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House of Representatives

The House was not in session today. Its next meeting will be held on Monday, February 9, 2009, at 2 p.m.

Senate

SATURDAY, FEBRUARY 7, 2009

The Senate met at 12 noon and was called to order by the Honorable JEFF MERKLEY, a Senator from the State of Oregon.

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

Guide us O Great Jehovah. We are pilgrims in this land. We are weak, but You are mighty. Lead us with Your powerful hands. As our lawmakers seek to follow You today, keep them from running ahead of Your will. Give them both the determination and means to renew their spiritual resources, broaden their vision, and enlarge their concept of Your purposes. Lord, may they grow daily, steadily in spiritual as well as in physical health.

Bless also the thousands of staffers who faithfully serve with great diligence behind the scenes. Remind them that You are aware of their work and that they will not lose their reward. Empower them this day to accomplish Your will. We pray in Your mighty Name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable JEFF MERKLEY led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. BYRD).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, February 7, 2009.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JEFF MERKLEY, a Senator from the State of Oregon, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. MERKLEY thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from West Virginia is recognized.

SCHEDULE

Mr. ROCKEFELLER. Mr. President, today the Senate will resume consideration of H.R. 1, the Economic Recovery and Reinvestment Act. The time for this discussion will be from now until 3 p.m. It will be equally divided and controlled between the two leaders or their designees. There will be no roll-call votes today, for the information of Members. The next vote will occur at 5:30 p.m. on Monday.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of H.R. 1, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 1) making supplemental appropriations for job preservation and creation, infrastructure investment, energy efficiency and science, assistance to the unemployed, and State and local fiscal stabilization, for the fiscal year ending September 30, 2009, and for other purposes.

The ACTING PRESIDENT pro tempore. Under the previous order, the time until 3 p.m. will be equally divided and controlled between the leaders or their designees.

Who yields time? The Senator from West Virginia.

Mr. ROCKEFELLER. Mr. President, this is a chance for us to engage in constructive discussion. It is still a very interesting proposition. I think it is going to pass, and it will be, in spite of what was said last night, bipartisan. In fact, it could not possibly pass without that being the fact.

There are a number of things in here which are called cuts, but I think it is very important we remember that these are, for the most part, not cuts from the present situation but cuts from the original stimulus package, which was cut by over \$100 billion, and

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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therefore they appear to be cuts, but they are not cuts. They are actually, for the most part, additions—substantial additions—to what we already have. So if the bill had not passed, a lot of these programs would cease to exist.

So I think it is a positive document. It is not without flaws. We have a conference committee coming and that will be very important. I look forward to the engagement today and to the conference committee and to the passage of the bill.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Massachusetts is recognized.

Mr. KERRY. Mr. President, let me ask my friend from Arizona what his intentions are at this point because it seems to me it might be advantageous to perhaps have those who oppose this bill state their case in the beginning, and maybe we can even have some discussion back and forth, in the best traditions of the Senate, about that. Then, we can, on this side, come back and perhaps offer a few alternatives and then go back and forth. I would ask the Senator from Arizona, does that make sense?

Mr. KYL. Mr. President, I would say to my colleague from Massachusetts, I certainly think that would be a good way to engage in this debate. There are at least four speakers on our side who would like to engage in this discussion today, possibly one other. We could start, if it would be acceptable to you, and then the Democratic side respond and simply go back and forth in that way, with the time being divided equally.

Mr. KERRY. Mr. President, I think that would be great. Perhaps what we could agree upon, so we don't have an imbalance, and we are not talking beyond each other, is perhaps have some kind of reasonable limitation on the back and forth so we do get to have a legitimate kind of debate.

I will yield the floor and wait for my colleague from Arizona and then perhaps come back.

Mr. KYL. Mr. President, it would be my intention not to take more than about 20 minutes. That would certainly then permit the kind of discussion the Senator is suggesting.

Mr. KERRY. I appreciate that, Mr. President.

The ACTING PRESIDENT pro tempore. The Senator from Arizona is recognized.

Mr. KYL. Mr. President, I think one of the reasons President Obama has not had an easy time getting Republicans to support his stabilization program is because he has misrepresented the Republican approach to this problem, and obviously that is of concern to us. In discussing with the American people his approach to the stimulus of our economy, he has first used some dangerous words, I would say, in describing the emergency nature of this.

A lot of people have said he is trying to scare the American people. I don't

think that is true. I think what he is trying to do is demonstrate the seriousness of the situation. But I also believe it is not an excuse for acting in an inappropriate way, to say we have to do something right now, and if we don't, there is going to be catastrophe in the land; therefore, suggesting we need to be less careful about what we do. We believe the President's initial conversations are appropriate and that we need to be careful about how we approach this problem, among other things, because of what could occur over the long term.

He has also mistakenly represented the point of view of Republicans in two specific ways: First of all, suggesting the only reason Republicans oppose this program is because we just believe in tax relief. Of course, we believe in tax relief, but we do not believe that is the only solution to this problem. In fact, we understand there has to be a component that helps people in need, such as the extension of unemployment benefits. We understand that certain kinds of spending can be very effective at a time such as this.

Senator McCain specifically noted some military spending. Because of the way the military operates, they can get the money out the door quickly, and that can be very beneficial. We also focused, first, on housing because that is where this problem began, and that is why our effort to fix housing first was presented on the Senate floor. Our Democratic colleagues rejected that notion. Of course, we also demonstrated why some tax relief can also be beneficial. But we have never said that only tax relief will work.

Our Democratic colleagues like to point out a very high percentage of their bill is tax relief, apparently agreeing with us that tax relief is important. But the two biggest pieces of tax relief in the Democratic bill are, first of all, the rebate program, such as the rebate program last year. Last year, it was \$600; this year, it is \$500 for 2 years. It was not effective last year, and there is nothing to go suggest it is going to be any more effective this year to stimulate the economy.

The other part that is discussed is the alternative minimum tax relief—so-called AMT. Now, we have been relieving Americans from having to pay the AMT for a decade and not as part of a stimulus bill but because it is the right thing to do. No one ever intended that Americans below the millionaire status would ever be paying the alternative minimum tax. So we have been fixing that each year so Americans would not have to worry about it. It doesn't do to count that as part of the tax relief and suggest it is because of a stimulus intention.

The other thing the President has spoken of that bothers Republicans is talking about the "tired ideologies" that got us into this problem in the first place. Now, if you are going to try to get some bipartisan support from Republicans, I submit that is not the

way to do it. I would like to know exactly what tired ideologies the President is talking about. What exactly?

Now, in his inaugural speech, I think the President hit a couple of home runs. He talked about "reaffirming the greatness of our Nation." He said:

It has been the risk-takers, the doers, the makers of things . . . who have carried us up the long, rugged path toward prosperity and freedom.

He talked about requiring a new "era of responsibility," and emphasized the values of honesty and hard work.

Now, those are values that are very important to Republicans. We believe that, for example, we should have a Tax Code and Government regulatory policy that at least does not punish those who are risk-takers and doers, who have exercised responsibility and who have helped to make this Nation what it is, including many of the people who work hard and who run the businesses that create the bulk of the jobs in this country. So what exactly is it the President is talking about when he talks about the tired ideologies of the past and responsibility?

There is much talk in this bill of all the aid to the States. Now, the States have doubled their spending in the last 5 years, and most acknowledge they need to get their fiscal houses in order, but many of them are simply looking forward to being bailed out by this bill. So I ask: Is that the kind of responsibility we want to foster or should we expect more of the States so they can do their part in dealing with this crisis?

Does the President believe the tax cuts of 2003 created the recession? Obviously, no one believes that. Not only were they not responsible for the recession we are in, but they are accredited with the job growth and economic stimulus this country received during the middle part of this last decade.

Does the President believe President Bush's efforts to control Fannie Mae and Freddie Mac's risky investments and toxic loans caused the pickle we are in right now? Obviously not. Indeed, all the evidence is, it was the President's cohorts in the Congress who stopped the efforts to control Fannie and Freddie and, as a result, this great housing bubble was created and burst, to the detriment of everybody in the country.

Would the President suggest the Reinvestment Act might have had something to do with it? There is a failed policy of the past, essentially making the banks lend money to people who actually couldn't afford it. In the long run, they suffered as much as everyone else because they couldn't carry the mortgages on the homes they were put in. We did not do them a favor, and we didn't do their neighbors a favor, who are now sitting next to a home that is in foreclosure.

It seems to me the President is rather casually throwing out some careless language, and if we would be a little more precise and try to get together as

Republicans and Democrats to identify the problem and work together on it, we would get a lot further.

Let me ask this question. If the question were put to the Senate today: If you knew that a bill in the Senate was going to cause a recession in 10 years, would you support it? Well, that is what the Congressional Budget Office—the bipartisan office that supports our efforts in the Congress—says about this legislation; that there will be negative economic growth—negative GDP—in a decade as a result of this legislation.

According to the CBO report, dated February 4, sent to JUDD GREGG, the ranking member of the Committee on the Budget, they say:

CBO estimates that by 2019 the Senate legislation would reduce GDP by 0.1 percent to 0.3 percent.

Now, that is 10 years from now. That means if this went on for at least two quarters, that is the definition of a recession. They note in the very beginning that the effects of the legislation would diminish rapidly after 2010 and that in the long term, GDP will be reduced.

If you have a bill before you that you are told by the experts is going to result in a recession, would you maybe want to stop and think twice about what you are doing? There is evidence that this is kind of a sugar high. We put a lot of spending out now, but once the high is gone and you crash, you are going to be in a recession. That, in effect, is what is stated here. Just as we do not let our kids have too much candy, I think we need to be a little careful about legislation which we are told is going to result in a recession.

It is not just the CBO. In December 2008, the National Bureau of Economic Research published a document titled “What are the Effects of Fiscal Policy Shocks?” by Andrew Mountford of the University of London and Harald Uhlig. I am quoting:

The best fiscal policy to stimulate the economy is a deficit-financed tax cut [and] the long-term costs of fiscal expansion through government spending are probably greater than the short-term gains.

In other words, in effect confirming what the CBO has said.

They explain why:

[That’s because] government spending shocks crowd out both residential and non-residential investment—

By the way, the CBO report I cited does talk about the increase in the national debt crowding out private investment with the same negative effect—

while the [positive] response of consumption is small and only significantly different from zero on impact.

But suppose these recent studies were mistaken, I suggest, and the spending spree would even work as advertised. We are still left with the number of jobs allegedly to be created at a very significant cost, well over a quarter million dollars per job.

The bottom line here is that doing something temporary which is going to

cost a lot of money and result in long-term economic downturn is not the kind of policies we should be pursuing.

One of the concerns Republicans have had is that it is not only the amount of money that is being spent in this bill—and it is a shocker. It is over \$1 trillion. And incidentally, the deal that was reached yesterday still has us spending something like \$1.17 trillion, so this is still a very big spending bill.

By the way, the President acknowledged it is a spending bill. He said that is the whole point. One of the problems with that is that you cannot fix it by simply shaving a little bit off of some of the elements of spending, as this deal apparently does. You have to start fundamentally at the bottom.

Actually, Larry Summers, who is the chief economic adviser of the President, had it right when he says this of legislation: “The investments,” he says, “will be chosen strategically based on what yields the highest rate of return for the economy.” That is the way it should be done, built from the bottom up based only on what actually does the most good rather than simply throwing a lot of spending at the problem and hoping that some of it sticks or actually trickles down and actually helps the American people. This legislation, the so-called deal here, doesn’t build it from the bottom up. It takes the base bill and just shaves some off different pieces of it.

I would note that we do not have text of the legislation yet, so we are dealing with a couple of different press releases, which, by the way, don’t identify who put them out, and they are slightly different with respect to what they say. So when we are discussing this deal, we still do not know what it is. This is Saturday. We are supposed to vote on this on Monday. Obviously, we are not going to be here tomorrow. Is this a way to legislate over \$1 trillion of spending that is going to be a burden on our children and grandchildren? I think not. I think the authors of this legislation owe us a little more consideration in getting the facts to us about what the bill actually does.

As I said, the two big tax pieces are the AMT relief—which we have done routinely each year, not as part of a stimulus but because it is the right thing to do—and the rebate part, which we know did not work last time, and there is no reason to believe it is going to work this time. There is only about 2.5 percent of the tax part of the bill which actually goes to business tax relief, potentially enabling businesses to create jobs—for example, allowing them to write off purchases of equipment earlier than they otherwise would, therefore incentivizing them to hire people and thereby, obviously, creating jobs. That is the tax part of this.

On the spending side, we are told that there are certain reductions in certain of the accounts. But, as we look through it, many of the things that were criticized before appear to still be there. If you take what was

added on the Senate floor to the deal that was struck, you are at about \$827 billion, which is still above the level of the House bill which was criticized strongly by proponents of the deal last evening on the floor. They called the House bill a Christmas tree. Yet this bill in its total amount is above the level of the House bill. There may have been a 4.7-percent reduction from the level of spending in the House bill, but it obviously doesn’t change it from being a Christmas tree. It has not been fundamentally altered from the bottom up with an effort to invest in things that actually will stimulate jobs. It simply shaved off some of the excess spending in the bill.

For example, as we understand it, in the building account, the Federal building account for Federal buildings, the Senate bill had a \$6 billion amount. Under this deal that was made, it is \$2.5 billion. So some money was shaved off there. The NOAA facilities construction went down from \$795 million to \$645 million, a \$150 million savings. That is great, but the fundamental problem is that this is not going to create jobs—that remains. Federal auto fleet—they cut that in half, the cars for Government workers, from \$600 million to \$300 million. The DC sewer system remained unchanged. They didn’t actually cut, that I see.

The bottom line, as my colleague from Maine described on the floor, these are the kinds of things that should go through the regular appropriations process where they should compete with other worthy causes, going through the appropriations process and the appropriators make the tough decisions.

My colleague, who is a member on the committee, had a couple of things to say in describing the appropriations process. He pointed out that we have the responsibility to be deliberate and consider these items carefully in the context of the President’s formal budget request. Why? Because there are so many worthy things to spend money on that it is our job to make the tough decisions about which ones to put at the top of the list and which ones, perhaps, to defer or to reduce. That is the job these people on the Appropriations Committee do, and they do it well. They have to stick with the President’s budget.

What is in this bill is new spending without any kind of tax receipts to cover it or offset spending to make up for it. It is emergency legislation, just added to the debt.

As the ranking member of the Appropriations Committee wisely pointed out, the kinds of projects that are in this bill should go through the appropriations process. It is great that they have been reduced somewhat in number, but that does not solve the fundamental problem.

Let me close here so we can actually engage in this debate. We still do not know whether a lot of the earmarks are in the legislation. My staff has

tried to look. It appears, because they have not specifically been taken out, that several of the items, some of the items I mentioned—the money for Amtrak, the \$1 billion for the census, the new money for the Smithsonian, digital television transmission bailout, the authorization for benefits for Filipino veterans of World War II—all of those things and much more are still in here. Obviously, we will be interested to see whether the final version of the bill, when we actually get it, corrects these deficiencies, but it doesn't appear that they have.

Again, what Republicans are suggesting here is that it is really a four-part process: help those who are in need; target the spending, which will actually create jobs; fix housing first; and provide targeted tax relief that will actually also help to stimulate the economy. That is the Republican approach. I think we have some better ideas that could have been incorporated into this legislation if it had not been such a partisan exercise.

The ACTING PRESIDENT pro tempore. The Senator from Massachusetts is recognized.

Mr. KERRY. Mr. President, with the permission of the manager, I yield myself the time that I use this morning.

Mr. ROCKEFELLER. That is fine.

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

Mr. KERRY. Mr. President, I thank the Senator from Arizona. There is an awful lot to try to respond to and to put into appropriate perspective. I want to start to try to do that as clearly, and hopefully as succinctly, as I can.

The Senator has suggested that this has been a "partisan process." I have to tell him as a Senator who has now been here—this is my 26th year here, having witnessed in the last 8 years an unprecedented level of changes of the rules, breaking of the rules, refusal to hold conferences so we get together and do the normal procedures here, unwillingness even to have accountability hearings to allow this side to hold hearings, call witnesses—I mean, I can run a long list to describe the desert that has been the last 8 years.

I remind my colleagues, and I do not want to spend too much time on this because it is important to go forward, but you cannot go forward and have a legitimate discussion of what is real here unless you put things in their appropriate and honest context.

The fact is, the Republican President, President Bush, just left office a few weeks ago. For 6 of the 8 years he was in office, the Republicans ran the Senate. I think we were down as low as around 43 Senators at one point. We did not have conferences. We were given bills that we were "jammed" and had to vote on that were rewritten completely in conference committee and they came to the floor.

