going to spend it on basic necessities. That is going to help economic growth. It is going to help everyone in this country. So it is targeted, and it is fair.

The third provision that I really appreciate being in the Senate Finance bill is one to help the housing market. We have a housing crisis. In all parts of Maryland, we have homeowners, some of whom are in foreclosure and many others who are at risk of losing their homes. But we have young families that are trying to buy a home, we have people trying to sell a home, and they can't. There is a credit crunch out there.

The Senate Finance bill will at least start us on the way of trying to help the trigger for our current economic problems. I say ''the trigger'' because there were signs we were going to have a slowdown in our economy, but it was triggered by the mortgage crisis. In that regard, the Senate Finance bill does something about that. It is targeted to the problem we have in our economy.

So I thank the members of the Senate Finance Committee, the leadership, the bipartisan leadership of that committee for improving that package. It is a modest change from the House package in dollars, but it is huge as far as the impact it will have on the people in our communities in trying to deal with the current economic problems.

I thank Leader REID for being prepared to bring up this issue now. We cannot delay it. It is timely. It is important. We have to get this bill done. I appreciate our leader bringing this bill to the floor as quickly as we possibly can.

I have urged my friends on the other side of the aisle to please work with us. We might have some differences. Let's work out those differences. But do not use the delaying tactics of this body so we cannot vote on a stimulus package as soon as possible. We would like to do it today. If we cannot do it today, let's do it Monday. But let's get it done because the effectiveness of an economic stimulus package depends upon it getting out as quickly as possible. Part of it is a message to the people of this country. I think if we put aside our partisan differences and get it done, it will be an incredible message to the American people.

Let me also point out that once we have gotten that done, once we are able to work out this short-term stimulus package, I hope we can use the same spirit of cooperation for the long-term economic challenges we have in this Nation. We have long-term economic challenges to deal with if we are going to be as competitive as we need to be and if we are going to see the kind of economic growth we should have and see the growth of the middle class and middle-class families being able to enjoy the fruits of our society.

We need to deal with the frustrations of typical families in Maryland and around the Nation that are worried about energy costs. They are worried about the cost of gasoline and filling up the tanks of their cars. They are worried about health care costs and the rising health care costs in our communities. They are concerned about the housing market.

We can use the same degree of bipartisan cooperation and focus, as we, hopefully, will have on the short-term economic package, on our long-term economic problems. Let's get energy independence in America. Let's bring down the cost of energy. Let's make it predictable. Let's not be dependent upon the whim of other countries. Let's develop alternative fuels. Let's do the conservation we need. Let's make energy more reliable and affordable and, by the way, more environmentally friendly. Let's bring down health care costs. Let's deal with the number of people who are uninsured—which is terribly expensive to all of us—who use our health care system in a more costly way, many times through the emergency room. Let's work together to bring down the cost of health care so it is more affordable and accessible to every family in our communities. Let's deal with the credit crunch in a responsible manner so homeowners who need to sell their homes have a market in which they can sell their homes and so families who want to buy homes have the resources in order to do that. That should be our challenge for 2008. If we get this package done and can address these underlying issues, then I think we have carried out the responsibility each of us has.

Mr. President, I am pleased we are on the verge of passing the short-term economic stimulus package. I urge my colleagues to make sure this is brought up quickly. I hope we are able to take up the provisions that are included in the Finance Committee package, and perhaps some additional improvements.

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

The PRESIDING OFFICER. The Senator from Washington is recognized.

HONORING MARTIN PAONE

Mrs. MURRAY. Mr. President, I come to the floor this afternoon to speak about the economic stimulus, but before I go to that, I wished to take a moment of personal privilege to recognize a special member of the Senate family whose last day in the Senate is today, and that is someone we all know well: Marty Paone. He has been a tremendous asset to all of us. His good will, his steadfastness, the way he works with all of us, because he loves the Senate and understands the dignity of it and yet had a great passion for the work he was doing, will be missed.

Marty came to the Senate nearly 30 years ago and joined the Democratic cloakroom back in 1979 and worked his way up to become secretary of the minority back in 1995 and currently as secretary of the majority. He has been a tremendous asset to every one of us. I speak on behalf of myself as well as all Members of the Senate in saying he will be greatly missed, but we wish him absolutely the best in his new career.

