

It is an important debate for the country to have. There will be no difference in the outcome whether that debate takes place in December or takes place in January, as the majority leader has promised us. So I anticipate the budget of this country, which still awaits action by the Senate, and the Defense appropriations bill itself, which is important to the funding of our troops immediately, ought to take precedence over that other debate which incidentally has been begging for its proper attention for some 30 years or more.

I do not think another month is going to make all that much difference in the outcome. So I do look forward to it.

UNANIMOUS CONSENT REQUEST—  
S. 1499

Mr. KERRY. Madam President, Senator BOND and I have been trying to bring S. 1499 before the Senate since it was introduced, but literally for more than 1 month steadily, we have been held up, depriving the Senate of an appropriate debate and depriving us of an opportunity to achieve maybe 90 to 95 votes for this legislation.

I ask unanimous consent that the Senate now proceed to Calendar No. 186, S. 1499; that the Kerry-Bond substitute amendment which is at the desk be considered and agreed to, and the bill, as amended, be read three times, passed, and that the motion to reconsider be laid upon the table with no intervening action or debate.

The PRESIDING OFFICER. Is there objection?

Mr. KYL. Madam President, I object reluctantly on my behalf and on behalf of other Senators. I believe both Senator KERRY and Senator BOND wish to speak on the issue, and I will speak to it when they have completed their remarks.

The PRESIDING OFFICER. The objection is heard.

Mr. KERRY. Madam President, I understand the Senator from Arizona has indeed objected to this bill for a period of time now, as I referenced moments ago. I regret that. We have tried to work out the issues with respect to what is the American Small Business Emergency Relief and Recovery Act of 2001. The ranking member of the Small Business and Entrepreneurship Committee, Senator BOND, has joined me for some period of time now in trying to move this important legislation for the small businesses of our country. We have 55 cosponsors of this bill, a majority of the Senate, prepared to help the small businesses of the country. Two United States Senators, I regret to say, oppose this bill, and we are not able to proceed forward.

We have the support of the Airport Ground Transportation Association, the American Bus Association, the Association of Women's Business Centers, the CDC Small Business Finance, the Chicago Association of Neighborhood

Development Organizations, the Citizens Financial Group of Rhode Island, the Clovis Community Bank of California, the Coastal Enterprises of Maine, the County of San Diego, the Delaware Community Reinvestment Act Council, the Fairness in Rural Lending Group, the Florida Atlantic University Small Business Development Center, the Helicopter Association, the National Association of Development Companies, the National Association of Government Guaranteed Lenders—some 5,000-plus lenders—the National Community Reinvestment Association, the National League of Cities, the National Limousine Association, the National Restaurant Association, the National Small Business United, National Tour Association, the Rural Housing Institute, the Rural Opportunities, Small Business Legislative Council, the U.S. Conference of Mayors, the United States Chamber of Commerce, the United States Tour Operator Association, the Women's Business Development Center, and others.

This amendment incorporates a number of improvements that Senator BOND and I have made at the recommendation of the administration and of other colleagues and of the business community. It seeks to provide help to small businesses nationwide that are struggling because of the events of September 11, exacerbating an already declining economy in the months prior to September 11.

They need access to working capital until normal operations resume, or until they can restructure or change the business to address the market changes. Many small businesses simply cannot find the working capital they need, even though they are a viable business under normal circumstances, because of this momentary downturn, because of an abrupt cutoff of business due to the reduction in auto rentals, hotel rentals, visits to restaurants, travel and therefore business with travel agencies. All of those immediately impacted by the events of September 11 are living out an aberration in the economy. It is not the normal course of doing business. Those are businesses that could be viable in a matter of months, which we do not want to lose, providing in the normal course of business we provide them with adequate access to credit.

The problem is, all across the country, we know credit has tightened up as a consequence of the outlook of the economy. So we create this self-fulfilling prophecy, this cycle of a downward trend as a consequence of people saying: I think the economy looks bad. . . . We have to hold back on those loans. . . . Consequently, they hold back on the loans and then, indeed, the economy looks bad because the failures ensue because working businesses do not get their capital.

In American Banker, they wrote the following:

Lenders were already skittish following the steep economic decline of the past year.