Notwithstanding all of that, notwithstanding that experience, Senator REID

came to the floor of the Senate and completely opened the amendment process. He did not fill the tree, he did not use any parliamentary procedure to prevent the Republicans from bringing an amendment, and, indeed, some of the amendments of our friends on the other side of the aisle were agreed to. Senator ISAKSON has a major amendment in here with respect to housing that is a very expensive amendment. It added spending to this bill. Senator SPECTER and a few others added some \$12 billion for the National Institutes of Health. So, please, let's put this in an appropriate and proper perspective.

Did they lose some votes on things they wanted to do? Yes, because the American people voted in November to change the makeup of the Senate. The American people experienced what happened over the course of the last 8 years, and they are feeling the pain today.

I am hearing my colleagues on the other side of the aisle keep coming over and saying: My gosh, what a terrible thing it will be to add a burden to the debt of every family in America. You better believe that it is a tragedy. But where were they for the last 8 years when that debt was being taken from \$5 trillion in 2000 up to \$10 trillion today? Not once did the President of the United States—not once did he veto an appropriations spending bill. Their President—their majority leader could have said: We are not accepting this bill. Mr. President, you have to veto it. It never happened.

Now, the reality is we have an economy that is hurting. The President of the United States has appropriately said that if we do not do something, this may lead to a catastrophe. I believe that, and my colleagues believe that. Some people on the other side of the aisle believe that. This is an unprecedented economic cycle in which we find ourselves.

Economist after economist, on both sides of the aisle—Mark Zandi of Moody's economy.com—he is a Republican economist—strongly suggests we have to spend this kind of money in order to get the economy moving again. We need to examine that a little bit and examine some of the comments of my colleague from Arizona.

First of all, he claims we rejected housing. I tell you, if it were not so—it just really amazes me to hear that. Last January at the White House—Senator KYL was there, Senator MCCONNELL was there, Senator REID was there, Senator DURBIN and a few others of us, Speaker PELOSI was there, JOHN BOEHNER was there and the President, the Vice President, Secretary Paulson.

And everybody went around and said what they had to say about that, the stimulus package that we were then talking about putting in place, a stimulus package a year ago. They went around the table, and it finally came my chance to say something. I looked at the President, and I said: Mr. Presi-

dent, this may be a little unorthodox because I know we are talking about this stimulus bill, but nobody here has mentioned housing. I have to tell you, I just came from Brockton, MA, where the mayor is struggling with 1,000 foreclosures. There are 400 more coming at him. This is pandemic. If we do not keep people in their homes, this is going to get worse.

I then turned to the Secretary of the Treasury, and I said: Mr. Secretary, you could be negotiating mortgages now and keeping people in their homes at the revalued value of the homes, the devalued value of the home, because they can afford to stay in it if they are paying 13.5 percent or 9.5 percent. But if they get to pay a percentage like most of the other people in America who have some influence and access—you know, I have not met a business executive in America who is paying 13 percent or 9 percent, but average Americans were, and they were being run out of their homes because of it.

Well, they all nodded and said, well, that sounds reasonable. We have to take a look at it. I came back with Senator Gordon Smith of Oregon and together, as members of the Finance Committee, we put it into the Finance Committee stimulus package. It came to the floor of the Senate, and guess what. My friends on the other side of the aisle opposed it. They stripped it out.

We had a \$15 billion mortgage revenue bond to help keep people in their homes, and the administration opposed it, even 1 week after the President of the United States went to the well of the Congress, and in his State of the Union speech said: We need mortgage revenue bonds. Everybody applauded, but they came back and stripped it out.

From that day forward, until, I think it was August or September, 10,000 people a day were foreclosed on. That is 10,000 Americans a day who lost their homes, kicked out, locks changed. No wonder we are where we are today. With that many homes, street to street to street to street, losing their value, and then the homes next to them losing their value, and the people got scared, they lost their jobs—and we have lost jobs at a record rate. There were two point-some million jobs lost, 568,000 last month alone.

So I have to tell you, there are a lot of people a lot smarter than me to whom I try to listen, and everybody I talk to who is in the business of business, of making deals—I am not talking about Wall Street theorists or people who arbitrage and play the market, play the game; I am talking about people who go out and create wealth, invest; people who make judgments about risk, risk taking, and take new ideas and turn them into jobs, which is what has always made America great. Those people tell me they cannot get the lending; they cannot get the credit. Banks that have money are scared to lend the money because if they look at the marketplace and they make what a

banker has to make, which is a prudent judgment about, hey, if I lend the money, are my shareholders and the board of directors going to come to me and say, why were you so stupid to lend that money when the economy is going down, and you did not have a chance of getting it repaid.

That is the psychology of the marketplace, and Government is the one instrument that has the ability to change the psychology. That is why it is so important we "spend" some money.

Now, my colleagues on the other side of the aisle say this is a huge spending bill. They are going to spend. You know, well, I have to tell you, I asked my friend from Alabama yesterday: OK, let's be real about this. You say you do not want to borrow the money. What a terrible act it is of Government to be for borrowing. Well, what is the alternative to borrowing? There are only two alternatives: you can raise taxes—and there is not one of them who will vote to do that—or you can cut spending. This is not the moment to cut spending; this is the moment to prime the pump. This is the moment you have to get money flowing into the system.

Now, therefore, we are stuck. We have to borrow some money, and we have to borrow it on the presumption, on the judgment, that we are investing this money we borrow in the most intelligent way to break the downward psychology of the market and to encourage the creation of new jobs.

Now, I would agree with my colleagues, I do not want to spend money on a project that just vanishes, poof, and there is no payback to the economy in the long run. We are not going to see long-term benefits to our country. But that is not what we are doing here. What we are doing here is creating jobs. I mean, how do we get products from point A to point B? We drive them on roads or we put them on a train or we fly them in airplanes, but our infrastructure that supports all of that is falling apart.

Other countries are investing far more than we are into their public transit systems, into their air systems, and so forth. We have about a \$1.6 trillion deficit in terms of our infrastructure investment. So what we are doing is saying: We are going to invest in some of those things now, tomorrow. We can put people to work tomorrow morning. All across this country we have projects that are shovel-ready, signed on the dotted line. We can do the bidding. In fact, many of them are already bid. They do not have the money. There are 45 States in the United States of America that have shortages in their budgets, and those States are required, unlike the Federal Government, to balance their budget.

So facing the need to balance their budget, what do they do? They cut service, they cut firefighters, they cut police, they cut teachers, they cut the road projects. That adds to the down-

ward spiral. Everybody hears their neighbors saying: Wow, I just lost my job. Then they start to fear for their job. As they fear for their job, they retrench in spending: I am not going to spend this week. We cannot go out to dinner this week. We cannot take that vacation. We cannot take that house. We are not going to travel to see the family at Christmas or Easter or whatever it is.

People stop spending. As more of the ripples of job loss go, the more afraid people become. So they hunker down for the possibility that they may be the next to lose their jobs. That is part of the downward psychology. So you have to break it. And, I will tell you, there is nothing worse than doing too little to fix it. Nothing would be dumber than coming out here and spending too little billions of dollars and not knowing that we are doing enough to change the psychology and get the job done.

Now, on the housing package, the Senator from Arizona said: We offered a housing package. Well, you know, they did offer a housing package. But just because we rejected it does not mean we do not think housing is important or we have to do it with what I said earlier about housing. We are going to do housing. The President and Larry Summers, who has been here meeting, is talking about how we are going to approach housing. But the program they offered, first of all, opposed any kind of bankruptcy relief so we can actually negotiate keeping people in their homes, which is inefficient.

It did not target the money in an effective way. It had a 4-percent mortgage for everyone in the system so that people who do not even need the money wind up getting a break in terms of their mortgage. So it was not targeted. Moreover, it did not even require the banks to make a loan modification or even write down some of the bad loans they had. It was not comprehensive. So the fact that it is rejected does not display that this is partisan. It simply is a statement by the majority of the people representing the people that we do not think it was a very good idea, and we are going to come back and fix it; the same thing with this issue.

Incidentally, let me share with a few of my colleagues why this is sort of this old ideology versus new. The Senator talked about the tired ideology of the past. What is it? Well, I think today Michael Steele, the new chairman of the Republican National Committee, made a statement on behalf of the Republican Party. He said:

For the last 2 weeks, we have been trying to force a massive spending bill through Congress under the guise of economic relief.

Well, we are having votes. This is a democracy. We are not forcing anything. We are trying to get the job done because there is an urgency to getting it done.

But then he says:

The fastest way to help those families is by letting them keep more of the money they

earn. Individual empowerment, that is how you stimulate the economy.

That is a big ideological/philosophical difference about how you most rapidly stimulate the economy. Let's think about it for a minute, the individual empowerment. OK, we turn around and we give every family in America the great big tax cut that the Republicans are talking about. Here is what he says: We want to give—the first 16,000 bucks you make, you are going to be taxed at a lower percentage.

Terrific. We lose revenue at the Federal level that we could put into schools, fire, police, education, energy investment, investment in airports, rail, all of those things for which we do not have enough money. But we give it back to the people.

Then he says: They will go out and buy things. They probably will. Some of them may save it. What are they going to buy? Is there a guarantee they are going to go out and buy energy-efficient materials? No. Is there a guarantee they will go out and buy an American car that is a hybrid, that actually does better? No.

They could go out and buy a car made in China or Japan or Germany. That does not help us a lot. Or what if they pay off their credit card bill because it is so big that they need the money to pay the bill? That is just paying for past things already purchased, for services already given. It does not stimulate the economy. Please. And if they do have some money to invest, there is no guarantee they will choose to invest it in the United States of America. They might think it is much better to invest it in some international mutual fund that is investing in a country that has a better economy right now.

So that is a tired old philosophy. That is what we did in the 1980s and many of us opposed it. I voted against that tax cut. You know what. We took the deficit of this country to an unprecedented level, crowding out the private marketplace in terms of borrowing, and we did not invest in the things in which we needed to invest in the country.

Let me share and say to my colleagues that we have a multi-headed crisis we are looking at. This is only one part of the package. I also want to address the question where the Senator from Arizona said this would be a recession way down the road. Well, I disagree with that. We are in a recession now. We have to do everything possible to break out of the reversion.

Now, the Congressional Budget Office has concluded that the American Recovery and Reinvestment Act would "have an immediate and substantial impact on the U.S. economy, most noticeably in terms of job growth and GDP growth." That is the Congressional Budget Office. They say: In our efforts in this bill, our No. 1 priority is to put people back to work. If tomorrow we spend money on a road construction effort so people who go to

work at that site will have a job, the people who drive the truck to bring the asphalt and the materials will have a job, the people who supply the materials to those people will suddenly be ordering again. They will pay taxes. They will take home a paycheck over the next year or two and that will begin to change the psychology of what we are looking at here.

You have to spend some money. That is what Franklin Roosevelt did. This situation cries out for it just as powerfully as that did. The CBO report says the recovery package, as reported out of the Senate—I emphasize the Senate, the Senate Appropriations and Finance Committee—would create between 900,000 and 2.4 million new jobs in 2009, this year; between 1.3 and 3.9 million jobs next year; and between 600,000 and 1.9 million jobs in 2011.

These jobs would correspond to an unemployment rate reduction of .5 percent to 1.3 percent in 2009; .6 to 2 percent in 2010; and .3 percent to 1.0 percent in 2011.

Additionally, the report estimates that the legislation would grow the U.S. domestic product, our GDP, by 1.4 to 4.1 percent this year; 1.12 percent to 3.6 percent next year in 2010; and .4 to 1.2 percent in 2011. So there is job-creating potential in this.

We need to transform the American economy. What is most exciting about what we have put together in this bill, it is the first big, legitimate effort to do that that I have seen in years. In the height of the oil crisis last summer, we were sending over \$1 billion a day to Saudi Arabia. I would rather send that billion dollars a day down to the Southwest, to Arizona, New Mexico, and Colorado. There is this unbelievable ability to be developing solar thermal in America. We have a solar thermal plant in Nevada now. We could produce electricity without using oil and gas and fossil fuel. I am told—because the Senator from Arizona raised the question—that the water tables down there are creating a self-serving cycle, a contained cycle so that the water can be reused in a way that doesn't disturb water demand. But you can drive electricity. We can produce six times the electricity needs of the United States from that region alone. Why aren't we doing it?

If we produce six times the electricity needs of the United States from one part of the country and modernize our grid, then people can start buying electric cars. We will have an electric car that goes 100 miles an hour and gets 100-plus miles to the charge which doesn't solve all long-distance problems, but for most Americans, the commute is 40 miles a day. So you could actually do most of your week on electricity, never touching a drop of gas and oil which would reduce America's dependence on foreign oil, raise our security, raise health standards, meet our environmental standards, and do an enormous amount to meet the challenge of global warming. If we don't

send a billion dollars to another country, we are using it here at home to develop more renewable energy and more jobs and future jobs in robotics, artificial intelligence, communications, and life sciences.

There are jobs to be created. It depends on how intelligent we are in investing the money in the right places. That is what this legislation does.

Let me share this with my colleagues. We have \$40 billion going to the Department of Energy for development of clean, efficient American energy from advanced battery systems for energy efficiency, conservation grants, weatherization assistance, all kinds of research for clean coal technology. We are about to have a breakthrough technology that I believe will allow us to burn coal clean and create a construction material called calcium carbonate that can be used as cement, concrete for building. It contains the CO₂, and it helps us to deal with this crisis. Those are new jobs, countless new jobs.

I hope our colleagues will recognize that what is happening is a very legitimate, philosophical, perhaps ideological difference. But this is not old over here. This is new. This is what America voted for this year, a change of direction, in order to get it right.

We are staring at an economy where health care premiums increased approximately 80 percent. Gas prices reached historic highs. They are now down temporarily, but they will not stay there. College education costs have risen 70 percent. Housing affordability, we all understand, is a huge problem across the economy. We will deal with that. Wages of average Americans who are working are declining. The benefits they work for are declining. Their retirement accounts have been wiped away. Workers' earnings for college degree graduates are declining. Job creation is the worst in America since Herbert Hoover's administration. The unemployment rate rose to the highest level since 1993, and it is still rising. We are told it will rise further. The deficit-financed Bush tax cuts weren't paid for. They were deficit financed, and we have wound up with the least job growth we have had in any kind of recovery in modern history.

Today more American families and children face severe financial problems than at any time. That is why this is urgent. It is only a part. We have to come back and do housing in a matter of weeks. We have to fix the banks in a matter of weeks.

I am confident if we do this, we are going to turn this around. We are going to have the most exciting economy we have had in years. There is no question in my mind that if we release American entrepreneurial and creative genius to create new products and move us to that future, we will do what America has always done—we will continue to lead. That is what this debate is about, a new direction, a new time, and a new moment.

I hope our colleagues will embrace it.

The ACTING PRESIDENT pro tempore. The Senator from Arizona.

Mr. KYL. Mr. President, I appreciate the opportunity to engage with my colleague from Massachusetts. I will make five quick points, and then either Senator SESSIONS will follow me or, if a Member on the other side wishes to speak in between, he will then follow that individual. First let me clear up two things.

The Senator from Massachusetts talked about deficits and, in effect, blamed the Bush administration. I would note the facts which are that last year, under a Democratic-controlled Congress, the deficit doubled from what it was when Republicans were in control, and it is going to double again this year under Democratic control of Congress.

Mr. KERRY. Will the Senator yield for a question?

Mr. KYL. Let me try to make my points. I don't want to take less time from my colleagues.

Secondly, I acknowledge that the Senator from Massachusetts did raise the issue of housing at the White House. The point I wanted to make was not that Democrats and Republicans weren't both concerned, that Democrats didn't have some good ideas. Simply, it is not fair to characterize the Republican position as wanting to deal with tax relief only, that Republicans believe housing needs to be a part of this. In fact, we would prefer to fix housing first rather than, as the Senator from Massachusetts said, we are going to do housing later.

Incidentally, the bill to supposedly fix housing passed last June with both Democratic and Republican support. It was obviously not enough.

Third, the Senator from Massachusetts talked about debt and said, what is the alternative to borrowing, either raise taxes or cut spending. That is true. But he said you can't do either in a recession. Actually, that is not true. As I quoted before, the National Bureau of Economic Research said this about that precise point:

The best fiscal policy to stimulate the economy is a deficit-financed tax cut. The long-term costs of fiscal expansion through government spending are probably greater than the short-term gains. As between the two, some spending can help. But long-term, it costs more if you have deficit spending, and it provides for relief if you have tax cuts financed through deficit.

The fourth point: My colleague from Massachusetts disagreed that this legislation will result in a recession and noted that the CBO report said there would be short-term stimulus. That is exactly right. But what I said is also true. On page 5:

Including the effects of both crowding out of private investment, which would reduce output in the long run, and possibly productive government investment, which could increase output, CBO estimates that by 2019, the Senate legislation would reduce GDP by between one-tenth and three-tenths of a percent.

As I noted, the definition of a recession is when you have two consecutive quarters of negative GDP.

