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.

I listen to our colleagues and I ask myself: What is it that says so many in our country—seniors on fixed incomes with increasing demands in their fuel and heating costs, those who still own their homes or those who pay utility bills, rising prescription costs, so many different elements of their lives, and they have fixed incomes, they have worked a lifetime and find themselves with challenges they cannot meet economically—why do those 20 million not deserve to be part of a stimulus package, especially when they will put that money right back into the economy quickly, which is the whole purpose of a stimulus in the first place? If we can have a stimulus that also helps a broad section of our universe, those who have worked hard, played by the rules, helped build families and communities and now find themselves struggling, why wouldn't we do that?

Why wouldn't we take care of disabled veterans and have them be part of helping meet their challenges? They have served their Nation with honor and dignity and now find themselves challenged. Why wouldn't we have them be part of a solution that also helps to stimulate the economy?

For all this talk about quickness, it is also quickness in the ability to make this happen in a way that will have a real impact on our economy but a real impact, also, in the lives of Americans who are struggling. Far too many Americans have already suffered at the hands of an economy that is sliding backward. Far too many have seen their homes taken away from them on the brink of foreclosure. Far too many have been in search of work or have been waiting in vain for their paychecks to increase.

For those who have not yet felt the effects of an economy that is sputtering, they fear and worry, wondering when they will feel the squeeze. That worry is understandable. The signs are less than good.

Last Friday, we learned that 17,000 jobs were lost in January alone—the first monthly loss of jobs in more than 4 years. Growth slowed to a near halt at the end of last year, coming in under 1 percent. We saw the biggest increase in unemployment rates since after September 11.

We all overwhelmingly agree on the need to take action to stimulate our economy, and fast. It is wonderful to have come to that type of consensus on the need. What we need is a genuine spirit of bipartisanship in the Senate to bring us forward to conclusion. We had that opportunity yesterday.

Certainly, what the House did is a solid start. It would largely achieve what we would hope to see in a stimulus plan. But, as with many first attempts, there are clearly some significant holes. The House plan would get us almost but not quite where we should be. This was our chance—hopefully, we will revisit it—to get it right. We are not talking about adding a load of new provisions, as some are implying. We are talking about making sensible changes to make sure we will have the most benefit for those most in need, and at the same time, because we are providing a benefit for those who are most in need, we are helping achieve the goal we want: stimulating the economy in a way that we will either avoid a recession—although certainly Wall Street is telling us they are convinced there is a recession—or at least narrow the time, the scope, and the impact of a recession.

The value of any plan we consider should be based on one simple benchmark: the number of people we can reach and how effectively we can put needed dollars into the economy. Based on that benchmark, the Senate clearly has a better plan. The economic stimulus package we have before us is a plan the Senate and the country can get behind. It will get money into the hands of people who have basic needs to cover, people who will spend it immediately. That is the first goal of a stimulus.

Our plan puts rebates in the hands of 20 million seniors. It may not have been intentional, but the fact is, the House plan leaves out millions of seniors who are low income, whose primary source of income is Social Security. In my State of New Jersey, more than 1 million seniors are eligible for a rebate under the Senate plan. Under the House bill, they would not receive a dime. If we think there is no economic link to including seniors, the fact is, seniors spend much more of their income than any other age group. People over the age of 65 are responsible for a full 14 percent of all consumer spending.

The bottom line is, a true stimulus package would help those who spend the most and are most in need. The Senate plan does just that.

The Senate plan also reaches another group that is excluded from the House bill—disabled veterans. Under our plan, we ensure that a quarter million disabled veterans who would not otherwise receive a rebate will get a check. When those veterans went to war, they never forgot whom they were fighting for, and we cannot forget them now.

In several ways, the Senate plan puts resources toward where economists agree they are most effective—extending unemployment benefits. It isn't just common sense, because it helps those who are suffering most. That is, of course, common sense, but it also gets the best bang for the buck in economic terms. For every dollar we invest in extending unemployment benefits, we generate $1.64 in economic activity.

This universe is known. They are out there. They are facing an immediate challenge. They will have the resources in their hands much quicker than formulating a rebate check. It is another reason—timeliness. Despite broad consensus that such a stimulus plan must include additional benefits for those who have been out of work for an extended period of time, such benefits are absent from the House bill.