ECONOMIC STIMULUS

Mrs. MURRAY. Mr. President, I come to the floor this afternoon to talk about the economic stimulus package.

In the last several years, millions of Americans have seen their primary source of wealth—their homes—plummet in value. As many as 2 million mortgage holders may lose their homes in this subprime crisis we are seeing. Investors around the world are now very concerned about the state of our economy. In my home State of Washington and across the country, people are very worried. We see Americans losing their jobs, we see them struggling to make ends meet, to buy groceries, to pay their power bills, even to afford health insurance. With our markets in decline, we have the opportunity now to give this economy a jump-start and help prevent a full-fledged recession.

Experts are telling us that taking action now to stimulate the economy by giving millions of taxpayers a rebate could help increase production and lift employment. Businesses—especially American manufacturers—need people to buy their products, and Americans need money to spend on those. I believe a quick stimulus bill that gives Americans some of their tax money back could make a real difference. But we also have to ensure that whatever action we take, it is temporary and targeted to where it can do the most good, and I am optimistic we can do that.

I wish to thank our House colleagues for coming to a quick agreement with the President on an economic stimulus package. Their proposal was a very good start, and I wish to thank Chairman BAUCUS and Ranking Member GRASSLEY for getting to work immediately on a Senate plan. I hope we can all agree to get a bill to the President by February 15 and get this economy moving again.

In the last few days, I have talked with several economists who have appeared before our Budget Committee. They have shared their analysis of what Congress can do to prevent our economy from a full recession, and I think the legislation that was passed by the Senate Finance Committee largely meets their recommendations.

The Finance Committee bill would give middle and lower income Americans a $500 rebate check. It ensures that seniors who receive Social Security will get that rebate and, importantly, it extends the rebate to ensure that our disabled veterans who would not have qualified under the legislation at this point would get that rebate as well. I think this is particularly important. It restores the income cap so the rebates will go to the people who need it the most.

Any bill we pass has to ensure the rebates are targeted at seniors and working families. They are the backbone of our economy. They are the ones who need the money most, and they are the most likely to spend it. So you can be sure I will continue to fight any proposal that changes those provisions.

But I wish to add a few words to underscore the importance of including seniors in this bill. More than 20 million seniors depend on Social Security for their income, and they spend 92 percent of it—a greater proportionate share than all other adults—and seniors are among those who are hurt the worst during an economic downturn because of increasing health care costs. As our Finance Committee Chairman pointed out, seniors have worked hard all their lives, they pay taxes all their lives, and many of them still pay sales, property, and, of course, other taxes. So leaving seniors out of any stimulus bill would overlook their importance to our economy. It would make our stimulus bill much less effective and, most importantly, it would be enormously unfair.

I am encouraged by the progress we have made so far. I think a temporary, targeted stimulus is the shot in the arm our country needs. I have been pleased to see the President has been willing to work with us in Congress. I also believe there is a great deal more we can and should do that will help millions of struggling families and turn our economy around over the longer term. I know many of my colleagues agree. So I hope the President continues to see the value of working with us on longer term investments that will pay off for years to come.

One of those investments that I have high hopes will get us back to restoring our economy is a summer jobs program for teenagers. The unemployment rate for teenagers has jumped in the last year. For all teens, it is 17 percent, up from 13 percent in December of 2006. Among African Americans who are ages 16 to 19, it is almost 35 percent as of last month. Thirty-five percent unemployment for African-American youth between the ages of 16 and 19.

A summer jobs program would have a number of immediate and long-term benefits. We all know teenagers are likely to quickly spend any money they earn, so of course it would provide an immediate economic stimulus. But it also would work to begin to create a new generation of workers. Research shows teens who get work experience earn more over their lifetime.

Last November, I held a field hearing of my HELP Subcommittee on Employment and Workplace Safety at South Seattle Community College. We focused on the need to create a number of pathways, multiple pathways to career success for our young workers. We had representatives from the private sector, organized labor, and they all talked about the need for a new generation of skilled workers, while students said they were not getting enough information about career opportunities and options. I heard about the real need for green-collar workers and the dire need for skilled trade workers who drive our country's economic engines. Quite frankly, attracting these young people to our labor force is something I believe is vital to our economic future in this Nation.