Finally—and this is probably the most instructive point of all—there is a clear difference between the parties. But I think it is interesting when my colleague from Massachusetts described as one of the failed ideologies of the past the notion that individual empowerment will do any good, when he ridiculed the idea of letting people keep more of their own money. You have a very stark contrast between what some Democrats believe and what most Republicans believe. Republicans do believe that Americans are better off being allowed to keep more of their money. Why? Because they will make wiser decisions about what their family needs than will some bureaucrat in Washington. I don't mean bureaucrat in a pejorative way. I am a government employee. I didn't get any smarter when I came back to Washington. When I go back to Phoenix or Tucson, I see people struggling to take care of their families, and they are making very important and wise decisions about how to deal with their family budgets. It is true, if they get a tax rebate, they are more likely to save it or pay off credit card debt than to spend it. That is why that kind of tax relief, a rebate, the quick fix that is in this bill, doesn't work. Why? Because Americans make wise decisions with their own money. They know they have to deleverage their own personal budgets, as businesses know they have to deleverage all of their debt.

Mr. ROCKEFELLER. Will the Senator yield?

Mr. KYL. Let me conclude my remarks.

Republicans believe that individuals are better off in making decisions about their financial future than allowing the government to do it for them. That is why we say, as Michael Steele said, let people keep more of their own money and not have people in Washington decide what is best for them in how they want to spend it.

Mr. ROCKEFELLER. Will the Senator yield?

Mr. KYL. I am happy to conclude and let Senators respond on their own time.

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

Mr. ROCKEFELLER. I say to the Senator from Arizona, it probably is a good idea if you try to play by the rules here. We are going back and forth. Each Senator has a certain amount of time. We can engage, but I don't think that you, as my friend and counterpart, should feel you need to make a speech after every point that is made on our side. I think that is a tendency right now, and it doesn't do service to others on your side or my side who want to speak.

Mr. KYL. Mr. President, I have finished what I have to say. My colleague Senator SESSIONS asked if I would respond to Senator KERRY, because he re-

sponded directly to me. He will follow next. There is no rule that says a Senator can't speak twice. Other Senators will rotate in time. I think that is the appropriate way to engage in the debate.

The ACTING PRESIDENT pro tempore. The Senator from Massachusetts.

Mr. KERRY. Mr. President, I will only take 2 minutes and then yield to a colleague. I think it is good to have this back and forth, frankly, because it is a way to shed a little more light on these things.

First, I did not say, in quoting Mr. Steele, that individual empowerment is not important. I didn't say that we are not for it. I am quoting him:

Individual empowerment, that is how you stimulate the economy.

That is his program.

Forty-two percent of this bill is tax cuts. I have voted for countless tax cuts in the Senate. I was one of the authors of zero capital gains for new investments. I believe in tax cuts. We have terrific tax cuts in this bill. But clearly, there is no discussion in Mr. Steele's comments about what we ought to be spending it on, how much we ought to be spending, how spending will make a difference.

Secondly, on the deficit doubling in the last couple years, yes, it did. No. 1, because we have a war in Iraq and a war in Afghanistan, a war in Iraq that many of us here believed spending \$12 billion a month wasn't worth, and the American people believed wasn't. But nevertheless, that is one reason. Secondly, we passed a stimulus. We passed it outside of the budget process, because nobody wanted to pay for it. We needed to begin to stimulate the economy already.

Third—and the Senator knows this—we did a fix to the alternative minimum tax so that millions of Americans would not be taxed unwittingly and inappropriately. We tried to pay for it. I signed on to Senator CONRAD's amendment. We had a vote on the floor of the Senate. We lost, because the Republicans decided they didn't think we should pay for the alternative minimum tax fix. That is why we doubled the deficit.

We had pay as you go in the Senate. We put it back in place to restore fiscal responsibility, and it is important to put that in the proper context.

The ACTING PRESIDENT pro tempore. The Senator from California.

Mrs. BOXER. Mr. President, I would ask my leader from West Virginia if I could have my 15 minutes now since Senator KYL did speak, and then I will be done with that 15 minutes.

Mr. ROCKEFELLER. Mr. President, I say to the distinguished Senator from California, I need to find out if the Senator from Alabama—because we are meant to go back and forth—will take time.

Mr. SESSIONS. Mr. President, I will tell you.

Mr. ROCKEFELLER. If the Senator does not wish to speak, we can do it on our side.

Mr. SESSIONS. I will just speak for about 2 minutes.

Mr. ROCKEFELLER. All right.

Mrs. BOXER. Sure.

The ACTING PRESIDENT pro tempore. The Senator from Alabama.

Mr. SESSIONS. Mr. President, all we really have to rely on to help us figure out the arguments about how this stimulus package will work is our Congressional Budget Office. We just chose a new Director, Mr. Elmendorf, who is a very impressive guy. Mr. Elmendorf was really chosen by the Democratic majority in the Congress. They have the majority and this is who they chose. We like the man, and Republicans voted for him too.

Mr. Elmendorf produced a report the day before yesterday in which he said that if you take the number of jobs this bill would create, and you take the various numbers that are in the bill, the ranges that are in there would be between \$600,000 and \$300,000 per job. I do not think any estimate has come in less than \$300,000 per job. One argument was it was \$900,000 per job. Mr. President, \$1.2 trillion at 1.3 million jobs is not that good a deal in terms of a return on jobs.

But the fundamental question is: will the thing work? We know one thing. We know it will cost us \$1.1 trillion when this bill passes. It will not be like the TARP, which was an investment on which we hope to get some of the money back. Every bit of this is money is spending and it will go right out of the door. The Congressional Budget Office notes that this money will be borrowed and that it will cost us about \$40 billion a year to service this borrowed money. The Congressional Budget Office notes, in addition to that, we have to get the money from somewhere. In addition, this borrowing by the federal government crowds out other private companies that are in trouble, and who may want to borrow money to keep going until this recession ends. Yet now they cannot borrow the money to keep their businesses going.

The Congressional Budget Office concludes that over the next 10 years we will have less growth than if we had not passed this bill in the first place. Let me say this: It will be worse the second 10 years because all the short-term economic benefit that will come from it will be gone completely 10 years from now, and we will then have a \$40-billion-per-year tax burden on the American people.

How big is \$40 billion? That is the annual road budget, highway budget for the United States of America. That is a lot of money. So the question is, Can we reduce the size of it? Can we have some infrastructure spending that can actually be spent quickly and create jobs and build something important and permanent for America? Can we infuse money into the economy effectively and targeted and temporarily to get us out of this difficult time we are in? I think we can. I think we can do a lot better than this bill at less of a cost and more of a benefit.

Thank you, Mr. President. I yield the floor.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. ROCKEFELLER. Mr. President, I yield 10 to 12 minutes to the Senator from California.

The ACTING PRESIDENT pro tempore. The Senator from California.

Mrs. BOXER. Mr. President, I say to Senator ROCKEFELLER, I thought it was 15 we had discussed.

Mr. ROCKEFELLER. Mr. President, add on 3 more minutes.

Mrs. BOXER. Thank you.

Mr. President, the reason I need the time is, every time one of my colleagues gets up, it just amazes me at some of the things they say.

Now, my friend, the Senator from Alabama, is very worried about going into debt because of this economic recovery package. He is calling for a small package. I do not know what he believes a "smaller package" definition is, but we know from economists, Democratic and Republican, if the package is too small it does no good. He is very worried about the debt. We all are worried about the debt. Where were my Republican friends—and they are my friends; I work with them every day—where were they when George Bush took the debt from \$5 trillion to \$10 trillion over 8 years—doubled it—put it on the backs of every man, woman, and child—\$17,000 of debt for every man, woman, and child? I never heard a word. They spent it on Iraq. I say it is time to spend it here and help our people. They spent it on tax cuts for the richest people, those who did not need it, and they did not care about the debt.

I want to help the middle class and the working poor, the backbone of America, because without that backbone, we have nothing. So I think the record has to be set straight. I thank those Republicans who worked with us Democrats on coming up with a solution. Thank you, thank you, thank you. You stepped forward. You listened to President Obama. You stepped forward for positive change. You stepped forward to help America.

We are in a deepening economic crisis. In my home State of California, the unemployment rate is 9.3 percent. We all know California is trend setting. This is one trend I hope the rest of America will not follow. But, by God, if we do nothing, if we do not embrace the bipartisan package—and I know it is not perfect—but if we do nothing, that is, in my view, a hostile act—a hostile act; not a passive act—because to do nothing endorses the status quo.

I wish to spend a minute showing you some charts which illustrate the status quo.

Since 2001, 4.1 million manufacturing jobs lost.

In 2008, alone, 2,589,000 good-paying American jobs lost, just in 2008.

For every 1 percent increase in the national unemployment rate, we see a 1 million increase in Medicaid, a 1.1

million increase in the uninsured, a \$1.4 billion rise in State Medicaid and CHIP spending, a \$200 billion rise in Federal Medicaid and CHIP spending.

So what are we saying? If we do nothing, we are not going to save any money as a national government. We are not going to let people die on the streets or starve to death or not get health care. We will all pull together to help them. We need to reverse this so we do not spend money this way, so that we create jobs.

Now, I have a picture to show you. I do not know if you have seen this, Mr. President. If you cannot see it from there, it is a crowd of people. It looks like folks trying to jam into a rock concert. Do you know what it is? One thousand applicants lined up for 35 firefighting jobs in Miami, on February 2, 2009. They had to call the police to control the crowd.

Now, I have a list of the layoffs in my State. I ask unanimous consent to have some examples from that list printed in the RECORD.

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

EMPLOYMENT DEVELOPMENT DEPARTMENT

LISTING OF WARN NOTICES BY LAYOFF DATE (JAN–JUN)—2009

Layoff date	Company name	Location	Employees affected
1/1/09	FEDEX Freight System, Inc	San Jose	184
1/1/09	JPMorgan Chase Bank (JPMorgan Chase & Co.)	Irvine	1
1/1/09	The Boeing Company	Anaheim	5
1/1/09	The Boeing Company	El Segundo	8
1/1/09	The Boeing Company	Huntington Beach	12
1/1/09	The Boeing Company	Huntington Beach	7
1/1/09	The Boeing Company	Long Beach	3
1/1/09	The Boeing Company	Long Beach	47
1/1/09	Virgin Mobile USA	Walnut Creek	192
1/2/09	AMETEK Programmable Power, Inc.	San Diego	28
1/2/09	AMETEK Programmable Power, Inc.	San Diego	13
1/2/09	Autobytel	Irvine	5
1/2/09	James Hardie Building Products, Inc.	Fontana	26
1/2/09	Paramount Pictures Corporation	Hollywood	14
1/3/09	CONAGRA Foods, Inc.	Placentia	2
1/3/09	JPMorgan Chase Bank (JPMorgan Chase & Co.)	Irvine	3
1/3/09	JPMorgan Chase Bank (JPMorgan Chase & Co.)	Pleasanton	3
1/3/09	Seagate Technology LLC	Milpitas	48
1/3/09	Target	Sunnyvale	382
1/4/09	Cadence Design Systems, Inc.	San Jose	245
1/4/09	Circuit City Stores, Inc.	Concord	59
1/4/09	Circuit City Stores, Inc.	Pomona	41
1/4/09	Circuit City Stores, Inc.	Santa Barbara	59
1/5/09	EXELIXIS, Inc.	South San Francisco	76
1/5/09	FORCE10 Networks	San Jose	88
1/5/09	Harman Becker Automotive Systems, Inc.	Northridge	325
1/5/09	Jacuzzi Brands Corp.	Chino Hill	203
1/5/09	Nextwave Broadband Inc.	San Diego	177
1/5/09	Siemens Medical Solutions View	Mountain View	2
1/5/09	Sun Microsystems	Sacramento	3
1/5/09	Sun Microsystems, Inc.	El Segundo	1
1/5/09	Sun Microsystems, Inc.	Irvine	4
1/5/09	Sun Microsystems, Inc.	Menlo Park	19
1/5/09	Sun Microsystems, Inc.	Pleasanton	5
1/5/09	Sun Microsystems, Inc.	San Diego	2
1/6/09	FF Properties LP	San Diego	69
1/6/09	Fisher Investments	San Mateo	80
1/6/09	Ghirardelli Chocolate Manufacturing Ice Cream & Choc.	San Francisco	107
1/6/09	Levi Strauss & Co.	San Francisco	50
1/6/09	Nestle USA, Inc.	Glendale	1
1/7/09	Castaic Brick	Castaic	77
1/7/09	Circle Foods Inc.	Chula Vista	21
1/7/09	Circle Foods LLC	San Diego	112
1/8/09	JPMorgan Chase Bank (JPMorgan Chase & Co.)	San Francisco	1

LISTING OF WARN NOTICES BY LAYOFF DATE (JAN–JUN)—2009—Continued

Layoff date	Company name	Location	Employees affected
1/8/09	JPMorgan Chase Bank (JPMorgan Chase & Co.)	Irvine	5
1/8/09	JPMorgan Chase Bank (JPMorgan Chase & Co.)	Pleasanton	2
1/8/09	JPMorgan Chase Bank (JPMorgan Chase & Co.)	Stockton	3
1/9/09	Amylin Pharmaceuticals, Inc.	San Diego	340
1/9/09	Anesiva, Inc.	South San Francisco	62
1/9/09	Hubbell Lenoir City, Inc.	San Jose	1
1/9/09	James Hardie Building Products, Inc.	Fontana	8
1/9/09	Life Technologies	Foster City	75

Mrs. BOXER. Mr. President, Target laid off 382 people in Sunnyvale; Harman Becker Automotive laid off 325 people in Northridge; Ghirardelli Chocolate laid off 107 people in San Francisco; Circle Foods laid off 112 people in San Diego. And it goes on and on and on: 500 laid off, 1,000 laid off, and on and on and on.

What happens when someone loses his or her job? And what happens when the mom and dad lose their jobs? It is a life-altering change. We know this housing crisis got us into this jam, and we need to address it far more. That is why President Obama has said: Do this first, get this economic recovery on track. Then we will look at housing and do the things we need to do. Then we will look at the financial sector. So it is a three-legged stool. We have to do all of it. It is what the election was all about.

But we need to step up to the plate now because it is one thing to lose your home because you were in a terrible situation with your mortgage and your interest rate kicked up to 8.9, 10 percent. That is awful. It is even worse to lose your home because you are two paychecks away from homelessness. We need to stem the tide.

I do appreciate my Republican colleagues' newfound respect for fiscal responsibility. But we have to admit—admit—they never cared about it the last 8 years. And that is how I started off, challenging my friend from Alabama. The past 8 years: deepening, deepening debt. Imagine this: When George Bush took the oath of office, our budget was in surplus. We had a surplus in our yearly budget. The Republicans took that to \$1 trillion of deficit. We had \$5 trillion in debt. It was on the way down. Economists said it was going to go to zero. I remember saying to my husband, it is going to be so amazing when we do not even have to sell Treasury bonds because we are going to be out of debt. Well, because of the war in Iraq, and because of these tax cuts to the wealthiest, that debt turned around, and, as I said, is a huge burden on the backs of our taxpayers.

So imagine if President Obama inherited a surplus and inherited a debt that was going down, and we had a recession, it would be so much easier, my friends, than it is right now. I do not like this. I voted for balancing the budget under Bill Clinton, and I believe we will get back to a balanced budget

again. But we have to take care of a crisis. We have to stem the bleeding. Every economist tells us that.

I could stand up and say I do not like the package. I would have had X more dollars here; I would have cut out this program there. I lost an amendment on the Senate floor with my friend from Nevada that I thought was a great tax cut. I got my clock cleaned. I could have taken my marbles and gone home, you know, sucked my thumb, pulled the covers over my head, and said: I am really mad. I was right and they were wrong. But the country is in trouble.

Mr. President, 1,000 people are lining up for 35 firefighting jobs in one of our great States. So guess what. I have to put aside my ego, and I have to work with my colleagues.

Again, I thank my Republican colleagues who moved forward and said: We know this election was about change, and we are going to give this President a chance. Thank you, I say to them.

Our country is in economic trouble. The election was about the economy. The election was about the economy. I am going to remind people about that. It was just a little while ago.

JOHN MCCAIN, September of 2008: "The fundamentals of our economy are strong." Remember? The fundamentals of our economy are strong. His chief economic adviser said:

We have become a Nation of whiners. Constant whining, complaining about a loss of competitiveness, American decline. You've heard of mental depression? This is a mental recession.

Well, tell that to Mr. Arreola, 27 years old, of Boyle Heights, CA. He said: "You've got to stay positive, but the economy is falling."

He is looking for jobs. Every day he goes to north Los Angeles to a job center. Two months ago he lost his job at a computer warehouse. He said he has had to put his two children into foster homes until he can find a new job. He said: "I'll take anything."