The events of September 11 have diminished their confidence and dimmed their prospect for recovery.

This bill is geared to try to provide emergency lending completely within the current law and capacity of the Small Business Administration. It builds on SBA's disaster loans, the 7(a) working capital loans, the 504 loans for equipment and building improvements, the venture capital investments and expanded access to SBA's business counseling. SBA has done an extraordinary job of leveraging small amounts of money into larger amounts of money in the country.

Let me point out that one of the objections of our colleagues who keep stopping us from proceeding forward is that this bill will cost money. Based on a 1992 study by Price Waterhouse, the \$17 billion of 7(a) loans authorized by this bill will yield tax revenues from the small businesses borrowers of about \$2.5 billion in the first year alone, more than off-setting the cost of the entire bill.

This bill is fiscally responsible. The Congressional Budget Office (CBO) has informally scored S. 1499 at \$860 million if all aspects are fully funded and utilized. CBO has estimated that the vast majority of the loans provided by S. 1499 (those made under section 7(a) of the Small Business Act) will cost 3 percent; that means that for every \$100 loaned, the cost to the government is \$3. This is a cost-effective way to provide necessary access to capital to small businesses throughout the country.

The judgment that is made in making a loan is how assured is that return on investment or what is the track record of the people to whom you are lending. The fact is that the track record of the Small Business Administration over the last years has been improving steadily and is at a rate today that would suggest this is a positive undertaking for the Government of the United States. It is particularly important for us to engage in it. In fact, the Administrator of the SBA recently said at a conference that the cost of the 7(a) program will be 50 percent less in FY 2003.

I might point out that if one were to take a number of the businesses that have been helped by the Small Business Administration—and I will be very quick because I know my colleague from Missouri wants to speak—the entire budget of the SBA for several years has been paid for many times over by the tax revenues that have come from the success stories of the companies that the SBA has funded. How many of our colleagues are aware that SBA was involved in funding Fed Ex, SBA was involved in the funding of Callaway Golf, SBA was involved in the funding of Intel? Intel alone has returned more in terms of the tax revenue in this country than the entire annual budget of SBA.

So we have many small businesses that are currently trying to stave off

bankruptcies. They are trying to prevent the doors from being closed. They want to keep people working, and keeping those people working is in itself a stimulus for the United States because those are people who pay their health bills, pay their mortgages, make their car payments, and all of that begins to restore the health of the economy in the long run.

I urge my colleagues to take up this legislation in the next few days. Small businesses are asking Members to do this. Our friends in the House of Representatives, Congressman DON MANZULLO, chairman of the committee, and Congressman JIM MORAN have introduced a companion bill and are gearing up to pass it as soon as possible. I hope my 55 colleagues, who are cosponsors of this, and others waiting to vote for it, and the small businesses who need it, will be liberated from this hold in the Senate.

Mr. President, I thank my 55 colleagues who are cosponsors of this bill, with a special thanks to Senator BOND, the ranking member of the Senate Committee on Small Business and Entrepreneurship. I also want to thank the many supporters of this legislation.

I ask unanimous consent that the list of cosponsors and several of the many letters of support for the legislation be printed in the RECORD.

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

**COSPONSORS—THE AMERICAN SMALL BUSINESS EMERGENCY RELIEF AND RECOVERY ACT OF 2001**

Senators Bond, Wellstone, Harkin, Cleland, Lieberman, Edwards, Carnahan, Levin, Cantwell, Landrieu, Snowe, Allen, Crapo, Enzi, Burns, Ensign, Schumer, Clinton, Daschle, Bingaman, Inouye, Sarbanes, Akaka, Reed, Durbin, Kennedy, Grassley, Torricelli, Lincoln, Rockefeller, Hollings, Leahy, Corzine, Johnson, Collins, Biden, Warner, Bill Nelson, Mikulski, Jeffords, Bennett, Murray, Carper, Domenici, Conrad, Smith (OR), Graham, Roberts, Stabenow, Dorgan, Hagel, Hutchison, Dodd, Hutchinson, and Boxer.

CHAMBER OF COMMERCE OF THE  
UNITED STATES OF AMERICA,  
Washington, DC, October 12, 2001.