But the summer jobs program I have been talking about has another benefit for our communities. Teens with jobs are less likely to commit crimes or join gangs. A columnist for the Seattle Post-Intelligencer wrote a story that caught my eye a few weeks back. It was about a 17-year-old boy who had been killed in what police believe was a gang-related shooting. The columnist, Robert Jamieson, interviewed some of the boy's friends for the piece he wrote. One friend said the boy had applied for nearly a dozen jobs, but couldn't get anyone to call him back, so he turned to other means. Tragically, we lost him in a gang-related shooting.

Tragically, too many of our young people face the same choice between joining a gang or sticking with a discouraging job search. That story, I believe, illustrates why a jobs program for young people is one of the most important investments we can make in all our futures.

I wish to work with my colleagues on a bipartisan basis to provide the opportunities and the resources to ensure that this generation of workers and the next have the skills employers need so we can compete in the global economy.

I also believe we can create jobs and stimulate the economy by making desperately needed investments in our infrastructure, including our roads, bridges, levees, and mass transit systems across this country. Investing in our infrastructure would create jobs and increase spending on construction materials that would immediately infuse millions of dollars into our economy. Do you know that for every billion dollars of Federal spending on highways and transit, we create a whopping 47,500 jobs. That is putting people to work. Those investments would pay off in the long term as well by helping ensure that our roads and bridges and mass transit systems are safe and they are strong.

Finally, we have to do more to address the housing crisis itself that has spread across this country. While the economy may be headed toward recession, the housing market is in a depression. According to the New York Times, the number of homes set for foreclosure is higher than at any time since the Great Depression. We are seeing communities in this country where people are literally abandoning their homes because they cannot afford their mortgages, and they cannot find a willing buyer. In this country, home ownership has always been a sign of prosperity, but now, for millions of Americans, it has become a trap. With each and every foreclosure, the foundation of every one of our communities weakens as well.

There were warning signs more than a year ago that this crisis could affect the entire Nation, but President Bush took a hands-off approach and ignored the problem. Regulators failed to take aggressive action. Now economists tell us the worst is yet to come.

Our economic strength depends on Americans having a safe and stable place to live and raise their families. Our economy will not be stable again until this housing crisis is corrected. We have to take action to help prevent more drastic problems, and we have to ensure that this situation can't happen again. Families facing foreclosure must be able to get mortgage counseling or help in refinancing their mortgages.

The Finance Committee bill includes as well critical tax relief which I support for businesses that were directly impacted by the home building industry, which has, as we all know, now come to a standstill. We must reform the lending system to prevent more families from losing their homes. I think we should have two main goals.

First of all, we need to modernize the FHA to enable the Federal Government to offer an alternative to nontraditional loans we have seen explode in the past several years. Secondly, we need to ensure that Government lenders can replace some of the worst subprime loans with sound, traditional mortgages. I believe those investments will have a positive ripple effect on the economy for years to come. I guarantee I will be back on this floor many times over the next several months pushing this Congress to take action.

The current economic trouble we face is a direct result of this administration's failure to plan for the future and lead us in the right direction. Similar to any family who prepares to balance its checkbook, we have to take stock of our finances and get our books back in order. American families understand how to live within their means. When they sit down and work out their yearly budget, they consider all their costs, decide how to invest in savings, and balance their checkbooks. The Bush administration inherited a budget surplus, but they squandered it with policies paid for by borrowing funds from future generations of Americans.

By waging a war in Iraq and failing to be honest about the true costs of that war, President Bush has racked up a mountain of debt with no strategy whatsoever to pay it back. Instead of looking out for the needs of everyday Americans, he allowed his friends on Wall Street to take massive paychecks, while allowing predatory lenders to work unregulated. At the same time, the Bush administration has failed to invest in our roads, bridges, in health care, in education, in energy independence, and in our safety here at home. These are things that help our citizens get to work, stay healthy and safe, and these are things that keep our economy stable over the long term. The longer we go without addressing our

crumbling highways, our skyrocketing health care costs or our dependence on foreign oil, the higher the costs will be when we have no choice and limited options to fix those problems. We saw that with Katrina. We saw it with the Minnesota bridge collapse.