There is no question unemployed workers are facing tough times. Long-term unemployment is far higher than usual and nearly twice what it was when we were facing our last recession in the year 2001.

In New Jersey, more than 66,000 workers will be exhausting their unemployment benefits by June of this year, joining more than a million workers nationwide facing long-term unemployment.

Last week, almost 70,000 new workers filed for unemployment benefits—the highest level since Hurricane Katrina.

The need to address the economic hardships facing unemployed workers is real. We have seen in the past that unemployment benefits have stimulated the economy in times of hardship, and they should be part of this plan this time around.

The Senate plan also includes important extensions of tax credits for energy efficiency and the production of alternative energy, including solar energy. Credits such as these help consumers purchase new appliances and greener sources of energy for their home. We also extend the solar energy credit, which helps drive the purchase of solar panels. In New Jersey, which is only second to California in the number of solar installations, this has an enormous impact. This provision could save more than 40,000 jobs, at a time when we see increasing job losses, and it can do something to help stimulate the economy by the purchase of these products immediately—so save jobs, purchase products, make the investments and, at the same time, stem the tide of the movement toward greater unemployment that we see in the country.

Finally, our plan provides needed relief to industries that are hurting and may have to lay off employees in the coming months. I am pleased this package takes into account the unique challenges facing the housing industry right now. We all know this is a sector of our economy that is under incredible strains right now. The Senate plan would ensure they are able to spread out their losses so hopefully we can stop some of the bleeding in the housing sector and, in the process, prevent thousands from losing their jobs.

This stimulus package we have before us is not perfect. Some of us would have liked to have included increased Medicaid payments to States, which would have provided a needed boost to States struggling to provide health care. But the fact is, if we only pass the House version, we would be falling far short.

All of what I have talked about—20 million seniors, a quarter million disabled veterans, the essence of how the provisions on the housing components were included, the whole question of the universe of the unemployed seeking to get a job, not being able to find it, and not having the resources to sustain themselves and their families—all of that would not be in the plan. All of that would not be in the plan.

We can do this. Of course, that is in addition to the rebates for both single people and married couples and married couples who have children who are already a part of our package as well, building upon the House proposals.

So let's pass a package that has the widest possible impact. Let's pass a package that does not leave out 20 million seniors, that takes care of a quarter million disabled veterans, and provides rebates to as many Americans as possible.

That is acting wisely, and it can be done quickly. We need our colleagues to join with us in the sense of urgency that exists, and to say to those 20 million seniors, those quarter of a million veterans, the millions who are unemployed: We stand with you as fellow Americans in this time of need in turning our economy around for all of us.

That was the choice we had yesterday. I hope we will have that choice again. I hope the hearts of some will be softened in this process and that they will cast a vote to move in a much different direction.

With that, Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

## WIRED FOR HEALTH CARE QUALITY ACT

Mr. WHITEHOUSE. Mr. President, today I rise to speak for a few moments about health care and to recognize the extraordinary work four Members of this body have done to promote an integrated, interoperable health information technology infrastructure in this country. Senators KENNEDY and ENZI on the HELP Committee, Senator HILLARY CLINTON, and Senator HATCH, along with their talented staffs, have balanced a tremendous number of interests to put forward a very promising first step in our long journey toward reforming our ailing health care system. I commend their tremendous effort in drafting the Wired Act. I look forward to working to see strong health information technology legislation passed in the Senate, in the House, and signed into law by the President.

Adoption of health information technology is a vital part of saving lives and lowering costs in our health care system. The RAND Corporation estimates, in its most conservative estimation, that a national, interoperable HIT system could save $81 billion per year. As Senators KENNEDY, ENZI, CLINTON, and HATCH are so aware, America's health care information infrastructure is decades behind where it should be. We are losing billions and billions of dollars—I sound like Carl Sagan: billions and billions of stars—billions and billions of dollars to waste, inefficiency, and poor quality care as a result of that failure. Ultimately, and most tragically, lives are lost to preventable medical errors because health care providers do not have adequate decision support for their determinations on medical treatment, medication, and so forth.