Hon. JOHN KERRY,  
Chairman, Small Business Committee,  
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: I am writing to thank you for introducing S. 1499, "The American Small Business Emergency Relief and Recover Act of 2001," on October 8, 2001, and pledge the U.S. Chamber of Commerce's support for this important bill that provides much needed relief to many of America's small business owners.

As a direct result of the events of September 11, many small businesses have been physically and economically devastated. Because of the unique character of this disaster, many of the existing programs meant to act as a "safety net" to the small business community have been found to be inadequate or not available. Your bill, "The American Small Business Emergency Relief and Recover Act of 2001," serves to correct these inequities and provide the economic tools necessary for many small business owners to recover from this tragedy.

For those small business owners whose enterprises have been shattered by the reper-

cussions of the economic shockwave from ground zero, we must extend the lifeline of assistance in the form of expanded Small Business Administration low-interest loans and programs. We must not let the recent tragedies serve to dampen the drive and determination of our nation's existing small business owners who may be struggling financially as a result of the events of September 11.

The U.S. Chamber of Commerce is the world's largest business federation, representing more than three million businesses of every size, sector, and region. More than 96 percent of the Chamber's members are small businesses with 100 or fewer employees. On behalf of these small employers, I again thank you for introducing S. 1499, "The American Small Business Emergency Relief and Recover Act of 2001."

Sincerely,

R. BRUCE JOSTEN,  
Executive Vice President,  
Government Affairs.

THE NATIONAL ASSOCIATION OF GOVERNMENT GUARANTEED LENDERS,  
INC.,

Stillwater, OK.

Hon. JOHN KERRY,  
Chairman, Senate Committee on Small Business and Entrepreneurship, Russell Senate Building, Washington, DC.

Hon. CHRISTOPHER BOND,  
Ranking Member, Senate Committee on Small Business and Entrepreneurship, Russell Senate Building, Washington, DC.

DEAR SENATORS KERRY AND BOND: On behalf of the members of the National Association of Government Guaranteed Lenders (NAGGL), SBA's 7(a) lending partners, thank you for your efforts to support capital access for small businesses, especially in this time of heightened need. In accordance with this need, NAGGL's leadership and membership fully endorses S. 1499, the "The American Small Business Emergency Relief and Recovery Act of 2001."

This bill's goal is to provide small businesses with the necessary financial assistance to spur them, and thus America's greater economy, to full recovery. It will do this by addressing the credit needs of a variety of small businesses, from those located at or near disaster sites, to the multitude of small businesses throughout the country that were indirectly impacted by the events of September 11, 2001.

Prior to September 11, there were already signs of a slowing economy and a tightening of credit underwriting standards by commercial lenders. Some small businesses were already facing difficulty in obtaining credit. The events of September 11th have only exacerbated these problems.

This is why the quick passage of S. 1499 is so important. This bill addresses the difficulties facing America's small business sector, and so we encourage your Senate colleagues to pass it expeditiously.

Sincerely,

ANTHONY R. WILKINSON,  
NAGGL President & CEO.

NATIONAL LEAGUE OF CITIES,  
Washington, DC, October 30, 2001.

DEAR SENATOR: On behalf of 138,000 local elected officials, the National League of Cities (NLC) strongly urges you and your colleagues to support and push for immediate consideration of S. 1499, the American Small Business Emergency Relief and Recovery Act of 2001.

In the wake of September 11, cities nationwide have reported stress to local economies and city finances, and have indicated that a decline in local business is one of their greatest concerns. In a recent letter to Senator

Daschle and members of the Senate Finance and Budget Committees, NLC urged inclusion of small business relief in any economic stimulus package.

S. 1499 would help the efforts of lending institutions, community organizations and local public agencies in providing assistance to small businesses. The measure would expand access to Small Business Administration (SBA) low-interest or no-cost recovery loans to small businesses that were directly or indirectly affected by the attacks, and those in need of capital and investment financing or procurement assistance.

NLC has always supported adequate federal assistance to new and existing small businesses, and this emergency legislation reflects an important and timely effort by Congress to recognize the impact of these attacks on local economies nationwide by helping mitigate bankruptcies, business closures, and lay-offs.

