

statement stunned many of us who had witnessed firsthand the devastation that the drought had caused for farm and ranch families and the communities in which they live. As the drought persisted in 2003, we still had no opportunity for help.

Finally, in difficult negotiations over the last several weeks and with bipartisan support in both the House and the Senate, we have managed to craft disaster assistance that will go to the President for his signature. So today the Congress is now approving the \$2.9 billion in agriculture disaster assistance. That is the good news. It is a win for farmers and ranchers, and it will allow many of them to stay on the land and continue their businesses and continue a rural way of life. This bill will provide payment for farmers who have lost over 35 percent of their historic yields and livestock producers who have lost over 40 percent of their available grazing land.

I thank Congressman CHARLIE STENHOLM. We would not have any disaster aid without his leadership in the House. I thank my colleagues in the Senate, especially Senator BAUCUS, who led a bipartisan group of Senators, all of whom supported disaster aid and worked to pass this important legislation.

I also thank Senator HARKIN for his passionate support for the recognition that this aid ought to be declared an emergency like all other forms of assistance that we have passed for other parts of the country.

America's family farmers and ranchers do not just produce commodities, they produce communities. They are an important part of our national identity. They reflect our national values. For too long, they have been suffering, not because they made bad decisions but because of bad weather. We cannot do anything about the weather, but we can take steps to help family farmers and ranchers weather this crisis.

So I am proud of what we have been able to do today, and I hope the USDA will immediately begin the process of distributing this much needed assistance to farmers and ranchers across the Nation.

I yield the floor.

The PRESIDING OFFICER. The Senator from Arizona.

NATIVE HAWAIIANS

Mr. KYL. Mr. President, I want to take just a couple minutes to engage three of my colleagues in a brief colloquy: Senators INOUE, Senator AKAKA, and Senator DOMENICI, to inform our colleagues of an agreement that was reached in an effort to clear a group of bills that the Energy and Natural Resources Committee had worked on very hard and very long, for a long period of time, and have, in fact, cleared the Senate and been sent to the House, and to ensure that at some point next year, before August 7, a bill relating to native Hawaiians, similar

to or the same as S. 344, would be considered by this body.

We reached that agreement, which was embodied also in a letter from the two leaders to Senators DOMENICI and INOUE, who had inquired of that possibility, in which the leaders promised their best efforts to ensure that a native Hawaiian bill equivalent to S. 344 would be brought to the Senate floor for debate and resolution no later than August 7 of next year.

I had told both Senators from Hawaii I would express publicly my personal commitment to assist in that effort to ensure that no procedural roadblocks would be thrown in the way of the consideration of that legislation, nor a final vote on it. I will indeed do that and encourage all of my colleagues to work with us toward that end.

I thank Senator DOMENICI for his leadership on that large group of bills that were so important to so many Members of this body and for his work on this particular issue, as well as our good friends from Hawaii, Senators AKAKA and INOUE, for their cooperation in helping us reach this resolution.

Mr. DOMENICI. Will the Senator yield?

Mr. KYL. I am happy to yield.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I note that Senator AKAKA and the distinguished senior Senator from Hawaii are on the floor. First, I want to say they have been gracious. Many Senators had a part in this very major bill, with 24, 28, maybe even 30 pieces of legislation for their States.

I say to the Senators from Hawaii, you had a perfect right to insist that your bill, which has just been described by the distinguished Senator from Arizona, be in that bill. That could have caused the bill to probably be here a long time, the big bill, and you graciously said, if we can work something else out, let's try. We did.

As a result, we passed this bill for many Senators, and we said to you, both Senators from Hawaii, we will do our best to get your very important bill, described by the Senator from Arizona, up. We cannot assure that. I cannot guarantee that. This is the Senate. But we do have a letter with all of the people who are in the leadership, I, myself, by the distinguished two Senators from Arizona, that we will do our best. We described it and everyone knows of it.

Today we thought we would tell the Senate and give this assurance in the RECORD to our two Senators from Hawaii that we are serious, that we will do our part in trying to make sure their bill comes to a vote in the Senate by the date they have agreed to and we have agreed to.

I say to Senator KYL, I thank you for your diligent efforts in helping with this. Every Senator who got something in that legislation that is now going to the House will know what we have done.