Is that a mental recession? The chances of this man finding a job are getting slimmer. The pace of job losses has been accelerating. This thing is getting worse, the economists tell us.

We had an election about this. Barack Obama, January 8, 2009:

I know the scale of this plan is unprecedented, but so is the severity of our situation. We have already tried the wait-and-see approach to our problems and it is the same approach that helped lead us to this day of reckoning.

So yes, I am mad that my amendment with the Senator from Nevada didn't pass. I thought we did a good job in debating it, but I am not taking my marbles and going home. I am working with my colleagues on both sides of the aisle. We have a chance now to get out of this recession. Will this package do it alone? It will not. I told my colleagues there are three legs to the stool, including the housing crisis and the financial crisis. I was an economics major a long time ago and I worked on

Wall Street as a stock broker. In my lifetime, I have never seen a time such as this.

So if we listen to our colleagues, we will either do nothing—and by the way, they are filibustering this bill; let's make it clear. We could have voted this out already, but they are filibustering it. That is their right. That is their right. I defend their right, but they have to take the consequences of stalling it. Maybe we will have to stay through the recess, and we will. We will get this done, thanks to some independent-minded people on the other side of the aisle working with all of us.

One of my colleagues on the other side said the other day in a very emotional fashion: I feel left out of this process. As Senator KERRY has said, this is one of the most open processes I have ever seen here: amendment after amendment after amendment after amendment; several Republican amendments passed. Senator COBURN had one pass. Senator SPECTER had one pass. Senator ISAKSON had one pass. There were a couple of others. So the fact is it is an open process. When my Republican colleague held up the bill and he said I feel left out, you know what. I don't feel sorry for him. If he was on this floor, he could have offered his amendments. He could even pick up the phone and call the President of the United States or the Chief of Staff and he knows he could get through. He could talk to any one of us any day of the week and work with us, but he has chosen to stand apart. He says he feels left out. Well, I would rather be him than the family who is left out in the cold—in the cold winter because they lost their home, because they lost their job, because they lost their health care. So get over it. Get over it. Come and talk to us. Come and work with us. This election was about change, not the same old same old trickledown tax cuts that don't work. Yes, there is 42 percent tax cuts in this bill. That is not enough for my friends on the other side. They wanted all tax cuts or mostly tax cuts. We tried it. It didn't work. It has gotten us where we are today: huge debt, huge deficits, slow growth, no growth, recession.

So in summation, we are headed to a better day. This Senate debate is very important. I thought it was terrific that JOHN MCCAIN led the debate yesterday. In essence, it relived the debate around the election: JOHN MCCAIN and his theory that the fundamentals of the economy are strong; we just need to do a few things around the edges, versus Barack Obama and his vision of boldness and change. I am glad this Senate in a bipartisan way has embraced that vision. I look forward to the passage of the bill. I thank the Senator from West Virginia for yielding me this time.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from West Virginia is recognized.

Mr. ROCKEFELLER. Mr. President, I know the manager on the other side is

not here, so how much time would the Senator from Nebraska require?

Mr. JOHANN. Mr. President, I anticipate about 5 minutes.

The ACTING PRESIDENT pro tempore. The Senator from Nebraska is recognized.

Mr. JOHANN. Mr. President, I rise today to discuss the legislation that is before us that is making its way through the process. Make no mistake about this legislation, it is a bill with the largest price tag in the history of our Nation—really in the history of the world. A mind-boggling \$1.2 trillion is going to be acted upon probably in the next 72 hours. I would venture to guess that if you went around and asked how many zeroes are in that number, many could not answer that question. Despite what I believe to be a good-faith effort to cut some of the cost out of the bill—a reduction of about \$110 billion or roughly about 10 percent of the overall cost—I wish to be on the record saying that simply is not enough. It is not good enough. What is even more troubling to me is that even with those cuts, this legislation is roughly about \$7 billion over the House version. The best efforts to cut wasteful spending still have left us with what appears to be a more expensive version than even the House version.

The sponsors of the amendment assert they have cut about \$110 billion. However, let me be very clear about something. The bill is still comprised of wasteful spending in programs that I would suggest might be worthy of some support in the appropriations process, but I don't see how they stimulate the economy. The wheels on the train have completely fallen off in terms of this bill resembling an economic stimulus bill. It is a gigantic appropriations bill.

Now, I wish to be clear about another thing. I am not saying that many of these programs are not legitimate programs. In fact, in the years I have been in public life, I have fought for many of these programs. But someone will have to explain to me how giving money to consolidate the Department of Homeland Security headquarters will stimulate this Nation's economy. Or how money to NASA for Earth science missions will give a shot in the arm to the economy and generate real economic activity. Program after program: Motor vehicles for the federal government, money for trail maintenance. I could go on and on and point out program after program that, again, maybe good within the annual appropriations process, but I don't see how it stimulates the economy.

I also wish to talk about the tax portion, if I might, for a moment. Many of us have heard time and time again when the President talked about helping the middle class, but did my colleagues know the figure on what constitutes middle class continues to dwindle away? If what I am hearing about the alternative is true—and we haven't seen any detail on this—but it appears that the compromise shrinks

that yet again. It shrinks the composition of those receiving the work opportunity tax credit by 44 percent from what the President originally defined as the middle class.

Now, it appears that if the schedule goes on as anticipated, on Monday the Senate will be asked to vote to move this compromise further, but the American people need to know the facts about this amendment and the overall debate. Many on the news, and even today I have listened to talk of bipartisanship here, talk of people crossing the aisle. At one point in my career I was a Governor; at another point before that I was a mayor. I come from a very unique perspective. I come from a State that has the only unicameral system in the Nation. But what is even more unique is that the legislature it is not Republican or Democrat. Our Senators were elected on a nonpartisan ticket. In fact, they used to say that they held that nonpartisan badge as a badge of honor.

When I was Governor, or when I was mayor, I can tell you what I thought bipartisan was. We would see a problem out there as it arose and I would bring the elected people in, literally one at a time, and talk to them: What do you think we should do here? What is your best idea? How should we approach this issue? That would go on for months leading up to the introduction of a bill. Then, on the floor, they would work through that bill. Oftentimes there would be groups gathered around trying to work on a given section of the bill—Republicans and Democrats and Independents. Eventually, a bill would be produced and a vote would be taken and some would vote yes and some would vote no and sometimes they would send me a bill I didn't like and I would veto it and then they would decide whether they wanted to override it. That is a bipartisan effort.

Let me assure my colleagues that unless there is a new meaning attached to this word—I have only been here about 26 days—this bill resembles nothing I see as bipartisan. It appears to me that most of the time only two Republicans were a part of closed-door meetings, and in the end, that was announced as a bipartisan effort. I don't understand that. If you think about the dynamics of this, less than $\frac{1}{10}$ of 1 percent of the Congress participated in this on the Republican side.

The one constant I hear over and over again is the pressing need to enact this legislation now; that we have to hurry. In fact, I just heard the word "filibuster" used—that we don't have to do anything except get this bill done. Well, let's examine the discussion regarding TARP last year, and what we heard or what we read about the need for TARP sounds exactly like what is going on now. Now we have TARP, it is in place, and congressional investigators are telling us the Treasury Department overpaid for bank stocks by \$78 billion. I wonder what we could have done with that \$78 billion

that has now been wasted. Nearly 22 percent of the taxpayer money used for the bailout—22 percent gone in an instant. Well, as the old adage says: Fool me once, shame on you. Fool me twice, shame on me.

I am not willing to put aside due diligence. We owe that to the American taxpayers. We have a responsibility to make sure we get it right this time. We cannot afford to find a few months from now that what we thought would work didn't work at all.

I wish to share a story. I am reading through a stack of newspaper clips from all around that my staff prepared for me, and there is this little community and they had a road project and it was making its way through their capital improvements process. It finally got to this year, the year it would be built, and the money is in the bank to do that project. Do you know what the article pointed out? That they took the money away from that project. Why? Not because they didn't believe in the merits of that project, but because they knew that this major allocation of funds was going to come from the Federal Government. And do you know what? Having been there as a mayor and as a Governor and as a city council member and as a county commissioner, that is going to happen thousands of times across this country.

The stimulative effect is not going to happen in the timeline that is promised. It won't be long and we will be reading GAO reports about waste, fraud, and how this didn't do what it was supposed to do.

I will wrap up with one last thought. This is literally borrowed money. I pointed out last night that we took a lot of votes getting here. We are going to take a few more votes to pass the bill. And do you know what? We are not going to vote on paying for this. In fact, I don't believe anybody alive in the Senate will take a vote on paying for this.

We have left the paying for this bill to another day. I hear the debate about who is responsible and this one did that and that one did this—I don't think that is what the American people were trying to accomplish in November. I think what they were trying to accomplish was for us to get our fiscal house in order. I don't think they sent me or any of my colleagues here to try to sort out fault. I think they sent us here to solve problems. I see the massive amount of money and, again, I will reference my experience. I come from a State where our Constitution requires a balanced budget. It forbids the elected officials from borrowing over \$50,000. I used to joke with Nebraskans that \$50,000, when the Constitution was passed, was probably a handsome sum of money. It can't buy very much today.

Post-9/11, when the Presiding Officer was a Governor and I was a Governor and we were struggling with how to balance the budget, I could not issue debt. There were only two choices:

raise taxes and cut spending. I believed in the second choice. I sometimes lost those arguments because my unicameral legislature disagreed with me. But we had a very clear and straightforward assessment of what our problems were and what the costs were. It never occurred to any of us that we could go out and tell our kids and grandkids we are going to buy ourselves out of the problem and leave it to them to try to figure out how to pay for it.

I will wrap up with this thought. I have only been here 26 days. I don't know whose fault this is. I do know and believe that the kind of change we were asked to bring here was a different direction in terms of how we run our Government. I want to be a part of that. I have attended all the meetings on budget balancing to try to educate myself as to how overwhelming this problem is. I will tell you that we have to grab ahold of this at some point, or there won't be a solution. Our dollar won't be worth anything. The foreign purchasers of our debt will look at us and say the only solution America knows is to print more money, and their money isn't worth much anymore. My generation probably won't pay a very heavy price for that, but other generations will.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. WARNER). The Senator from West Virginia is recognized.

Mr. ROCKEFELLER. Mr. President, I yield 7 minutes to the Senator from Minnesota.

Ms. KLOBUCHAR. Mr. President, I am honored to be here to speak out in favor of the economic recovery plan. Anyone in Minnesota can tell you that when it is 20 below, as it has been the last month, and your battery is dead and you need to get to work, your No. 1 priority is to get a jump-start right away, not stand around talking about it and debating and using the old ideas from the past.

That is what this economic recovery plan is about, a jump-start. Yesterday, we learned that the U.S. economy lost another 598,000 jobs and the unemployment rate jumped to 7.6 percent. We lost more than 200,000 manufacturing jobs last month—the largest 1-month decline in 26 years. Since January of 2007, we have lost a staggering 1 million jobs in the construction industry. Industries across the board, from retail, to transportation, to financial services are shedding jobs.

In my home State of Minnesota, the unemployment rate rose to 6.9 percent last month—the highest it has been in over 20 years. With each passing day we get more bad news: rounds of layoffs, dropping consumer confidence, and increasing debt.

Behind all the statistics and numbers are real families in Minnesota. They are families I have met across our State—families like the woman who wrote to us, saying she had inherited a little bit of money and she was going

to use it for her daughter's wedding, but it was all lost in the stock market; families like the one I met in Litchfield, MN, in a cafe, who said she was now working three jobs to be able to get her kids Christmas presents; families like the man's who wrote and said that when they put their daughters to bed, he and his wife sit at the kitchen table and put their heads in their hands because they don't know how they are going to make ends meet.

On Thursday, the President told us:

The time for talk is over. The time for action is now, because we know that if we don't act, a bad situation will become dramatically worse.

The President called on us to take immediate action. That is what this economic recovery plan is about—a bipartisan group of Senators—and, Mr. President, you and I were involved—who got together and said we need to get this done. I thank Senators NELSON and COLLINS for their hard work. It is not a perfect bill, and I don't agree with everything in it and with everything that came out, but literally we cannot afford to wait any longer to get something passed.

At the core of this bill is jobs. This bill is about jobs, jobs, jobs. It will put Americans to work by rebuilding our roads, highways, and bridges, which have been neglected far too long. The U.S. Department of Transportation estimates that for every \$1 billion of highway spending, it creates nearly 48,000 new jobs and generates more than \$2 billion in economic activity.

In Minnesota, we know a little bit about the need for spending on infrastructure. I live six blocks from that big bridge that fell that day in the middle of the Mississippi River. My 13-year-old daughter—who is up in the gallery today—and I would drive over that bridge every day when she would go to visit friends. One day, that bridge fell down and 13 people were killed. Many more were injured, and cars were in the middle of the river. It shocked America into realizing the situation with our declining infrastructure.

According to the Federal Highway Administration, more than 25 percent of the Nation's 600,000 bridges are either structurally deficient or functionally obsolete. In his 1963 memoir, "Mandate for Change," President Eisenhower famously said that more than any single action by the Government since the end of the war, the one that would change the face of America is this: transportation—its impact on the American economy, the jobs it would produce in manufacturing, construction, and the rural areas it would open up is beyond calculation.

He was right. That is why this economic recovery plan contains significant investment in infrastructure and science—in fact, \$114 billion in infrastructure and science.

Another piece of the plan I want to highlight is the emphasis on energy jobs. I spent the last few months traveling around my State. I can tell you

what I have seen. I have seen the little telephone company in Sebeka, MN, that needed a backup power structure because power was going out for their customers. They put together a packet with small wind and solar, and they sold it to the people in their area. They have been selling like hotcakes. The windmills in Pipestone, MN, became so popular that they opened up a bed and breakfast. You can go and stay overnight with your wife and wake up in the morning and look at the wind turbine. That is the package.

The point of this is that the people in our State see the value of these new energy jobs, whether it is a little solar panel factory in Starbuck, MN, or a big wind turbine manufacturing factory up in the Moorhead area. They see the value of new energy jobs. This energy technology revolution—or ET—is different than the information technology revolution—IT. When I saw the IT revolution, as big as it was, jobs tended to be segmented in certain areas such as the Silicon Valley, and they tended to be for people with graduate degrees and PhDs. This energy technology revolution will spread jobs across the country, in manufacturing jobs, green helmet jobs, and many other jobs for the people of this country.

As Van Jones said, a guy who has written a book called "The Green-Collar Economy," when you think about the green economy, you don't think about Buck Rogers; you think about "Joe Sixpack" putting on a green hardhat; you think about "Rosie the Riveter." Just think about Rosie the Riveter manufacturing solar panels and wind turbines. This is President Obama's plan: jobs, jobs, jobs.

Finally, this plan contains money, significant money for broadband and telecommunications infrastructure—\$7 billion. When President Roosevelt said he was going to put rural electrification in place in 1935, we only had 12 percent of American farms with electricity. About 15 years later, 75 percent of the farms had electricity. That is what Government action can do.

Look at broadband. We have gone from fourth in the world to 15th. This is not the kind of progress that will keep our country moving and get us back on track. For broadband, there is \$7 billion in this bill.

I ask my colleagues to support this important legislation. It is about jobs, jobs, jobs. It is time to get America moving again.

I yield the floor.

Mr. ROCKEFELLER. Mr. President, I note that my bill managing colleague is not here.

Mr. SESSIONS. Mr. President, I think I have inherited that job from Senator KYL. I yield such time as Senator ENSIGN would choose to use.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. ENSIGN. Mr. President, we have an important bill in front of us. We all know that. The reason is because our economy is struggling. A lot of people

have talked about the jobs that have been lost, the unemployment rate rising, and people losing their homes, and the fear of losing their homes and jobs.

No State has been more severely affected in this last 12 months than my own home State of Nevada. We lead the country in foreclosures. Our unemployment rate is over 9 percent now. Many people thought that Nevada was almost recession proof, because we had been in an unprecedented economic expansion. We led the Nation for 15, 16 straight years in not only job creation on a percentage basis, but also population growth. It was kind of an economic miracle in our State. Our housing prices were skyrocketing for the last decade. When that bubble burst, we were one of the four States that was affected most severely.

There were a lot of causes, we all know, to the reason that the prices went up so rapidly. A big part of that, I argue strongly, is Government intervention. We, as the Government, said let's increase the percentage of home ownership in the United States. Through the Community Reinvestment Act, we said: Banks, a certain percent of your money will have to go to subprime loans. And, Fannie Mae and Freddie Mac, we want you to get into this subprime market. Then what happened, to exacerbate the situation, was Wall Street got involved in all of this and made it all worse. We took out the person who was loaning the money and severed the direct relationship between the lender and the borrower. These mortgages were sold overseas and around the world. There was no accountability, and we saw a huge runup. While the runup was going on, everybody was happy. Jobs were being created in the housing market. It was helping the economy throughout the early part of the decade. Everybody was happy, and a lot of wealth was being created in their homes. We didn't put in a strong regulator back in 2004, when people recognized that Fannie and Freddie would cause a major problem in our housing market. We didn't put a strong regulator in then. It was blocked on party lines in the Banking Committee in the Senate. Republicans tried to pass a bill and it was blocked by Senate Democrats. Having that strong regulator in over Fannie and Freddie could have stopped this whole thing from happening. We all know—and all economists agree, and there is no doubt about this.