Every family knows ignoring the need to spend wisely on things you depend on and failing to live within your means is a recipe for serious trouble down the road. So while the economic stimulus we are working on will do a lot of good in the short term, we have to insist that we deal with the real causes of our economic problems. It is time to take a lesson from American families: balance the budget, be honest about the true costs of this war, and think seriously about how we move forward. It is time to insist the Federal regulators who are supposed to watch out for economic trouble actually do their jobs.

It is time to stop ignoring our needs right here at home. President Bush has shown a willingness to work with Congress on this economic stimulus package. I hope he continues to see the value in working with us on the longer term policies that our economy and American families badly need.

I yield the floor.

The PRESIDING OFFICER (Mrs. MCCASKILL). The Senator from Iowa is recognized.

Mr. GRASSLEY. Madam President, I will speak on the stimulus package. Before I give a general overview of it, I want to say something about one of the several mistakes, or oversights, that is in the House bill. I don't mean to imply that these were known as oversights at the time. But one stands out so strongly you wonder whether the House is consistent in its approach to the issue of illegal aliens. I will speak from the standpoint of my experience with the children's health insurance bill.

You may be familiar with this phrase: ''Where you stand depends upon where you sit.'' Nothing better illustrates that point than this debate and the issue of rebates for illegal immigrants. We are told we must pass the House bill and that changes are unnecessary. In other words, somehow you assume the House of Representatives passed the perfect bill and we ought to rubberstamp it. I disagree. I think the House bill makes it too easy in several areas, but especially in the area of illegal immigrants, to get rebate checks. According to Numbers USA, the House bill could allow as many as 3 million illegal immigrants to receive rebate checks. The House minority leader's spokesman was quoted in the press as saying:

> There is no language in the measure that would enable illegal immigrants to receive a tax rebate.

There is no language whatsoever in the House bill that would prevent an illegal immigrant from receiving one of these tax rebate checks. My colleagues on the other side of the Rotunda should be quite familiar with this line of reasoning, because they devoted countless times on the House floor last fall trying to convince people that because the SCHIP bill didn't explicitly prevent States from covering children up to 400 percent of poverty, it must mean States can cover kids up to 400 percent of poverty.

The same folks who want us to believe the House bill is fine said we hadn't done enough to prevent illegal immigrants from receiving benefits in SCHIP, even though the SCHIP bill had this very language:

> Nothing in this Act allows Federal payment for individuals who are not legal residents. Titles 11, 19, and 21 of the Social Security Act provide for the disallowance of Federal financial participation for erroneous expenditures under Medicaid and under SCHIP respectively.

That was in our bill that passed last year. It is amazing how the standard has changed. The same people who said the language I just read wasn't good enough when we took up the children's health insurance program are now saying no language whatsoever is fine.

The simple fact is the House bill allows illegal immigrants to get rebate checks, plain and simple. It is important for us to fix that, and I believe we will before the bill leaves the Senate. We should not give rebate checks to people who have come to this country illegally, and we should give the House of Representatives an opportunity to fix this huge mistake that is in the bill they sent to us. I cannot imagine why anyone on the House side would complain about our doing that after all the uprising we had last fall about the Senate even considering the language I read—didn't do enough to prevent people here illegally—meaning illegal immigrants—from getting children's health insurance program. My recent experience in negotiating with the House on the issue of illegal immigrants and public benefits taught me that certain folks seem to care quite a lot about that issue, except somehow it was an oversight in this tax rebate bill.

I will quote from the debate on the SCHIP bill in the House of Representatives of October 25 of last year. I will not actually quote the Members by name. You can find it in the CONGRESSIONAL RECORD if you want to know who said it, but it doesn't matter who said it. It was an overwhelming opinion of people in that body—particularly Republicans. One Member alleged that the SCHIP bill tried ''to give benefits to illegal immigrants while we still have Americans unserved.'' He went on to say, ''that is not right. This is not fair. This is not democratic.''

Suppose I put ''tax rebates'' in there in place of ''benefits,'' and paraphrase it this way, with the same quote: ''To give [tax rebates] to illegal immigrants while we still have Americans unserved. That is not right. This is not fair. This is not democratic.''

Well, let's go on. If it weren't right there in the SCHIP bill, it is surely not right here in this tax bill. It is also not fair. We should not leave some Americans unserved when it comes to rebates, such as seniors and disabled veterans, as they did in the House of Representatives, while we are going to let illegal immigrants get rebate checks.