Thank you very much.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. INOUE. Mr. President, I am extremely grateful for those reassuring words of my distinguished friend from Arizona and my distinguished friend from New Mexico. We look forward to working with them next year on this most important bill, a bill for the native Hawaiians.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. AKAKA. Mr. President, I want to express my sincere gratitude to Senator KYL particularly and also to Senator DOMENICI for working with us on our Hawaiian bill. Especially I want to express my gratitude for your grace and your commitment for next year. Again, I want to do this, as we say in Hawaii, with much aloha.

The PRESIDING OFFICER. The Democratic whip.

Mr. REID. Mr. President, if I may, everyone is anxious to speak today. We have an order entered. Senator HARKIN is willing to give up his time of 45 minutes. He will do the bulk of his time after basically everyone has completed their statements today. In exchange for that, I ask unanimous consent that he be allowed to speak after Senator KENNEDY for 10 minutes and then his hour and 50 minutes would be at the end of the day. I think that is fair. I appreciate everyone's patience. Also following Senator CANTWELL, Senator BYRD on our side, will be recognized for 30 minutes.

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

The Senator from Connecticut.

CHRISTOPHER REEVE

Mr. DODD. Mr. President, I would like to express my deep sorrow that many of my colleagues and many millions of Americans share over the loss of Christopher Reeve a remarkable individual who, as a result of a tragic paralyzing injury that he suffered while horseback riding, dedicated his last 10 years to making a positive difference. Rather than wallowing in his own misery and sorrow, he used those 10 years to inspire and change America in terms of our attitudes and perceptions about people with such serious injuries and disabilities. I know that we will miss him very much. We have admired him immensely for his courage and dedication.

I express my condolences to his family. I wish to express the deep sorrow I feel over the loss of someone I knew not terribly well, yet someone I had the pleasure of meeting on a number of occasions.

Some of my colleagues, particularly Senators HARKIN and KENNEDY, knew him better than I and may express their own views on the subject. It was a sad day for America to lose this courageous individual. I hope his message on a number of subject matters, not

the least of which was stem cell research, will be heard and that his memory and the work he was engaged in will be our work in the coming years.

FSC/ETI

Mr. DODD. Mr. President, I rise this afternoon to speak about the most recently passed piece of legislation; that is, the FSC/ETI tax bill that consumed a great deal of time over the last several days. I begin by congratulating Senators GRASSLEY and BAUCUS who wrote a very good bill in the Senate.

When that bill left the Senate, I thought that it was a very sound piece of legislation, one that not only addressed the immediate problem dealing with trade issues, but also incorporated some other good ideas that all of us believed were important to be a part of that legislation. All of them were in one way or another bipartisan amendments offered on the floor of the Senate.

The legislation provided tax deductions for American manufacturers to stimulate job growth in our economy. It protected American workers' overtime provisions that had been adopted by this body and the other body on several occasions over the last year.

The legislation limited the outsourcing of American jobs with the use of American taxpayer money. Senator SPECTER and I and 68 of our colleagues endorsed that amendment which was before the Senate.

In addition, the Senate-passed bill contained an extremely important and delicate compromise worked out between the Senator from Massachusetts and the Senator from Kentucky that would have provided financial relief to hard-pressed tobacco farmers, while at the same time establishing critical new protections for the health and safety of our children, 2,000 of whom start smoking each and every day in the United States.

The Senate bill was a very good piece of legislation. It was a sensible bill and a well-crafted bill. Senators BAUCUS and GRASSLEY did an outstanding job.

Unfortunately, that bill is at best dimly reflected in the conference report that we voted on today. The Senate bill essentially has been mugged, if I might say, by the other body and by the administration. In its place, the Senate was asked to consider a conference report that lacks many of the provisions most important to America's small businesses and to workers. In their place, the conference report has added a number of provisions that amount to little more than sops to a variety of special interests from NASCAR to makers of ceiling fans.

In the process the bill neutered the ability of Congress to make meaningful contributions to economic growth. At the same time it creates new threats to fiscal discipline, which is at an all-time low.

Allow me to discuss several of these shortcomings in more detail, and to

discuss other provisions that were either left out of this conference report or changed dramatically from the legislation that left this body only a few weeks ago.