Unfortunately, that cancer that was the housing crisis has now spread to the rest of the economy and our financial markets.

The question now is not only what caused it, but what do we do about it. How do we actually bring ourselves out of this particular problem?

I am going to spend a couple of minutes talking about history. I think it is important we learn from history. Not all of the things we can learn from history are a perfect model, but they give us a lot of guidance. We have a couple

of examples. Obviously, the Great Depression in our own country is a great place to go back and look at what happened. We can look at what led us into the Great Depression and what things worked to get us out of the Great Depression and what didn't.

First of all, during the 1920s—they called it the Roaring Twenties. Why did they call it the Roaring Twenties? It is because the economy grew. Unemployment was almost nonexistent in the United States because President Coolidge at the time recognized that low tax rates encouraged the private sector to invest, and this would be a good thing. People got very excited. Jobs were created. Everybody was doing great. But the stock market became overvalued. It was a kind of frenzy, similar to today's housing crisis or the dot-com bubble during the 1990s. Just like the dot-com bubble that burst during the 1990s, the stock market burst in 1929. That was a correction. That was a correction in the stock market. That was not the start of the Great Depression. What led to the Great Depression then were the policies implemented by a Republican President by the name of Hoover. What did he do? He increased taxes, tremendously increased Government spending, especially on infrastructure projects, and, worst of all, instituted what are known as the Smoot-Hawley laws, which were protectionist laws. It stopped trade around the world. Unemployment rates over the next couple of years kept going up and up, eventually up to as high as 25 percent in this country, way higher than they are today.

Then we had the election of Franklin Delano Roosevelt. He saw that the answer to this was to have massive Government spending. So he put into place what we all know now as the New Deal. People argue today that the reason the Great Depression continued on was because Roosevelt would spend money and back off, spend money and back off, spend money and back off. They didn't feel as though they did enough spending at the time, nor did they keep the spending going.

Going into 1937, there were some other mistakes. Once again, taxes were raised. There was a depression within a depression in 1937.

We have to ask ourselves this fundamental question: Even if you believe the New Deal was helpful, do we really want to take 5, 7, 10 years to get out of the economic problems we have today? The New Deal never brought us out of the Depression. Never did. The only thing that brought us out of the Depression was World War II.

By the way, World War II was not the answer to our economic problems. There were severe sacrifices made by Americans all across the country. Everybody was working on the war effort. But there were tremendous sacrifices that were made—rationing of food, rationing of gasoline, rationing of any kind of consumer product that we take for granted today. And the economy

was very tough after World War II. As a matter of fact, the stock market in the United States never recovered. After that crash in 1929, it never recovered until the mid-1950s. Do any of us here want to wait 25 years for our stock market to recover and to start back up the path beyond what it was just a year ago?

I want to discuss not only parts of the stimulus bill but also what we have done in the last several years.

First, this chart shows the percentage of Federal debt that is held by the public as a percentage of GDP—this is the most accurate way to measure the debt, as a percentage of our economy.

The early 2000s started growing, started growing, but then in the last several years debt went up dramatically. The deficits and the addition to the debt were going up much faster than this chart looks, but not as a percentage of our economy because our economy was growing very fast.

People have argued that the money was spent on tax cuts. The evidence is very clear on this point. The tax rate cuts, just like under Ronald Reagan and just like under John F. Kennedy and just like under Calvin Coolidge, actually led to more tax revenues because they stimulated economic investment, they stimulated people to work harder, to invest and create jobs, and therefore we ended up with more tax revenue. The problem with this last decade under President Bush is that we spent too much money.

By the way, who is responsible for this spending? Has anybody read the Constitution? Congress holds the purse strings. The President cannot spend the money that we do not authorize him to spend. In this body and the other body across the Capitol, we spent too much money. There were only about 20 of us who kept voting no on these massive spending bills. There were about 20 Republicans. The rest of the Republicans and Democrats sent the last President bill after bill that added to Government spending that added to the size of our Government.

This chart shows total Government spending as a percentage of GDP. We can see when President Bush took over it kept rising, kept rising, kept rising. Now we can see what is going to happen with spending as a percentage of GDP. This is not sustainable.

The spending bill that is before us today is part of the reason for that line. We understand that Secretary Geithner is going to bring us at least another \$500 billion, the third round of TARP. We still have to pass an omnibus spending bill.

The next chart shows some of these items. We have to pass an omnibus bill. There is going to be a war supplemental bill that is going to be passed this year. Some people are saying this is just the first stimulus bill we are going to pass because the arguments I have heard coming from the economists who believe that Government spending is the answer just believe that

during the Depression, there was not enough Government spending, so we have to do a massive amount of it.

We are talking \$350 billion for the first part of the TARP, and \$39 billion was just added with the Children's Health Insurance Program. By the way, this number, \$39 billion, is way low because they are saying this program is going to stop in a couple years. We know that is not going to happen. The truer cost is well over \$100 billion. The second round of TARP is another \$350 billion. This stimulus package, when we count interest that has to be paid over the next 10 years, is \$1.2 trillion. The omnibus bill is estimated around \$400 billion; \$70 billion for a war supplemental; TARP III is estimated at \$550 billion.

When do we stop? When are we going to be responsible to future generations? Do you know what this all adds up to? Higher taxes. It is impossible not to have higher taxes in the future, and in the very near future.

The President came out and said that in the next several years, we are going to have over \$1 trillion deficits for the next 4 or 5 years. That is not sustainable. Right now, the only reason we have not had a complete economic collapse is because other countries around the world—they are called sovereign wealth funds—have been buying our Treasury bills. It is smart for them to do that because if they don't, their economy collapses too. What happens if political pressure mounts? What happens if all these countries say: We are not sure U.S. Treasuries are good to buy anymore. They are a little too risky now. If that happens, our economy goes off a cliff and there is no way to save it. So we have to be concerned about the amount of spending that is in this bill. It has to be responsible.

I believe in infrastructure spending if it is done and it is done right. But what we shouldn't do is just spend money for the sake of spending money.

The President said the other night that spending equals stimulus. That was basically what he was saying. Not all spending is stimulus. Certain spending is good stimulus, but not all spending is stimulus.

We also have to be careful about the size of the spending because we cannot just keep printing money like this. Not only will we have to have higher taxes in the future, but it causes inflation. It is a basic economic principle. It is just like a family who lives beyond their means or a business that lives beyond its means or a State government. At a certain point, living beyond your means catches up with you. So we are going to hurt—and according to the CBO, they said there will be some short-term stimulus in this bill, we all know, there will be stimulus, but the long-term problems we are creating with this stimulus package can be very severe.

Let me point out a couple of things. First, before I point out a couple things in this spending bill, I want to talk about Japan for just a little bit.

Japan, during the 1990s, had severe economic problems. They said: We are going to pass stimulus bills. As a matter of fact, during the nineties, I think they passed six stimulus bills, if I am correct.

This is Japan on this chart. These blue bars are government spending as, once again, a percentage of their economy. In the late eighties, nineties, it kept going up, up, and up. This red line is unemployment in Japan. As they kept spending, if government spending was the answer, we would see a reduction in unemployment, wouldn't we? That isn't what happened in Japan. As a matter of fact, the 1990s in Japan is called the lost decade. They had bad monetary policy, and there was bad monetary policy during the Depression as well.

Hopefully, we are not doing that today. But it isn't just Government spending that is going to get us out of this mess we are in today.

This compromise plan before us—first of all, nobody has seen it. It is not available yet. I think the only copy is at the desk because it was not in a form you could copy it. None of us have seen this bill. None of our staff have on either side of this aisle. Nobody has seen this complete substitute before us today. It is a \$1.2 trillion bill when we add in the interest.

If you assume the optimistic projections of 4 million jobs, this is about \$300,000 per job that is either created or saved. It used to be just created, now it is created or saved—\$300,000 per job. If the low end of the projections are correct—you always have a high end and low end; I was being optimistic—at the low end, about 1.3 million jobs, the price tag per job is over \$600,000. Don't you think we can do better than between \$300,000 and \$600,000 per job? Common sense, don't we think we can spend the money and create more jobs for that much money?

We have heard about the pork in this bill, and Senator COBURN had an amendment yesterday—I am glad it was adopted—that would take out some of the pork in this bill. The unfortunate thing is, what they did was they asked for a wish list of Governors and mayors across the country. These kinds of items could still be allowed: \$6.1 million for corporate jet hangars in Fayetteville, AR; \$8 million for city-wide bicycle facilities in Miami, FL; \$15 million for pedestrian ways in St. Louis, MO; \$47 million for new bike paths throughout the country.

I cycle. I like bike paths. I love to see them out there. I ride my bike almost every weekend—not this weekend because we are stuck in DC. But I love to cycle. This is not a time to build these kinds of things. If we are going to invest in infrastructure, invest in infrastructure that actually makes the economy more efficient, such as roads that are needed.

By the way, in Japan, when I put up that chart before, a lot of that spending they did ended up being bridges and

roads to nowhere. If you do not target this money correctly—and the only way to do that is to take our time. When we rush through bills, we are going to see bridges to nowhere, we are going to see bicycle paths that people feel good about riding, but it is not going to help the economy. We need to take our time. If we rush through this bill, I believe we are going to have some very serious regrets in the years to come. We are going to have inflation. We are going to have to have higher taxes, and in the long run, we are going to do a huge amount of damage to our economy.

Let's get together. Let's sit down, not as Republicans and Democrats but as Americans. That is the way the process should have been done in the first place. I have told the folks on the other side that if they want a bipartisan bill, they need to start in a bipartisan fashion. The President said he wanted a bipartisan process. You don't bring a Democratic bill from the House of Representatives, jam it through here, send it over to the House with no Republican input in either the House or the Senate, and then just allow amendments to happen but not at the crafting of the bill.

I believe this stimulus package could have been put together with Republicans and Democrats and probably had 80 votes in the Senate because neither side has all the right ideas. Neither side does. Our side doesn't have all the right ideas; their side doesn't have all the right ideas. So to put the best ideas together, we should have sat down together, taken our time, and gotten this thing right.

Mr. President, \$1 trillion is not something where you can afford to blow it all. If you don't get \$1 trillion right, you have made a massive mistake that you may not be able to recover from. That is why we need to slow down and do what is right for this country.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from West Virginia.

Mr. ROCKEFELLER. Mr. President, I yield 7 minutes to the Senator from New Mexico, Mr. UDALL.

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

Mr. UDALL of New Mexico. Mr. President, I thank the Senator from West Virginia for managing this effort, and I am honored to be with you today.

The first thing I want to say is, I think the important thing that has happened is we have seen several Republicans step forward to work with us on this economic package, and I would congratulate them and thank them for their bipartisanship—the two Senators from Maine and the Senator from Pennsylvania—who have seen that we have a very serious economic crisis facing us, and we need to focus on that with an urgency to do something. So they understand that and they are willing to work with us to make sure we get this done in a timely fashion.

Now, I have been listening to the debate for almost 2 hours, and there have been several assertions that have been made by our friends across the aisle. No. 1 is, the President has misrepresented tax cuts and the Republican position; and, No. 2, the assertion which has to do with a failed ideology. They do not understand that.

Well, it is pretty clear to me what the difference is, and there is a big difference. During the 8 years under George Bush and the Congress that supported him—the Republican Congress—we had tax cuts for the wealthy, and that was the solution to things. What we have in this package—and this is the big difference—is what we call—and President Obama has worked with the Senate and the House on this—a make work pay tax credit. This is a tax cut for working families. This is money that is going to be spent by working families that will flow through the community and get our economy growing again.

Now, on the issue of failed ideology—and I am not trying to read President Obama's mind or anything—I think what President Obama was talking about when he talked about failed ideology and failed policies is, if you look at the Bush Presidency, and you look at the 8 years he was in office, we have seen a couple of things happen: massive debt. During his 8 years, the debt has grown from \$5 trillion to \$10 trillion. When he took over, the country was in a surplus. We projected over 10 years that we had a \$5.6 trillion surplus. Today, we have a \$10 trillion or more deficit. And, by the way, that is the biggest swing we have seen in our history, from a surplus to a deficit. That has put us as a nation in a horrible hole. So we know we have a big problem, and President Bush created that.

The Bush economic policies over the last 6 years have hurt the middle class. We have seen middle-class incomes decline by \$2,000 a year. The economic policies he has put in place have hurt middle-class and working families. And there is something we have inherited, and we need to be frank about it. It is a massive financial collapse on his watch—Bear Stearns, Lehman Brothers, AIG, and the list goes on and on. Everybody who is analyzing that now says it is due to deregulation, laissez-faire Government policies, and an approach by that administration to just let people regulate themselves.

I remember when Chris Cox stepped forward and said, it was a mistake to let them regulate themselves. Well, that is what he did with his leadership over there at the SEC. So what President Obama is trying to do, and what the Senate and the House are trying to do now, is to fix the problems we have inherited from this administration—these serious economic problems, financial problems. We very much appreciate the support of Republicans in doing that, especially the three who have stepped forward to work with us.

So I don't think there is any doubt there have been failed policies, but in

talking about the economic recovery, we are talking about several things we are going to do. First of all, in the package that is before us, that I believe we are going to get out sometime soon, we are talking about a financial and banking recovery. We are also talking about stabilizing housing and making sure foreclosures are stopped so we don't go to 8 million foreclosures and those sorts of things. But what we should be focusing on, which this package does, and which is very important, is helping the States so they do not contribute to the downward spiral.

My State of New Mexico, our Governor, has proposed to the legislature, which is sitting right now—the New Mexico Legislature is sitting—\$454 million in cuts. That is 10 percent of the State budget, roughly in that range. So what will that do in our State of New Mexico? That will lay people off, projects will slow down, and we will be contributing to the downturn. What this package does that I think is tremendously important is, it allows the States to not make those kinds of cuts.

A number of my colleagues have talked about how important this legislation is. Economists agree that a recovery package simply must be passed. If we do not act, we face double-digit employment—with millions more workers who cannot make ends meet because their hours have been cut and their pay is too low.

We have the power to help. We must use it.

Some of my friends who oppose this bill seem to think that we should pass a recovery package, but we should not to do anything to address our long-term prosperity. They say that this compromise bill is being used as an excuse to do the things we want to do anyway. If that means that this bill is not about creating jobs, then it is just plain wrong. This bill will create jobs. Economists from ACROSS THE POLITICAL SPECTRUM will tell you that.

But my friends have a point. This bill will do things that should have been done years ago. It addresses concerns that would be very real even if we did not face an economic crisis.

Let me give you an example. A business in my State just had to lay off almost its entire workforce because it couldn't raise capital. This business has devoted itself to designing technologies that will make America a global leader in clean energy. The bill we're considering today could help companies like this get their technologies to market. For this one firm, that could have meant 55 jobs. Someone could say that the recovery package is pursuing goals that are not just about economic recovery.

But let me ask: if you are going to create 55 jobs, why not end America's dependence on foreign oil? Why not create the jobs of the future—jobs that cannot be sent overseas?

Let me give you another example. In Indian country, more than a quarter of all Native Americans live in poverty.

The unemployment rates reach as much as 80 percent on some reservations. And the economic hardships facing all Americans today, are only compounded in Native American communities. As Chairman DORGAN said, "Nowhere in this nation are jobs and construction improvements more needed than on American Indian reservations . . . Where tribal communities have faced longstanding infrastructure needs."

In this legislation today, we direct investments to Native communities. To improve Indian Reservation Road Infrastructure. To make sure Native people have access to clean drinking water. And to make sure Native children have an opportunity to thrive by investing in their nutrition, and in their educations. So, again, I have to ask: if our goal here is to create jobs, and uplift our economy, why not provide a Native American family with an income . . . with hope for the future? This legislation helps to do just that.

That is not to say that this recovery package is perfect. We would all make adjustments if we could. But we must compromise. And we must get it done. We all realize the long-term consequences if we fail.

Short-term thinking helped get us into this mess. And if we solve today's economic problems without thinking about our future, we will be back here again. Nobody wants that.

More importantly, when this bill is signed into law, our responsibility as Senators and as citizens will not be over. The bill we are considering is an act of trust in the American people. Much of the money in this bill will not be spent by Washington. It will be spent by Governors and mayors, State agencies and school boards—the men and women who make up the strong base of our representative democracy. This is a time for active citizenship. When this bill is signed into law, men and women across this country need to watch how it is spent. We need to make sure that our local governments get the money to families that need help and businesses that will create jobs. This recovery package contains unprecedented provisions to provide oversight and demand accountability. But it will not work unless we make it work.