I am an enthusiastic supporter of health IT as one mechanism of fixing our broken health care system. In fact, one of the first bills I introduced as a Senator was the National Health Information Technology and Privacy Advancement Act, in which I proposed a national not-for-profit entity with Presidential appointment subject to advice and consent of the Senate, possessing rulemaking power to set national standards under the Administrative Procedures Act, and with the ability to set licensing and access fees to raise capital for necessary investments outside the Federal budget process.

I still believe that is the best and most effective kind of authority. I also recognize there are many good ideas out there. But time is short. We cannot snap our fingers and be an IT-enabled health care environment. Development, testing, buildout, and adoption will all take time. We do not have much time. A tsunami of health care costs is sweeping down on us, inevitably, as baby boomers age and costs increase.

The Comptroller General of the United States has warned us of what he called ''unprecedented stormy seas ahead that threaten to swamp the ship of state.'' He testified that ''we've never seen anything like what we're headed into''—never in our history. Our present Federal health care liability, if nothing changes, is $34 trillion. That is a ''34'' with 12 zeros behind it. It comprises the bulk of the $53 trillion in Federal liabilities we are presently obliged to pay in coming years. Now—now—is the time to get started in humane ways to avert this fiscal crisis. Health IT is a baseline platform necessary to even try to respond humanely to the looming crisis.

Unfortunately, in moving toward our ultimate objective, we must realize that health IT adoption alone will not stop the tidal wave of health care costs. As I think we all know, our health care system is broken in more ways than one. Look at the signs of its failure.

The number of uninsured Americans is climbing and will soon hit 50 million. Despite the best doctors, the best nurses, the best equipment and procedures, and the best medical education in the world, as many as 100,000 Americans are killed every year by unnecessary and avoidable medical errors. Life expectancy, obesity rates, and infant mortality rates are a cause for national embarrassment compared to other industrialized nations. The annual cost of the system exceeds $2 trillion, and is expected soon to double.

We spend more of our country's GDP on health care than any other industrialized country: 16 percent—double the average of the European Union. More American families are bankrupted by health care costs than any other cause. There is more health care than steel in Ford cars. There is more health care than coffee beans in Starbucks coffee.

Hospitals are broke. Doctors are furious. Paperwork is choking the system. This system is crying out for reform.

I believe that comprehensive restructuring of our health care system must rapidly address three critical issues. As I have already said, the first is the development of a national, interoperable, secure health information technology infrastructure. But there are two other equally important issues: One, the American health care system must invest properly in quality and prevention, promising areas where better care actually lowers cost; and, two, the way we pay for all this, the way we pay for health care, sends perverse price signals that drive market behavior away from the public interest, that drive behavior away from what we want.

So these are the three critical issues at the core of the health care crisis in this country—inadequate health information technology, inadequate attention to quality and prevention, and a perverse price signal system.

Let us look first at how improved quality of care can lower cost. That intersection of where improved quality of care and lower cost intersect should be our national holy grail in health care. The Keystone Project in Michigan shows how effective this can be. It went into a significant number of Michigan ICUs—not all of them but a significant number—to improve quality and reduce, for instance, line infections and respiratory complications. Between March 2004 and June 2005, the project saved 1,578 lives—in just that year and 2 months. It saved 81,000-plus patient days that otherwise would have been spent in the hospital, saving over $156 million. It is a win-win.

The Rhode Island Quality Institute in my State took this model statewide, with every hospital participating, and we are already seeing the number of hospital-acquired infections declining, and the costs declining as well. The same principles can be applied to prevention, as well as to quality improvement.

Local efforts around the country, such as the Rhode Island Quality Institute, Washington State's Puget Sound Health Care Alliance, and Utah's Health Information Network, are leading the way. We need, as a nation, to get behind these State and local efforts. As many Members of the Chamber know, any good business needs to do research and development and these local efforts are the R&D on which we can base reform of our broken health care system.

All across America, in local communities, where people know and trust each other, the reforms of our system are being dreamed, negotiated, tested, and implemented. We need to nourish this effort, and I thank my 15 bipartisan cosponsors for supporting a small grant program I proposed to do just that.