a conservative—the Speaker of the House, and the majority leader, the Republican leader of the House, Mr. BOEHNER, whom nobody can accuse of being a liberal, comes from someplace in Ohio, but he has quite a track record around here, Mr. BOEHNER, of being a conservative of note.

They reached an agreement. It was not as though it was the Republicans saying, "This is the package," or Democrats saying, "This is the package." It was an agreement.

So when it came over here, yes, there might have been adjustments that needed to be made, but to add \$44 billion to it and say: Take that \$44 billion addition or leave it, makes no sense at all in the context of reaching some agreement quickly and moving it out the door.

In fact, Senator McCANNELL, I think, had the best idea. He said: Let's take the House package and add three things to it, three things that there seems to be consensus on around here: One was to make sure that seniors got a rebate so they could also participate in the stimulus initiative; two was to make sure that disabled veterans got a rebate so they could participate; and, three, to correct the technical error in the bill relative to illegal immigrants.

So Senator McCANNELL said: Let's do those three things; add them to the House package, send it to back to the House, the House has agreed to approve that, we will send it to the President, and we will be done quickly, which is the whole purpose here.

I am not arguing for the stimulus package. We know a stimulus of this nature, which is pure Keynesian economics, where you take money and you throw it at the economy without any sort of discretion on how the money is going to be used in order to produce long-term productive forces in the economy, which is simply saying to consumers: Here is the money, go out and spend it, hopefully that will raise

the economy—we know under classic Keynesian approaches, which is what this stimulus package is, that the essence of that is to get it out the door, get those dollars into the consumers' hands quickly. So every day, every week of delay only aggravates the relative effectiveness of this stimulus exercise.

We also know that because of the way our Internal Revenue Service is structured, the earliest they are going to be able to get these rebate checks out the door, if we were to act today, this week, would probably be May, middle of May; more likely that they are going to get out in June and, according to the economists who testify around here and give us our counsel—for example, Dr. Orszag, head of the CBO, said that the impact of those dollars going out the door, those \$600 or \$1,200 rebates under the House bill will not be felt probably until the late third quarter of this year.

That is the fast track. Who knows what the late third quarter of this year will bring. I hope it will bring some turnaround in the economy. And certainly with monetary policy being changed in this country, where you are seeing significant reductions in the interest rates by the Fed, it is very likely we will see some uptick in our economy as we head into the third and fourth quarter of this year. I certainly hope that will occur; that the housing industry which has created this problem, as a result of having a housing bubble, will have begun to work its way through.

But in any event, we know that to delay this further, so we push these stimulus events, such as giving people \$600 to go out and spend, farther and farther into the year, potentially into the Christmas season or into next year, is not going to address the underlying problem, which is the next two to three quarters, which look as if they are going to be extremely soft, potentially extraordinarily soft relative to economic activity.

So action should be taken now. What has been suggested here to accomplish action—it is a very reasonable suggestion—is to take the House package, which was negotiated between the Speaker of the House, the Republican leader in the House, and Secretary Paulson, add to it the two or three things which there is consensus on over here, which is the payment to seniors, payment to veterans, and correcting the illegal immigration language, and passing it, and then move forward.

If you accept this concept that we should do this sort of Keynesian stimulus event, that is what we should do. I must, as a matter of disclosure, say I have serious reservations about not only—I think the Senate package is terribly irresponsible, because it adds \$44 billion to an agreed-to bipartisan agreement, but I also have problems with the underlying package. Because, for me, I believe we do need to stimulate the economy, but I think we need

to focus the dollars on the problem, and the problem is the credit lockdown that is occurring generally in the economy but that is specifically being driven by the housing market problems. We know that for the last few years there has been an expansion in lending in the housing arena which was not supported by the underlying collateral or by the ability of people who were getting these loans to pay those loans under the terms of those loans. These were called subprime loans.

What happened was people were attracted into buying a house, which had been built on speculation, and they were attracted in on an interest rate on the mortgage on that house which was very low, with the understanding that 2 or 3 years later that mortgage rate would jump fairly considerably.

Well, unfortunately in many instances what happened here was, we built a lot of housing stock that could not be purchased, or if it was purchased, it was being purchased at costs which were below the real value of production, and on top of that, we were saying to people who did not have the incomes necessary to support the higher interest rate which was going to hit them in 2 or 3 years, the 2 or 3 years being now: You take the loan, we will worry about that later.

Well, the "later" is today. The bubble is bursting. People are being put under extreme stress because many people who bought these homes cannot afford the increase on what is known as their ARM, their adjustable rate mortgage.

It is severe. In parts of this country it is extremely severe—in Florida, Arizona, California. What is happening is you see a classic bubble where as the housing market starts to contract, lending generally starts to contract. Lenders who have these housing loans on their books, or who have sold these housing loans and cannot figure out how to get out of their contracts, are now trying to figure out how to get their books in order, to rebuild their capital and restructure themselves.