I look forward to working with State and local officials in New Mexico to make sure the taxpayers' money is spent wisely. I will be working to make sure this money creates jobs today. I will be working to make sure it lays the groundwork for a brighter future. And I encourage my constituents to do the same.

Mr. President, I thank the Chair, and I yield the floor.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. SESSIONS. Mr. President, I would ask the Chair to notify me after 8 minutes.

The PRESIDING OFFICER. The Chair will do so.

Mr. SESSIONS. Mr. President, there are some fundamental things that are important in America that can't be denied. They are like the law of gravity. They won't go away. One of them is that there is no free lunch. Nothing comes from nothing. Something has to be produced by somebody at a cost, and debts must be paid. If we incur debt, we incur an obligation. Money does not come from the air, and if we were to be irresponsible and print large amounts of money to use to pay our debts, we would inflate the currency and debase the value of every asset held by every American and the value of the dollar, which has very pernicious consequences for us.

I would like to take a moment to share some thoughts. This is a quote from Larry Summers, President Obama's No. 1 economic adviser and a very experienced man. I am not quoting Mr. Summers to claim that he has changed his position; I am quoting Mr. Summers because fundamentally these statements are accurate statements. Mr. Summers has said that:

As with any potent medicine, stimulus, if misadministered, could do more harm than good by increasing instability and creating long run problems. A stimulus program should be timely, targeted, and temporary.

That was in January of last year. I think that is a fundamentally true statement. And one of the things I am worried about in this bill is that it is so diffuse, it is so untargeted and so large that it does not meet any of the standards mentioned by Mr. Summers.

Mr. Summers has also said that:

Fiscal stimulus, to be maximally effective, must be clearly and credibly targeted . . . with no significant adverse impact on the deficit for more than a year or two after implementation.

I believe that the bill before us violates the criteria Mr. Summers outlined in this statement. In January of last year Mr. Summers said:

Poorly provided fiscal stimulus can have worse side effects than the disease that is to be cured.

Now, that is why I have cited the Congressional Budget Office report of just 2 days ago so often. In this report, Mr. Elmendorf concluded:

Over the 10-year period, the growth of the economy would be less if we pass the stimulus than if we had no stimulus at all.

I didn't make that up. It is difficult to accept that you can't create something from nothing very easily. We can get a little bump in the economy now by reaching into the future and bringing \$1.1 trillion or \$2 trillion and spending it now and let our children worry about paying it. You can get that. But it quickly gets away from us.

So in 10 years, the Government borrowing \$1 trillion-plus from the marketplace crowds out credit and denies small businesses and other people the ability to get loans. So there are costs in this. It is just critically important that every dollar be properly accounted for and that we not stick in a bunch of programs that may be ineffectual and

that don't go through the normal committee process.

President Clinton's Budget Director, Alice Rivlin, warned a few days ago that:

A long term investment plan should not be put together hastily and lumped in with the anti-recession package. The elements of the investment programs must be carefully planned and will not create many jobs right away.

To interpret that language, the long-term investment plan means new programs—new health care programs, new environmental programs, and new energy programs. Alice Rivlin warned that these programs shouldn't be lumped in with an antirecession package. She warned that the elements of the investment programs are the things that will continue to be out there for a long time. She says that these programs are not going to create jobs right away. In addition, money could be wasted because the investment elements may not be carefully crafted.

We have to be careful in crafting this bill or we will not create jobs; we will create ineffectual programs. Yet we are going to run them through without going through the normal budgetary process and the normal authorization committee process. We have all kinds of bills in here, all kinds of legislation in this bill that would normally be the product of committee hearings and public debate. They have just been stuck in and they are being run through with a few days of debate. The proponents of these programs like them. They think they sound good and they are pushing them forward. I don't dispute their integrity or their goodwill, I am just saying history tells us we have to be careful.

I supported ethanol, and I know Senator GRASSLEY did. Some now think we went too far. Senator GRASSLEY doesn't. I don't know where we are on it, but we were all excited at the time. We thought we were going to fix all our problems.

I would also like to point out that Senator CONRAD, the chairman of the Budget Committee, a Democratic leader in the Senate here, really a fine Senator, has repeatedly expressed his grave concern about a bow wave that is being created with the stimulus. In other words, the stimulus, in perspective, seems to be legislation that will be one-time, temporary, and targeted. But Chairman CONRAD says there are at least \$120 billion of programmatic changes that are not going to quit, and therefore we are increasing our permanent expenditure baseline by \$123 billion. Senator COBURN from Oklahoma believes it is a \$300 billion bow wave of permanent spending in this bill that is never going to end. It is very difficult. We are doing it so rapidly that it is troubling.

I want to say one more thing. Senator ROCKEFELLER and Senator GRASSLEY have been here longer than I, but if you look at what we are doing—

The PRESIDING OFFICER. The Senator has used 8 minutes.

Mr. SESSIONS. Mr. President, I ask unanimous consent to use 2 more minutes.

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

Mr. SESSIONS. Mr. President, if you look at what we are doing, it does not reflect well on the Congress and the Senate.

Last fall, we were told by Secretary Paulson that we had to pass a \$700 billion bailout for Wall Street. I remember one day they told us we had to pass it before the next day, before the Asian markets opened. Do you remember that? You have to do it before the Asian markets open. We fiddled around and were panicked and pushed and shoved and threatened and everything. Eventually Congress folded up and passed the \$700 billion TARP program. Only \$350 billion of that has been spent to date, so it obviously was not the most important thing in the world. Furthermore, most economists think it has done very little good.

Now we come up with a stimulus. All of that was in addition to our debt. It was classified as emergency spending and went outside of the budget process with very few hearings. Every penny of this bill is now going to the debt. None of this money is going to be returned to the Government. Once we sign the bill, the money goes out of the door and gets spent. That is another \$1.1 trillion. It did not go to the authorizing committees and in-depth hearings on all these programs were not held.

We know in another few days we are going to have another multibillion, maybe \$500 billion plan proposed by the administration for the second part of the Wall Street bailout and maybe additional legislation for housing.

I say to my colleagues, somehow all of this is spent outside the budget. We pass a budget and we are supposed to stay within that budget. Yet all of these huge, unprecedented expenditures are spent without any requirement that those expenditures compete with other programs. We want to do hybrid cars, but it doesn't compete with other legitimate efforts to reduce our dependence on foreign oil. We just stick it into this bill without any hearings.

I am really worried about it. I think we are losing our discipline. I think Congress has been rubberstamping the Executive. I voted against President Bush's request to give this money to Wall Street, and I am going to vote against this stimulus package unless it is substantially changed.

I do believe Senator MCCAIN's legislation is one of the best alternatives proposed thus far. I support it. It is over \$400 billion. It has more for roads and highways than this bill. This bill only has \$30 billion for highways and bridges. It is supposed to be an infrastructure bill, yet \$30 billion is less than 3 percent of the entire package. This funding represents even less than

3 percent if you count the \$347 billion in interest the bill would cost.

It is a very troubling bill. It is being ramrodded through. It is not going to have the kind of impact on this country's economy that we would like it to have. Indeed, I am afraid that unfortunately the Congressional Budget Office is right. Whereas we might have a temporary boost in the economy for the first 2 or 3 years, over the next 10 years it will be negative, and over the next 10 years after that it will be a flat negative with no benefit whatsoever to the economy.

I yield the floor.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. ROCKEFELLER. I yield 7 minutes to the Senator from Arkansas.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mrs. LINCOLN. Mr. President, I thank my colleague from West Virginia for being here today. I thank my colleague from Iowa, Senator GRASSLEY, for being here today, and all my other colleagues who are here.

When I left the seventh grade basketball game in the morning at 8 o'clock, my children wanted to know—they are used to me working on Saturdays, but usually it is in Arkansas. They said to me, "You are going into the Capitol? What are you doing, Mom?" I said we have something very important facing this country right now, the gravity of the situation we find ourselves in as a nation right now, looking for the solutions to the challenges we face in this great country. I told them we are so blessed to live in this country, it is worth coming in on a Saturday to talk through the issues, the challenges we face, and what the solutions are for this country moving forward.

I have to say I am glad to be here, and I am glad to be joined by such compassionate and pragmatic Members who are also here to talk about how we get ourselves out of this. We can talk about history, we can talk about what got us here. The most important thing to talk about is how we put our country back on track.

The most important challenge we have been faced with here is obviously our economy. There are lots of others that will feed in. As the Senator just mentioned, we have other opportunities down the road to deal with those. But I am proud of the effort in the Senate.

President Obama gave us a good beginning in his recommendations of his recovery package. The House worked on theirs. We are here now, the deliberative body, to look at how it is we can improve upon this.

I have to say, I think about some of the best advice I have ever gotten in life. Life is about choices, and we all are faced with choices and the many hats we wear in our lives. We have choices of how to be good parents, how to make those choices. We have choices in how to be responsive and to be a good wife and to be a good daughter to

aging parents. And yes, how to be good Senators, coming together to represent the interests of our State but also the well-being of the 50 United States, this great Nation of which we are a part. That is what we are here about right now. That is why we worked late into the night last night. Everyone was tired. Now we have come back today to begin, hopefully, a bigger and better discussion of how we face these challenges and where we find these solutions.

I was extremely proud of my colleagues, Senator COLLINS, Senator BEN NELSON from Nebraska, and the others who came together. I joined that group to listen and talk about how we can bring balance to these solutions, those who have concerns about how much is spending in this bill and how much is tax cuts, and where do we go to create that balance that will help us move forward in this country to create the economy we need to create without creating outrageous debt that could be harmful to our children. It is a delicate balance, and that is why that group came together; it was to see how do we find a bipartisan way to come up with these solutions.

Trimming about \$100 billion is what came out of that. It was a good thing. It was a good thing to say, yes, they are all things we are passionate about. Nobody is against education. We do not want to demonize the programs that exist in what people are passionate about. But is this the place to do it? Can't we maybe reduce some of that extra spending we put in this bill to make it comparable to what it is that everybody wants to see? That was a good step. It was something we should be proud of in this body, that in a bipartisan way people did come together to say: What are our challenges, what are our options, how do we balance this?

There are great ideas out there. I tend to disagree a little bit—new ideas can be good ideas. We have to look for the new ideas. We have to move from an old energy economy to a new energy economy. We have to look at the new ways of health care where we can find efficiencies and effectiveness that will bring us greater quality of care at a lower cost, accessibility to more Americans in health care needs and in health insurance. These are things we can do. But we cannot do them if we do not work together and we are not willing to take steps forward. If all we do is look back, look in the past and worry about what got us here and worry about all of those things as opposed to working together, we will never make it.

One of the other critical pieces of this recipe is patience. We have to be patient. Yes, this is timely. It is much needed. We are in a grave situation in this country in terms of our economy. We have to deal with this crisis and put ourselves back on track. We can do it with timely and targeted and temporary measures. My colleague from

Iowa mentions that often, and it is a wonderful thing for each of us to remember as we go through these things.

We also have great passion for a lot of the different specifics that are important to our States. We have to have patience with that. There will be other trains leaving this station. We will do an omnibus bill, we will do an appropriations bill, we will do a move into that new energy economy, we will do an energy bill, we will do health care reform, and we will do tax reform. We are dedicated to doing those things. But this right now should be our focus, should be our most important focus, of moving forward. We all, when we have an important job to do, get very anxious. Now we need to have patience. We need to move in a calculating way, working hard, to come up with the solution we need to have. But we do need to do something now. We are here today because we want to get it right, we want to work hard with others in a bipartisan way, across the aisle, to make sure what we are doing is going to be important.

I would say to my colleagues, look at what we have done. Look at where we have come over the course of the last week. We have already brought about a balanced package, frankly, in terms of spending and tax cuts. Those are positive things. We are going to have to spend something. We are talking about dealing with this economic crisis, spurring the economy, giving the ability to the people, the hard-working families of this country—look at what we have done on the tax side: support for small businesses, tax relief for small businesses that want to keep their payrolls going, that want to keep those jobs going, that want to make sure those working families are still going to be getting their payroll checks and putting into the GDP through the consumption their families need.

We have an awful lot to do. But I hope the Members of this body will not give up, will not torture themselves about what other people have done and will remember who we are in this body and our ability to come together and work. We have done it in the past.

When our country needs us the most, it is absolutely essential that we put down all of what may be behind us and make sure we are working hard to get this right. We can, we must, for the sake of this great country, the sake of the blessing each and every one of us has in living in this great country. It is our responsibility, it is our duty, and it should be our honor to come together and work these problems out.

The PRESIDING OFFICER. The time of the Senator has expired.

The Senator from Iowa is recognized. Mr. GRASSLEY. Mr. President, I have two or three items of this legislation I want to discuss with my colleagues, some items I hope can still be worked into the final package.

The first deals with the idea that President Obama put forth in his campaign about the zero capital gains. If

you look at what is possibly going to be passing this Senate, you find that this bill contains only about \$21 billion in net tax relief for businesses, and that is for the purpose of encouraging investment because investment creates jobs and these are long-term jobs. I don't find any fault with the business incentives that are in here, but \$21 billion, for the most part—it is tax relief going to just big business.

That has to be a result of the \$19 billion dollar net operating loss carryback provisions which are in this bill, mostly benefitting large corporations.

Well, how much tax relief for small business is in this \$827 billion bill? Not much. I think it is a pretty puny amount. So I stand to encourage support of a proposal by President Obama to eliminate capital gains on sale of stock in small business and startup corporations.

Under present law, under section 1202 of the Internal Revenue Code, 50 percent of the gains realized on the sale or exchange of certain small business stocks held for more than 5 years is excludable from gross income. That 5 years is very important because we want to look at long-term investment, not the just the get in quick and get out quick that has created a lot of economic problems.

Now, beyond that, the remaining gain is taxed at the rate of 28 percent. So excluding half the gain from tax, and taking the other half at 28 percent, you end up at 14 percent. However, regular capital gains are currently taxed at 15 percent, so you can see section 1202, which was intended to encourage investment in small business corporations is not very effective.

A tax rate of 14 percent, pretty simply, is not much better than 15 percent and, consequently, does not do much good. It is actually even a worse situation in that that portion of excluded gain is subject to the alternative minimum income tax. Therefore, this bill should go further than it does.

Now, obviously, the underlying piece of legislation tries to address the small business investment but not the way President Obama suggested. So I am back to where President Obama was. This bill should be amended, and I have an amendment that would do three different things:

First, it would increase the section 1202 exclusion to 100 percent of the gain realized upon the sale of qualifying small business stock, instead of the 75-percent exclusion included in the underlying bill; second, it would make the section 1202 gain not subject to the alternative minimum tax; and, third, it would increase from \$50 million to \$75 million the amount of aggregate gross asset the corporation could have and still qualify as a qualified small business corporation. Again, this amendment would implement President Obama's campaign proposal to eliminate capital gains tax on sale of stocks in small businesses and startups.

Would you please note the President's campaign proposal was not merely to bring down the capital gains rate on small business to 7 percent, as the stimulus bill now written would provide but, very importantly, eliminate capital gains for the sale of stock of small businesses and startup corporations.

If you wonder why the President's as well as my emphasis upon small business investment is—you know it better than I do, or as well as I do—70 to 80 percent of the new jobs are created in new business and you realize, in 2007, I believe it was, maybe it was 2006, whenever we had the latest figures, the only net gain in employment in the United States was in small business, while there was probably a downturn in big business at that time.

So we ought to move forward. What I would like to have you note is the main policy justification for preferential tax treatment for capital gains is because of the risk inherent in many investments in capital assets that are taxed at ordinary rates would discourage risk-taking, because ordinary tax treatment would take a large share of the upside but would not help the taxpayer in the case of the investment not working out, on the downside.

To correct this imbalance in our law, capital gains are given preferential treatment. I explained to you the importance of giving to it small business because they are the employment machine of our free market economy. This argument concerning risk-taking is especially strong regarding investment in originally issued stock from small corporations such as we are discussing in this legislation, in a little smaller way.

With small corporations especially, it is still in startup mode and still raising new capital. The risk of failure is especially high. That is even more so, given the fragile nature of today's economy, which leads me then to my next two points: I have spoken about the importance of the stimulus bill being targeted and temporary; that is, if the word "stimulus" is to have any real meaning, the bill should be targeted and temporary.

The question is, Is this provision—I suppose you could raise it about the provision in the bill, which is a smaller version of what President Obama recommended. Is this provision concerning elimination of capital gains tax on the sale of small business corporation stock targeted and temporary?

Well, you know the answer is obviously yes on targeted. The provision is targeted with where relief is needed. One thing all of us heard over and over again is capital markets are one, frozen; two, people are not loaning money; and, three, they are not investing money in anything very risky, but rather than simply putting their money in Treasury bills or cash, very safe, risk-free places. So small businesses are starved for the capital need-

ed to invest, and they need to invest in new capital, new equipment, and new employees.