If you have any questions or comments, please contact Scott Shrum in our office at 202-626-3033.

Sincerely,

DONALD J. BORUT,  
Executive Director.

NATIONAL RESTAURANT ASSOCIATION,  
Washington, DC, November 14, 2001.

U.S. SENATE,  
Washington, DC.

DEAR SENATOR: On behalf of the National Restaurant Association, the leading trade group for the nation's 844,000 restaurant locations, we urge you to cosponsor S. 1499, the American Small Business Emergency Relief and Recovery Act of 2001.

S. 1499 would address both emergency relief needed in the aftermath of the September 11 tragedies as well as the magnified credit crunch caused by the economic downturn and the uncertain economic outlook facing our nation. In October 2001, eating and drinking places cut 42,000 jobs, which followed a 43,000 job reduction in September (seasonally-adjusted). This is the worst employment performance in the industry for this two month period since records have been kept.

The purpose of S. 1499 is to help small businesses meet their payments on existing debts, finance their businesses and maintain jobs in the aftermath of the September 11 attacks by strengthening and expending access to the Small Business Administration's loan payments and management counseling. With 11.3 million employees, the restaurant industry is our nation's largest employer outside of government. Ninety-two percent of restaurant in the United States have fewer than 50 employees.

The National Restaurant Association applauds Senator John Kerry and Senator Kit Bond for introducing this bipartisan legislation and we ask that you consider cosponsoring S. 1499.

Sincerely,

STEVEN C. ANDERSON,  
President and CEO.  
LEE CULPEPPER,  
Senior Vice President,  
Government Affairs  
and Public Policy.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Madam President, I ask unanimous consent to be permitted to speak as in morning business for up to 5 minutes.

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

Mr. BOND. Madam President, there are a couple of issues on which I agree very strongly with my good friend, the chairman of the Small Business Committee, and one on which I disagree.

First, I agree on the need to bring up an energy package, have a sound and full debate, and pass a sensible energy package. We need it. I disagree with him on the need to continue the environmentally sound development of natural resources and petroleum products out of ANWR.

I have been on the North Slope, a frozen desert which is not harmed by drilling there now. The 2,000 acres that would be involved out of ANWR's 1.9 million acres will do nothing but provide a sounder base for the caribou that live there—I disagree on that, but I strongly agree with him on the need to bring up S. 1499.

If a Senator has a problem with it, air it on the floor. We have 55 cosponsors; 18 out of the 19 members of the Senate Small Business Committee said it is time to do something for small business.

It had become apparent to all Members that in 2000 we had an economic slowdown. Officially, we are in a recession. As we know, as banks tighten credit standards, and as access to credit drops, small business slows down. In the wake of the September 11 terrorist attacks, there were significant weaknesses in the small business sector. We proposed a reasonable, bipartisan measure that can go a long way toward helping small business get the restart it needs to provide jobs and spur economic activity in this country.

Very briefly, the American Small Business Emergency Relief and Recovery Act would make economic injury disaster loans available to all small businesses directly impacted by terrorist attacks. Businesses that shut down, such as airport shutdowns and general aviation shutdowns, and airport suppliers, would be allowed a repayment of principal and interest deferral for 2 years and interest could be forgiven.

The SBA current disaster loan program was not designed to meet the extraordinary circumstances that came about as a result of the terrorist activities. It could be a year or more before many of the small businesses in New York City can open their doors. They could not repay the loans right away, so we allow them to defer.

Small businesses throughout the United States have shut down. When general aviation was grounded, flight schools were closed, and other small businesses, depending on aircraft, were hurt. Our bill allows these small businesses to defer for 2 years repayment of principal and interest on their SBA disaster loans. Other small businesses experiencing economic problems that need help with their cashflow, working capital, or investments to continue their operation or hire more people would be available for special loan programs with a lower interest prime, with a 90 percent guarantee of the loan, and with a deferral of principal and payments for up to a year.