As a result, good loans in other areas that are being repaid are starting to be chilled, as is new lending. Consequently, the entire economy starts to lock up because it is hard to get loans for anything, especially in distressed housing areas. The people who have these loans and live in these homes are finding themselves under the pressure of foreclosure. In many instances, these people are hard-working Americans who can pay a reasonable rate, but because the adjustment is not reasonable—it is very high under ARM agreements—they are not able to meet the obligations of the mortgage. So we should be focusing our efforts on that part of the economy.

I congratulate the Secretary of the Treasury because he has tried to do that both through jawboning, the lending community, and by setting up the new HOPE proposal which has put a big chunk of money out there, over \$100

billion, the purpose of which is to help people restructure those loans so that people who can make their payments under the original loan agreement or something near to the original loan agreement, because they have good jobs and they can make their interest payments, aren't forced out of their homes as a result of a jump in their mortgage rate. Progress is being made there. Over 370,000 people have been helped.

But the problem is so large that that is not necessarily going to stabilize the market and free up the lending machines in America. So additional things should be done. For example, Senator ISAKSON of Georgia has suggested we have a one-time focused tax credit given to people who buy one of these homes in the inventory within the next year and that the home has been produced during this period of excess production and allow that to incentivize people to go back in the market and start to get this market going again. That is what we need to do.

There are other ideas. The expansion of the FHA is an idea which—I don't quite understand why we haven't seen that bill come back to the Senate. It is in conference. It should be done soon. Increasing the lending limits on Freddie Mac and Fannie Mae is a dangerous step unless it is coupled with reforms necessary to make sure Freddie Mac and Fannie Mae have the underlying capital to support an expansion, but it is certainly something that should be considered. There are initiatives that could be focused much more in a targeted way and would actually do something to correct the problem and would, in the long and short run, from my viewpoint, have a much better effect on the economy.

In addition, if we are going to try to stimulate the economy through classic Keynesian activity, I am not too excited about that, but we ought to put it on the productive side so we actually create a more efficient economy that is more productive and, therefore, capable of producing more jobs as we move into the future. Our problem may be that we don't have enough jobs as we move into the future. The way you get around that is to create an attitude in the marketplace so people are willing to go out and invest, take risks, be entrepreneurs, and create more jobs. There are ways to do that other than just giving people \$600 to go out and spend arbitrarily, which they may spend on a product that is not even manufactured in the United States, in which case there has been no stimulus to the economy. If somebody buys a TV made in China with their \$600, that has no stimulus effect on our economy because the dollars end up in China.

It is important to understand that all this money comes from our children. We don't have a surplus to fund this stimulus package. Therefore, when we do stimulate, we need to do it in a much more focused way which is going to strengthen our economy and is

going to address the underlying problem of the credit lockup which has been fed by the housing bubble. I hope we will take that up first. But, obviously, we will not take that approach. There is a significant majority that is going to support a stimulus package which is Keynesian based. So be it. But if we are going to do it, let's do it in the way which causes the least harm. The way to do that is to get it out the door quickly, have it be the package which essentially left the House, and not have the Senate throw in another \$44 billion which we have to borrow from our children on top.

Those are my concerns. I appreciate the courtesy of the Chair.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Jersey is recognized.

Mr. MENENDEZ. Mr. President, I understand morning business has ended.

The PRESIDING OFFICER. It is about to close.

#### EXTENSION OF MORNING BUSINESS

Mr. MENENDEZ. I ask unanimous consent that the period for morning business be extended until 12:30 p.m., with Senators permitted to speak for up to 10 minutes each.

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

#### ORDER FOR RECESS

Mr. MENENDEZ. I further ask unanimous consent that the Senate stand in recess from 12:30 to 1:15 p.m.

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

#### STIMULUS PACKAGE

Mr. MENENDEZ. Mr. President, our Nation needs to take a critical step to move our economy forward. We had a chance last night to make that happen. We had a chance in the Senate to make that happen. We had a chance to pass a package that would provide relief to more Americans, would put rebates in the hands of more taxpayers, would give checks to more than 20 million seniors who were not in the House bill, would have taken the opportunity to put money in the hands of 250,000 disabled veterans, would extend unemployment benefits for those who are looking to find work but cannot in this economy and who are on the verge of finding themselves without unemployment compensation benefits, and would provide important relief for businesses suffering and help those most in need with the cost of heating their homes this winter.

Enough to stop the process, many of our Republican colleagues bucked that opportunity. They said they wanted to deliver relief as quickly as possible, but when they had the chance to provide that relief to the most Americans, far more than the House bill, they said no.