What will it take to encourage people to invest new equity in small corporations? Well, I believe this provision will help by giving favorable tax treatment for such investment. Note that the favorable tax treatment described in this amendment will not be extended to the purchase of small business corporate stock on the secondary market. If an individual buys already-issued small business corporate stock from another individual, this does not get the new capital to the small business itself; rather, the favorable tax treatment described in this bill would only be for originally issued stock of corporations issued after the date of enactment of this legislation.

Why only for originally issued stock? Because that is the stock issued for direct capital injections from the investor into the corporation. By targeting this amendment in such originally issued stock, this will result in new capital investment in small business corporations where jobs are created in America.

Now, targeted, yes; temporary, yes. So the provision must be temporary under this legislation. This provision would only apply to the purchase of originally issued stock after the date of enactment, 2009 through January 1 of 2011. Of course, all of us hope our current economic problems will have eased by that date, 2011. Thus, to make sure this provision is targeted during the time it is needed most, it is targeted for the remainder of this year and next year.

According to the staff of the Joint Committee on Taxation, this provision has a 10-year cost of \$1.5 billion. You can surely see that with the job creation machine small business brings about, this is a good investment. Please do not count on me to say this again, but I have the audacity to hope that this proposal will attract large bipartisan support, this proposal of the President is actually change we can believe in. I encourage support for that provision.

Going to another issue, a large portion of this bill is devoted to health care, so also I will bring up that. In the Senate, we are giving States more money for Medicaid; giving subsidies so people who lost their jobs can pay for health insurance and throw billions of dollars at pet projects related to health care.

Over in the House, they are going even further. They are expanding who is eligible for Medicaid, letting people stay on their employer's health plan for up to 35 years after they are fired and ultimately have the taxpayers foot that part of the bill.

Last week the Wall Street Journal summed up these reforms with an op-ed entitled, "Democratic Stealth Care." Under the title, the article quotes:

With the Nation preoccupied by financial crisis, Democrats have been quietly working to nationalize health care.

Now, some may think this is just a conspiracy theory, but between the Children's Health Insurance Program last week and now the stimulus this week, I begin to wonder.

The Government-run Children's Health Insurance Program alone is going to cause 2.4 million people to drop out of the private market, the private market where people already have health insurance and where they are already paying for it, and join the taxpayer-funded program and that probably the additional kids who need to be in that program will not be in it.

Now this is a big victory for the people who want the Government to change over our health care system. But they are not going to stop there. Some say Medicaid spending in this stimulus bill is meant to help States get people already enrolled. Well, who is going to argue with that? But I think you have to look at it beyond that.

If you just wanted to shore up existing Medicaid programs, why does this bill provide billions more than what the Congressional Budget Office says States will actually need to meet that responsibility? When we marked up this bill in the Finance Committee, I said: Anything in this stimulus package should meet the three Ts test that we hear: timely, targeted, and temporary.

But that also applies to these health provisions. Well, I do not see how giving States billions more for Medicaid dollars than they need so they can add more people to the program we already cannot afford meets any of these tests. I am not saying that about people who are unemployed and would otherwise qualify, I am talking about beyond that. It also is not very targeted to give the same CEOs who got \$18 billion in bonuses last week a Government handout to buy health insurance. But under this bill, you can get a subsidy to pay for health insurance regardless of how much you make.

The budget deficit for this year is already targeted and projected to be over \$1 trillion. After the stimulus bill and other legislation, the deficit is going to grow to over \$2 trillion. It is critical that we must be fiscally responsible with these taxpayers' dollars. I do not see how giving a millionaire, who maybe got fired from a corporation, money to buy insurance is fiscally responsible. But this legislation allows that because there is not an income cap for getting on Medicaid.

The Wall Street Journal article I mentioned goes on to say: "In this new health care nirvana, even the rich are welcome."

It also says that: If you add it all up, "the Democrats may move ten million more people under the Federal health umbrella in just 4 weeks."

This certainly sounds, of course, like a big step toward too much Government-run health care for this Senator. I thought Republicans and Democrats were going to work together on our reform of our health care system. Well, I

must have missed some memo along that line because it looks like this bill is taking steps a lot further with things that are normally in a health care reform package.

Quite frankly, we do have a bipartisan process going on that I am a part of. I am glad to be a part of it. But some of those moves make me somewhat cynical.

On another point, something in this stimulus package appropriates money for the National Science Foundation. I wish to speak about an issue there. Not that they should not have the money, but we have to change things at the National Science Foundation if that money is going to be spent wisely. Last week, I sent a letter to the National Science Foundation asking about the inspector general's semiannual report. The IG found extensive use of National Science Foundation computers to view sexually explicit material.

A particularly severe incident described in the semiannual report involved a manager at the National Science Foundation spending, would you believe it, up to 20 percent of his official worktime viewing pornography, over a 2-year period of time, at a cost to taxpayers, us, just for his salary of \$58,000. Now, he is no longer there. But there is a culture hit there that encourages this sort of thing. The IG estimated that, obviously, that is a waste of taxpayer money and spoke about that.

As my investigators began digging around the National Science Foundation, they found that pornography is not necessarily the main problem. It is only a sign that the National Science Foundation has not been subjected to too much scrutiny over the years. We are going to put a damper on that misuse of taxpayer money, because I have some very powerful cosponsors of my amendments in Senator MIKULSKI and Senator SHELBY, who are the chair and ranking member of the Appropriations subcommittee that oversees the National Science Foundation budget. They are also involved with the extra money for the National Science Foundation in this stimulus bill.

To make sure the National Science Foundation gets a very clear message that Congress is serious about ensuring accountability of taxpayers' money, this amendment freezes \$3 million of the additional billions of dollars going to NSF for a short period in the money that is going as operating funds directly to the Office of Director of the National Science Foundation. This money will become available when the National Science Foundation Director does what he is supposed to be doing. If he had been doing that, we wouldn't have these problems we are trying to fix.

The tasks are, No. 1, the National Science Foundation Director needs to submit a report to Congress detailing the steps the National Science Foundation has taken to remove pornography from the foundation computers. By the

way, this report is only based upon one server. I don't know how many servers they have, but they have, obviously, more than one that needs to be gone through. The inspector general found problems after searching that one and believes there is a more extensive problem.

No. 2, the National Science Foundation Director submits a report to Congress detailing an appropriate response of the National Science Foundation IG semiannual report where all this information came from. This will include actions taken to stop people watching pornography while on the job at the National Science Foundation.

No. 3, the National Science Board needs to hire an independent general counsel. The board is supposed to provide oversight over the National Science Foundation, but they have been relying on the National Science Foundation's own attorney for legal advice. This is pretty silly and raises concerns about the independence of the National Science Foundation's own attorney. So we are going to want them to have somebody more independent.

I am certain this will not fix all of the problems at NSF, but with the help of Senators MIKULSKI and SHELBY, we are on a road to making this organization more accountable to the taxpayers. We will have a lot more work to do at the agency, but I am happy that Senator MIKULSKI is in position there.

In the \$800 billion bill we have before us, it calls for more congressional oversight. I know most everybody knows that. But I want to point out some problems we have to take care of to make sure all Members of Congress are able to do congressional oversight with an amendment simply ensuring that we in Congress can keep a watchful eye on the extraordinary amounts of money being spent in the stimulus bill over the next 2 years. We need this oversight. Over the years, under both Republican and Democratic administrations, I have taken on the responsibility of asking a lot of the tough questions of the executive branch, regardless of whether the President was of my party or the other. Day in and day out, many Members of Congress—this one included—write letters asking questions about how laws we pass are being carried out. We ask about allegations of waste, fraud, and abuse that come to our offices on a regular basis. In order to get to the bottom of these allegations and truly understand how executive branches under both Republicans and Democrats are conducting the people's business, it is not enough to rely upon assurances from bureaucrats that there is nothing to worry about.

We need access to documents, records generated by the agencies that we are trying to oversee. We need to access those records in order to act as a constitutional check on the executive branch to verify that what they are telling us is more than just spin. Docu-

ments and records created at taxpayer expense ought to be available to their elected representatives in Congress. It is that simple. It is fundamental to our constitutional system of checks and balances. Too often, however, unelected bureaucrats, sometimes political appointees, misinterpret the law and deny congressional requests for information without any legitimate legal reason for doing so.

My amendment would take away those bogus legal arguments by making the will of this body crystal clear. If an agency gets money under this bill and if the agency gets a request for records from the chair or ranking member of congressional committees, the agency must provide those records. A vote for this amendment is a vote to make sure that Congress has the information it needs to do its duty under the Constitution. We cannot act as a check and a balance if we allow ourselves to be kept in the dark about what is going on in the executive branch, particularly when we are appropriating almost \$800 billion over the next 2 years as a stimulus.

I yield the floor.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. I ask unanimous consent that the time be extended until 3:30, but it already has been. By what mechanism, I know not, but it doesn't make any difference. That is why the Senator from Iowa was able to continue.

Since it is now 7 of and Senator NELSON and I both wish to speak, I ask unanimous consent that the time for debate be extended until 3:30, with the time equally divided between the leaders or their designees under the same provisions of the previous order.

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

The Senator from Florida.

Mr. NELSON of Florida. Mr. President, most of the Senators know how much I love the Senate and how I love individual Senators who are quite extraordinary individuals. It is because of that love that I have concern we continue to see excessive partisanship in the Senate, what is described as the most deliberative body in the world. This is not to say that because we are the most deliberative body, we should not have our political fights and sharply disagree. But when crisis faces the Nation, it seems to this Senator there ought to be a focus on finding common ground instead of that which separates us.

I want to give two examples of where I thought it was a very fine hour that the Nation found common ground in a bipartisan way. The first was when I had the privilege of serving in the House of Representatives in 1983. Social Security was facing a financial default within a 6-month period. Two old Irishmen, who would fight every day but at the end of the day could walk through the door as personal friends and had a personal relationship so that

they could get things done, those two old Irishmen—one being the President of the United States, Ronald Reagan, and the other one being the Speaker of the House, Tip O'Neill—realized that if we were going to solve the potential default of the Social Security system, we had to come together in a bipartisan way. Indeed, they said: We are going to take this third rail of American politics off the table at the next election. It will not be an election issue. We are going to solve it. We are going to use the mechanism of a bipartisan commission to come and bring a solution.

That is exactly what happened. The solution was brought by the commission. The Congress passed it overwhelmingly. There had to be give and take and shared pain by all different sectors. It was not used as a political weapon in the next election. Social Security was made actuarially sound for the next 75 years. That is one example.

Another example of unity in a bipartisan way was in the aftermath of September 11, 2001. Of course, I will never forget in that day that we had dispersed to all parts of Washington, because we had to flee the Capitol when we thought the fourth airplane was inbound to destroy this magnificent symbol of America, later that day, into the evening, Members of Congress, the House and the Senate, spontaneously gathered on the center steps of the east side of the Capitol and broke out spontaneously singing "God Bless America" in a show of unity.

I will never forget the weekly caucuses that we separate here, where the Democrats meet in one place and the Republicans meet in another place, there was a joint caucus bringing about unity in the aftermath of crisis.

It occasions this Senator to wonder, where is that unity in this crisis? Do we not think this crisis is of sufficient magnitude that we ought to be coming together? We say we have a bipartisan solution, but it takes all 58 Democratic Senators, plus three Republican Senators to get over the 60-vote threshold mark in order to pass this legislation on next Monday and Tuesday. That is technically bipartisan, but it is not really. Is this crisis not of sufficient magnitude?

Look back last fall. After the defaults of a number of major financial institutions and suddenly Lehman having a financial hole so big that regulators decided they had to let it go, the confidence went completely out of the system. In a rushed manner, we passed the Troubled Assets Relief Program, with the acronym TARP. It injected capital in the system. None of us is happy as to how we have seen the first segment of \$350 billion spent. But at least it put funds in to inject some confidence that the Federal Government was going to stand behind the banking system and not let it go down the tubes. So we started working our way through that.

Look at it from the standpoint of bankers. They need capital. They need

investment. We are seeing that the Secretary of the Treasury is going to come out next Monday with a proposal that is going to inject new capital by, this time, instead guaranteeing those troubled assets, the Federal Government. This is a role for government, in that the Federal Government, in addition, is going to put money so that loans can be made for students, for small business, to pay off credit card debt, and to go out and buy automobiles. That is necessary. Banks need to make loans, but they can't if people make a run on their bank and start pulling out their assets. Thus, the need for more confidence injected into the system. That is what we are trying to do with TARP and now this fiscal stimulus plan.

This plan: 42 percent of the stimulus is coming from tax cuts; 58 percent is coming from fiscal stimulus by additional spending. In order to get three Republican votes to get us over the 60-vote threshold, \$110 billion was cut; \$25 billion off of the tax cuts and \$85 billion off of the spending, with a \$110 billion reduction of the overall stimulus plan. Yet we still do not have unity.

I cannot understand why, when the Senator from Georgia, who is my dear friend, and I think one of the most effective Members of the Senate, passes what is a very attractive amendment, upping a \$15,000 tax credit for the purchase of a home, the total of which, the pricetag for that tax credit is approximately \$35 billion—and I am told the Senator from Georgia, with that provision in the bill, is not going to support it on final passage or on the motion for cloture, which we have to have to cut off debate to get to the bill.

Where is the unity and where is the bipartisanship? We masquerade as bipartisans, and yet this lingering insidious attempt to always divide instead of reconcile still hangs over the Capitol of the United States of America. It would be certainly this Senator's hope that as we get on down the line, and it goes into a conference committee to iron out the differences between the House and the Senate, that maybe there will be more Senators who can come together and say at this critical time in our country, when the financial institutions were about to go under, with a complete economic cardiac arrest on the horizon, we could reach out and, as the Good Book says: reason together.

Mr. President, I yield the floor.

Mr. DODD, Mr. President, yesterday, the Senate considered an amendment offered by Senator COBURN that would prohibit stimulus funds from being directed to institutions of cultural merit in communities throughout the country.

As well intentioned as Senator COBURN's amendment may be, it is misguided. Among the many institutions that would be prohibited from receiving stimulus funding under the Coburn amendment are museums, theaters, art centers, zoos, aquariums, and commu-

nity parks. And while the amendment would correctly prohibit funding for casinos and golf courses, I question the judgment of grouping institutions of significant cultural merit, such as museums, with these other superfluous uses. I also question the notion that Washington knows better than the communities and States themselves which projects will stimulate their local economies and preserve jobs and which will not.

In 1935, President Franklin Roosevelt put millions of people back to work through the Works Progress Administration. Job creation was not limited to only public works and housing, but also included efforts to strengthen art and culture. The Federal Art Project, Writers Project, and Theater Project provided jobs to thousands of the unemployed. President Roosevelt understood the benefit in investing in America's infrastructure and the long-term economic value in fostering the Nation's cultural development.

Educational and cultural institutions are the economic anchor in many communities. In Connecticut, cultural institutions contribute approximately \$9 billion annually to the State's economy and support roughly 110,000 jobs. These institutes of learning bring educational programming to schools in surrounding communities. These institutions are employers. They stimulate the local economy and bring patrons to small businesses and revenue to our communities and States.

Our museums, theaters, art centers, zoos, and aquariums are not outcasts. These institutions are members of our communities that have been hard hit by the economic downturn. While facing understandably reduced attendance during times of economic crisis, they have also suffered from reduced charitable giving and slashed local and State aid.

The crisis can be seen throughout Connecticut. In June, the Mark Twain House and Museum, a National Historic Landmark, was almost forced to close its doors. In November, the Maritime Aquarium in Norwalk announced layoffs because of an unsteady economy and declining attendance. In December, Mystic Seaport faced a similar situation and was forced to eliminate 23 full-time positions. And just this week, the Connecticut Opera, which is the sixth-oldest continuously performing opera company in the country, was forced to halt operations. These stories are not unique to my home State—they are being echoed throughout the country.

Yesterday's New York Times featured a cover story on the successes and failures of Japan's actions to stimulate the economy in the early 1990s. Dr. Ihori of the University of Tokyo determined, "decisions on how to spend money were made behind closed doors by bureaucrats, politicians and the construction industry, and often reflected political considerations more than economic."

Mr. President, the amendment offered by Senator COBURN is just that—a decision more reflective of political considerations than economic. The amendment will unfairly tie the hands of our governors and local officials who know best what will stabilize and stimulate their local economies in order to retain badly needed jobs.

The PRESIDING OFFICER (Mr. UDALL of New Mexico). The Senator from West Virginia.

Mr. ROCKEFELLER. I thank the Presiding Officer.

Mr. President, I wish to clear up a couple of quick points. I think I will be the last speaker from our side, and I am not sure about the other side. But we have until 3:30, and I will not speak that long.