Small businesses are already hurt. We need to give them a stimulus to get

them moving again. There would be other breaks: No guarantee fees to be paid by small businesses. The amount that the SBA could guarantee would increase from 80 to 90 percent for loans up to \$150,000 and from 75 to 85 percent for loans greater than \$150,000. The participating bank fees would be removed on 504 certified development company loans.

That is what we propose. That is what the Small Business Committee says makes sense. Right now we are talking about coming forward with a \$70 to \$80 to \$90 to \$100 billion stimulus package because we know the economy needs a jump-start. That is \$70 to \$80 to \$90 billion that would mostly be paid out in the hopes that people would use that money to buy and get business started again.

We are in a business recession. The beauty of this program is no money is spent unless small business borrows money to put to work. We want small businesses to get back to work. This program doesn't cost a thing unless some small business goes out and borrows the money and puts it to work, buys equipment, uses it for working capital, uses it to pay employees.

When we talk about credit scoring in the credit subsidy rates, people's eyes always glaze over. They say the total cost of the bill for 1 year is \$815 million. That means they make \$17 billion worth of loans, and somewhere around half a percent of those or \$800 million may go bad. We are talking million. The rest is paid back. There are other minor losses on fees. Total cost to the Government is \$816 million.

I am almost embarrassed to come out here and talk about a stimulus package in terms of millions of dollars because anybody on this floor worth their salt can get up and talk about billions and billions and billions of dollars they would like to see in stimulus. We can get small business investing, growing, hiring more people, paying wages, buying equipment, being good customers for other businesses, for \$816 million.

I think this bill makes sense. We have a majority of the Senate cosponsoring it. Let's get on with this bill. If we are not able to bring it up as a separate bill, I have this warm feeling that it will be offered as an amendment at some point and we will have an opportunity for that full debate at that time.

I agree with my colleague from Massachusetts; I expect as usual when we are talking about helping small business, some 80 to 90 Members of this body will go along with us.

I strongly urge my colleagues to let us know what their problems are with the bill, talk it out, get it done, and pass it. We are going to have an opportunity to vote on it at some point.

I yield the floor.

The PRESIDING OFFICER. The Senator from New York.

Mrs. CLINTON. Madam President, I ask unanimous consent I be given up to 15 minutes as in morning business.

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

#### REMEMBER NEW YORK

Mrs. CLINTON. Madam President, exactly 11 weeks ago today, we as a nation suffered the most horrific and tragic attack in our long history on our shores. It is almost impossible to reconstruct the feelings, the emotions, the reactions that have swept through our Nation in the wake of the events of September 11. Certainly our Nation has responded both abroad, under the President's leadership, through the extraordinary efforts of our men and women in uniform, to root out the terrorists responsible for this attack. Here at home we have faced continuing challenges in the aftermath of September 11, including the use of anthrax to bring about death and injury and create an atmosphere of fear. But I want to bring our attention back to that part of our Nation that suffered the most grievous attack. That was in New York City in Lower Manhattan.

I don't think it was any accident that the terrorists chose this particular place in America to launch their attack. New York City is the global city, not only the capital of global finance but of global media, of entertainment, of intellectual ferment. It is a beacon, a magnet for immigrants from throughout the world. So the attack was well planned, not only to destroy buildings and kill innocent people but to send a signal to America that the terrorists were aiming to undermine our way of life.

Clearly, we have responded with such strength and resolution that the effort undertaken by those who thought they would destroy us has clearly been repudiated. We are, I believe, stronger and more unified today than we were on September 10. For that I am grateful. But I do not want our country, as we turn our television sets and our eyes toward Afghanistan, as we worry about tracking down whoever sent anthrax-laden envelopes to innocent people, including our colleagues, I do not want anyone to forget what happened on September 11 in New York City.

This is an aerial view of Lower Manhattan. It gives you some sense of the destruction—acres and acres of destroyed buildings, fires that are still burning below ground. Looking at this today brings back the memories that I will always have of flying over this site on September 12 and looking down and not only seeing that the towers and neighboring buildings were gone but looking into what appeared to be the jaws of hell.

But beyond this picture of destruction there are so many lives that have been impacted forever, not only those who are no longer with us but their family members, their colleagues, their friends, and their neighbors have been affected, not only those who lost their lives but so many whose livelihoods were turned upside down.