First, I am concerned that this bill may not achieve its central goal: lifting the European Union duties, which currently are at 12 percent and could reach as high as 17 percent. Instead of simply repealing the Foreign Sales Corporation and Extraterritorial Income Exclusion (FSC/ETI), the conference report uses House language which phases the subsidy out over two years and allows companies to receive a percentage of the subsidy based on what they export each year. We were told early on that the European Union would find the Senate language acceptable for the removal of sanctions. We were also told that the language from the other body raises serious reservations within the European Union.

In last week's Washington Post, the European Union spokesman Anthony Gooch was quoted as saying:

"The export subsidy phases out of existence slowly when it should be lifted immediately."

So here we are, about to pass a massive tax bill that is supposed to fix our FSC/ETI problem, and yet we are not even sure if it will do that job. In other words, we might have to do this all over again. The E.U. had said that the Senate-passed language would be acceptable, but had expressed concern over the House language. And here we are with a conference report with the House language. I find this baffling and deeply troubling. And while some would welcome another opportunity to pass even more special interest tax cuts in another FSC/ETI bill, this Senator would certainly not.

Second, instead of meaningful, broad-based, and fiscally responsible tax relief for manufacturing here in the United States, the conference report includes a smorgasbord of special provisions. Even the administration's Treasury Secretary just last week highly criticized this legislation as including a "myriad of special interest tax provisions that benefit few taxpayers and increase the complexity of the tax code." I am quoting the Secretary of the Treasury about this bill we just overwhelmingly adopted.

Let me mention some of these provisions, and then ask your own constituents whether they think this is a wise use of their tax dollars. We are going to provide a \$101 million tax break that would allow NASCAR racetracks to recover costs over 7 years; a \$445 billion Alaska energy tax break; \$42 million for film and television production; \$27 million to the horse and dog racing industries. Ask your constituents whether they think these provisions are critically important at a time when we have massive deficits, whether these interests are the kinds of interests we should be including in a bill primarily designed to increase manufacturing, to limit the kinds of export problems we have as a result of trade agreements.

It seems to me we have gone far afield of what we should have been doing, far afield of what the Senate did only a few weeks ago.

I might point out as well that in this legislation we are not doing what we ought to be doing, and that is, of course, trying to provide some real relief for the manufacturing sector in our economy. It is a well-known fact that our manufacturing sector is hurting. The erosion of our manufacturing base is of great concern. Under the present Administration we have lost nearly 2.7 million manufacturing jobs. Just last Friday, the September unemployment numbers showed that we only added 96,000 new jobs. This is one-third the job growth of 300,000 per month that would have been achieved if job growth had occurred at the rate this average for a recovery. The September unemployment numbers also showed that we actually saw manufacturing jobs fall by 18,000—the largest drop since December, 2003. Despite this fact, this conference report weakens language that would have rewarded domestic manufacturing by giving an even bigger tax cut to companies that manufacture more of their goods in the U.S. It expands the definition of what constitutes manufacturing to include industries that hardly fall within the category of manufacturing. By diluting the definition of manufacturing and expanding this out by some 9 or 10 percent, we are going to make it harder for the very industries which are critically important to our long-term economic growth to create jobs. By expanding that definition, we have set ourselves back.

According to the Joint Committee on Taxation's complex analysis of the manufacturing deduction in this bill, which they are required to do by law and which was tucked away at the end of the conference report, only slightly more than 10 percent of small businesses will be affected by these provisions. Only 10 percent of small businesses will be able to enjoy the benefits of this legislation. Since the title of this bill is a jobs bill, I would have expected more help for our smaller companies which are the biggest source of job growth in our Nation.

The Joint Tax report also notes that "the provision will result in an increase in disputes between small businesses and the IRS." Reasons for such a dispute "include the complexity of the provision and the inherent incentive for small businesses and other taxpayers to characterize the activities as qualified production activities to claim the deduction under the provision." Just what a small business needs, a more complex Tax Code and problems with the IRS.

Third, this legislation changes a major provision which was adopted in the bill as it left the Senate—a provision that stopped the use of federal tax dollars to subsidize the outsourcing of American jobs. As the author of this provision dealing with outsourcing, I