I think it is important to point out a couple things.

No. 1, the point has been made that we rushed this thing and we are jamming it down the throats of people. Well, first of all, if we are doing that, we are not doing it in quite as numerically an advantageous way as we should.

Secondly, I think two of the most important committees that handle this whole matter—the Finance Committee and the Appropriations Committee—have been through full markup, have had hearings on this. I remember our markup in the Senate Finance Committee lasted 12 consecutive hours on our section of this bill. So it has been very well thought through. It has been very well debated. Amendments have been raised. Amendments have been rejected. We had 45 votes on the floor about this. They have been debated back and forth. They have been discussed. It is not clear to me if we did this for another week that we would be any wiser or we would have any crisper or more targeted bill than we have today.

The second point I wish to make is, when it is pointed out that as a percentage of total spending State spending is doubled, tripled, and all the rest of this—as if the States have been acting in some kind of very irresponsible fashion—I was a Governor. And Governors are capable of doing that from time to time. But I want to point out that as a percentage of total spending, State spending has not increased at a greater rate than any other of the sectors in our economy. It is just that the price of health care and the price of everything else—inflation, all of it—has caused that. So people can say it is a \$1.2 trillion bill, but that does not take into account all the reasons I have enumerated.

There are a lot of costs that are going to go up, and that is why at the end of a period of time it may be that, but we are not voting on something which is 5 years in the future or 8 years in the future. We are voting on something which has to take effect right now.

That brings me to what I want to say, and that is two points. We have wandered, it seems to me, a bit in this debate away from the people who I

think haunt us in their tragedy. I regret that. People have talked about individual amendments they want to get. There is an enormous—42 percent of it is in tax cuts. That is probably more than most Democrats would do. But, on the other hand, the tax cuts tend to be more toward the middle class and small business, which is what the ranking member of the Finance Committee wants. He wants more, and I understand that. But we all want more or less of something. But what we do not want is for the American people to suffer, as they are now suffering. That is the only reason we are here. It is the only reason we are here.

This is only the beginning. We have at least two other major bills we are going to have that are going to require a lot of money that we are going to have to deal with. This is the first one. This is our first test. I think it is extraordinary, the point the Senator from Florida made, and others have made, that it took three Republicans and one Democrat to come together in essence to put forward a bill which I think is going to end up passing if we can work out our differences with the House in conference, which I think we will be able to do.

Now, why do I say this? I say this because we have no choice but to come to the aid of the American people. I am not saying that Government spending is the answer to everything, as I am not saying that tax cuts are also the answer to everything. And incentives are good. The tax cuts over the last 8 years, which went to primarily people who did not need those tax cuts—I do not think that ended up in more jobs. It may have ended up in more money and, therefore, more income tax revenue for the Government, but it was not stimulative in the way we are trying to do today.

So we want jobs. We want road construction. We want education. We have had to cut—I have my list of tragedy here of all of the programs we have had to cut in order to meet the needs of the more moderate bill, the \$780 billion bill. I look down at this list, and I look at so many programs that I think need to be increased. But then I stop and I think: Well, they are being increased. They are not being increased by as much as the Democrats, as a main, wanted, and so we call them what is stated here: “Quick Review of Cuts Made.” That is not cuts made to the program from where they are now. That is cuts made to where we wanted to put them.

Why did we want to put them there? Because that would help stimulate the economy and to bring more jobs to our people. You cannot make light of this. You cannot talk about this without talking about what is happening to American families. You cannot do that. I come from a State which is not wealthy but which is full of incredibly hard-working people, incredibly hard-working people who have been working hard all their lives to stay afloat because that is the nature of our State and it is the nature of our topography,

it is the nature of the resources we have and the way they have been handled. So, yes, I battle for them and, on the other hand, I also have to battle for the entire Nation through this program because we all live or die together.

Part of this is in the mind. People have to have confidence that the Senate has passed a bill and that we are moving in the right direction. It is not a question just of supporting a President from a Senator from this side of the aisle who happens to be a Democrat. It is a question of doing the right thing by the American people. And if it takes as many billions of dollars—\$780 billion—to do that, then I say we have to do it. We have no choice.

Sometimes I have the feeling from the other side that what they want to do is adjust a number of amendments to increase the number of tax cuts, but that the plight of the American people is talked about, is used in not rhetoric but in their words, and used stirringly, but their real thinking is not there, it is in getting more to the way the other party has chosen to see progress hopefully happen in this country, and that is through tax cuts.

I cannot help but reiterate what has been said; that is, when President Clinton left office, he left a \$5.6 trillion surplus. To some degree, I criticized him for something he actually could not have done but he could have done morally, and that is to go to the Congress, call a special session or whatever, and say: We have \$5.6 trillion. We also have a whole world to confront, wars to fight, an entire Nation to rebuild—which was going to be my second point—and we can start right now doing that. That was while the economy was still prosperous. He was still President.

Then we entered into this massive period of borrowing for wars, which the intelligence showed was not right in this Senator's judgment. And now we are in Afghanistan and now we are in Pakistan, and who knows where it will stop. Well, al-Qaida is in 50 or 60 other countries, so it may not stop for quite a while.

I will say to the Presiding Officer, I can remember when I was a Peace Corps volunteer in the Philippines. I suspect the Presiding Officer had not been born yet. I was in the southern part of Mindanao in the city called Zamboanga City. It is the headquarters of Abu Sayyaf, who is the al-Qaida leader for Southeast Asia, and all of the same kind of slaughtering and mass killing between ethnic groups or religious groups was taking place then.

It is taking place all over the world—has been for centuries. You can go back to the English kings and the way they tortured people. What we do in this country is not something we can always be proud of. So it is the nature of people to fight.

The whole question of the war on terror, on one hand, trying to control

that, but then, on the other hand, how do we mitigate the need for it, gets into questions of something that nobody wants to talk about. Nobody ever has wanted to talk about it, and that is substantial amounts of foreign aid, to give people in other countries a feeling that we care about more than just killing high-value targets or Guantanamo or whatever, but we care about their lives.

First, we have to start by showing the American people that we care about their lives. That is why we are here. This is the first of three bills. This bill has to pass. This bill is a good bill. It is not the bill I would have written. There are cuts made which are very painful to me in terms of not just my State objective, but also my responsibilities in the Senate over the Commerce Committee and then over the Intelligence Committee. But we have to do that. We have to do that. We have to do that because people are suffering. When people are suffering, they turn to their ministers for a while, but essentially they know it is only the government that can come in, in emergencies, in critical situations, in desperate situations, and infuse money in certain areas which will create jobs.

Now, the President has been very clear that some of these jobs will come more quickly, saying a lot of them will—and a lot of the tax cuts will become available by September of next year. That is some time. A lot of them before that. Some of the jobs would not take place right away because you can't suddenly build a bridge. You have to have your plans, they all have to work, and it takes time. But we have to do that. We have to do that. We have to put people back to work. People without work who can work and who have families to support have no reason to have hope. If they give up hope, then they become part of not just people who are unemployed but people who have given up on employment, and they don't show up in the unemployment figures. They are called the people who have given up.

My own feeling is the unemployment rate is probably closer to 13 or 14 percent in this country right now. A lot of people have just lost all hope. They are the same people, they have the same values, the same families as others do.

So I hope we can pass this bill. I hope this is not a matter of anytime the Government intervenes, it wastes money. When the Government intervenes, sometimes, yes, it does. When Wall Street gives out bonuses and takes trips to spas and things of that sort, I call that wasting money, and I think we are paying attention to that. So it is part of human nature. Yet I think we are going to have an enormous effort on oversight of this program. I know the President is, I know the Congress will, so that as little money as possible will be wasted and people will get back to work.

Work is what people want to do. Work is what gives people dignity. I re-

member that from my early days in West Virginia when I went to a place where nobody had work and they couldn't hold their heads up high. Sometimes even people I love and who changed my life, who were what I call my secular rebirth in life, sometimes the men, when we had community meetings, would squat on their haunches and face away from the meeting. Psychologically, they were saying: I don't really believe what is going to come out of this is going to help me. I am here because you asked me to come, but I am not really here because I don't have faith.

We have to restore that faith, and we do that by giving people a sense that things are on the move, that things are going to get better, that bills pass as opposed to fail.

I don't want to see a bill which is mostly passed by Democratic votes and with a very few Republican votes. I don't want to see that. I will take it because it will get the program under way, but it is not the way it should be. Senator NELSON is correct. This looming partisanship is still a part of our problem in the Senate. The discipline of the party on the other side is usually a bit better than the party on my side, so they can be very effective in slowing things down, as I think we have seen.

The last point I wish to make is, this is not just a matter of helping people in desperate need and helping them as quickly as possible. Nonaction is not an option. Standing by and watching is not an option. It doesn't do any good for anybody to vote against this bill, even if it isn't what they want, because it will create activity. It will create confidence. It will create momentum.

The final point I wish to make is, it will create something more. We need in this country—and we have needed it for a long time, and it is why I wish President Clinton had taken that \$5.6 trillion, pulled us all together and said, OK, we are going to spend 4 trillion of these dollars on re-creating America, re-creating schools, re-creating higher education, science and technology, re-creating a sense of fairness. Yes, arts, yes—not just \$20 million contracts for athletes but people who add to the luster of our Nation. We have a long way to go. We don't have an air traffic control system which is digitalized. Mongolia is building them. We are behind Mongolia. Every other industrial country in the world has an air traffic control system which is digitalized and operates off a GPS system. Therefore, we have 33 percent more air traffic congestion than we need, and danger is increased. So we have to rebuild an entire Nation: elementary schools, secondary schools, high schools, colleges, postgraduate. We have to attract scholars into the areas where we need innovation. There is nothing like innovation. Senator NELSON knows this better than anybody because of what happens at NASA, but we need it.

We need people who want to serve in government. We want people to go into

public service. If I had my way, I think I would probably get quite a few co-sponsors who would say we ought to have a bill that requires every single American to take a period of 2 years out of their life and commit it to public service, community service. They could go into the military. They could go into teaching. They could go into nursing homes, home care, research, whatever, but 2 years out of their track so they could look at themselves and their country, so they wouldn't just be doing the same thing every day.

I was lucky to have that experience twice in my life, and it has made me a better person. I think it is the way you bring America together again so that you have everybody in the trenches together. Everyone is equal. The rich don't get a break; the poor don't get help. If they can't afford not to do this without help, then they get help. That would be expensive, but I think it is something this Nation needs in order to heal itself.

So let me end by saying we have absolutely no excuse whatsoever for not passing this bill or what comes out of the conference. We have no excuse. It would be a shame and an act of cruelty to do that to the American people who are now suffering. In the process of so doing, and of helping them, and of giving them some sense of hope about their own lives which, let's face it, is very important in how hard people choose to try and fight, participate in community affairs, and do all kinds of things. But we need to rebuild our Nation. If this crisis had never happened, I would be giving the second half of my speech. We have to rebuild the Nation, Mr. President, because we have let it slide over the last 50 years. Infrastructure is the most obvious example. I can name so many other areas. Broadband gets cut. That hurts me because that is the way people can achieve much faster communication, through the Internet. Long distance learning has been cut. It is still much more than it is now, but it has been cut from the original Democratic bill. That is the way people in a poor county in southern West Virginia learn Japanese from the University of Nebraska because they can do it online and then remake their careers and give themselves hope.

So I hope we will be large in our thinking, small in our politics, and generous and encouraging to the American people by passing the bill before us.

I thank the Chair and note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant 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.

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. REID. Mr. President, I ask unanimous consent that the Senate be in recess subject to the call of the Chair.

There being no objection, the Senate, at 3:37 p.m., recessed subject to the call of the Chair, and reassembled, at 4:24 p.m., when called to order by the Presiding Officer (Mr. REID).

RECESS

The PRESIDING OFFICER. In my capacity as a Senator from the State of Nevada, I ask unanimous consent the Senate stand in recess until 8:30 p.m.

There being no objection, the Senate, at 4:24 p.m., recessed until 8:30 p.m. and reassembled when called to order by the Presiding Officer (Mr. TESTER).

The PRESIDING OFFICER. The majority leader is recognized.

Mr. REID. Mr. President, 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.

AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009—Continued

Mr. REID. Mr. President, we have worked very hard this week. It is not often the Senate is in session this time of night on a Saturday or this time of night most any time, but we have had a long hard week and spent many hours trying to come up with an answer to America's financial troubles.

Yesterday at 5 or 6 o'clock, we reached an agreement with a few of the Republicans to come up with a nice piece of legislation that will meet President Obama's request for resources in different areas that will help our economy. The main direction is tax cuts. People are needful of money. That money will be spent. And about 58 percent of it is job creating.

Why are we here tonight if the agreement was basically reached yesterday? It is because we have a bill that is about 800 pages long. This product we have produced is about \$800 billion. We put it together yesterday starting about 4:30 p.m. Everything has to be right. We don't want a problem, anyone raising an issue that one of the numbers is wrong or one of the lines is not where it should be. So for the last 35, 40 hours, people have been working non-stop to get a product so we could lay down the amendment, and that should be done in the next half hour or so. But people have literally worked all night.

Mr. President, you and I are out here. We are two of the one hundred. They can recognize us. They have little pictures. They can see us. The people who

are making this product we can lay down are people you do not see very much. The enrolling clerks, you don't see them very much. They are in the bowels of the Senate someplace putting this together hours and hours at a time, being aided and assisted by other members of this wonderful staff we have.

The line down the middle of this aisle is what divides Democrats and Republicans, and tradition has it that the Republican staff is with the Republican Senators. But the problems we face with this deep recession we are in have nothing to do with Democrats and Republicans. It has everything to do with economic travails of the American people.

So those few people who are watching this proceeding on television or are in the galleries tonight are seeing a situation where there is not a lot of floor activity. But today, as every day when we are in session, so much of the work is done that is not in the camera lights. An extraordinary group of public servants is here to assigned positions. They do it with a smile. They treat the public and us so well. It is difficult to describe what a wonderful job they do.

Anyone out there listening to these proceedings or watching these proceedings should know we have police officers who are guarding the Capitol. That is something that has not always been. As a young man, I was here. I worked this shift 6 days a week as a police officer and went to school in the daytime. In those days, as a police officer, we didn't have much to worry about. We had to make sure traffic on Constitution Avenue and Independence Avenue moved OK, but that was about it. But now the police officers are the best trained police officers in the world, a force of almost 2,000 watching and protecting this Capitol, not only all the people who work within these buildings but also the millions of tourists who come here every year. We have evil people around the world who every day are trying to figure out ways to violate the Capitol, and we have these brave men and women protecting us.

We have doorkeepers who make sure people who come into this Chamber are qualified and have the right credentials to do that. We have all the people in here—Chamber attendants, Parliamentarians. We have Journal clerks, legislative clerks, enrolling clerks, bill clerks, and floor staff on whom we depend. If the Presiding Officer is not presiding but is out here and has a question about something, most of them don't come to me, they come to the staff, each one of whom is so qualified and competent to answer questions about Senate procedure that Senators depend on them a great deal.

All the people I mentioned, and certainly a lot of others, are public servants in the true nature of that word. They serve all Members of the Senate. They get little, if any, recognition for what they do.

One of the groups I didn't mention at all is the valuable staff we have in the cloakrooms. There is a cloakroom to my right consisting of the Republican staff and to the back of me is the Democratic cloakroom. They are never seen. They are back in the cloakrooms. Every day we are in session, they come in about an hour before we start. They are here long after we leave, as are the people I mentioned. We depend on them, when there is a phone call, to look for us. Of course, they do that. They run through there, walk through there, find a page, bring a message to us. They do so many things that are invaluable to our being able to work here.

I extend to everyone I mentioned the appreciation of all Senators. We recognize that without any one of the groups I mentioned, any one of the attendants I have mentioned, if they are not here on a given day, we don't do very well. It is a team effort, and the example they set should be recognized.

Democratic and Republican staffs don't argue and fight. They get along very well. They have a product to produce and they do it. I think many times we can learn a lot from them how we can get along and produce more than perhaps what we have.

I thank everybody for their service, a job well done, and hopefully within the next little bit, we will have an 800-page bill in perfect form.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant Parliamentarian 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.

AMENDMENT NO. 570

(Purpose: In the nature of a substitute)

Mr. REID. Mr. President, pursuant to the order before the Senate today, on behalf of Senators COLLINS and NELSON of Nebraska, I call up the amendment, which is now at the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nevada [Mr. REID], for Ms. COLLINS and Mr. NELSON of Nebraska, proposes an amendment numbered 570.

(The text of the amendment is printed in today's RECORD under "Text of Amendments.")

CLOTURE MOTION

Mr. REID. Mr. President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, 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 the Collins-Nelson of Nebraska amendment No. 570 to H.R. 1, the American Recovery and Reinvestment Act of 2009.