I want to give you another quote. This is also from the same day, October 25:

> I don't think our constituents want us to vote for a bill that makes it easier for illegal immigrants to get tax-paid health care.

That is the SCHIP bill.

> I think this bill does that.

So if that were the case, then I would think that Member of the House would not want to make it easier for illegal immigrants to get tax-paid rebate checks.

Finally, here is a quote from September 25, 1 month before that, in debate on the SCHIP program in the other body, from a Member who used to chair one of the committees of jurisdiction over there:

> What that means is that they want illegal residents of the United States of America to get these benefits. This is what the objection means. So for that reason alone, I would ask that we vote against this bill.

''For that reason alone,'' he said—regardless of what else is good about the bill, including the language the Senate put in, which was meant not to give the SCHIP program money to illegal aliens. It still wasn't enough. Yet now that tax rebate bill comes over from that very same body and would let illegal immigrants get rebate checks.

So I say, for that reason alone, it is a reason for this body to defy people in that body who said we should not have changed the Senate bill one iota. To my colleagues on the House side, the shoe is now on the other foot. The same principle that applied then should apply now. If you felt strongly enough to stop the SCHIP bill over your concerns about illegal immigrants receiving public benefits, then you certainly should not object to the Senate repairing a bill you sent us that would allow illegal immigrants to get a rebate check. You cared about it then; you should care about it now. You said it wasn't right then. Well, it is not right now. You said it wasn't fair then. Well, it is not fair now. The Senate will fix it. It was a mistake that the Senate will fix.

Let's get back to some history about the purpose of the Senate. For anybody to think a bill would come over here from the other body without fair consideration by this body, I have used this example before, and I don't know whether George Washington actually said this, but it has been in the history books so long that it is fact as far as I am concerned. He was trying to demonstrate to people then about the new Constitution and the purpose of the House and the Senate. He had a cup of coffee on a saucer. The cup with the coffee in it was the House and the saucer was the Senate. The hot coffee in the cup was a piece of legislation, I assume. So what he did to explain the

difference between the House and Senate is say this is the House of Representatives writing a bill. Then he poured out the hot coffee into the saucer. I don't know whether we do it anymore or not—I don't do it, but I have seen it demonstrated that you can pour it out to cool so you don't burn your tongue. He explained that the Senate's role was to give deep consideration, to let the pressure that comes upon a body that is elected for a 2-year period of time—a body that might be more responsible to the transient will of the majority, that that transient will of the majority needed to have a body to kind of rethink things, maybe verify that what the House did was absolutely right, or maybe verify that everything they did was absolutely wrong, or that a few changes might be made. And then, after that, the Senate passes the bill and it goes on its merry way to the President of the United States.

But I believe that people I have heard from lately, including, I guess, even our own President of the United States, have said that somehow the Senate ought to automatically take what the House did and forget all about the historical purpose of the Senate, and be on our way, with these mistakes in it—that a person who is illegally in this country could get a rebate check, when I doubt, if we are taking the needs of all of the people, that can help us revitalize this economy, through rebate checks and through enhanced investment.

Madam President, I also came to the floor to discuss this bill generally. I will start by thanking Chairman BAUCUS for his courtesy, hard work, and patience in this legislative effort. As we have in the past, we wanted to process the economic stimulus issue through the committee. That process started shortly after this session of Congress opened. We talked substance and process. We had discussions with the administration, especially Secretary Paulson. We had discussions with our leaders. We had two private meetings and took input from our committee members. We had two hearings on an economic stimulus.

Our goal in the Finance Committee was a bipartisan economic stimulus package. We both wanted a bipartisan economic stimulus package that responded to the needs of Americans and business and would provide a much needed boost for the economy. During this same period, the President sent a strong message that Congress must act, and Congress ought to act quickly to design a fiscal stimulus package aimed at boosting the economy. The President said such a plan would provide a ''shot in the arm'' to keep the economy healthy.

Last week, the bipartisan, bicameral congressional leadership met with the President. At that meeting, the Senate leaders more or less yielded the legislative process and the substance of this important question to the House and the Senate. In other words, Senate leaders agreed that whatever package the House leadership and White House agreed on would be treated as a fait accompli in the Senate. The Senate leadership's sudden shift in direction caught Chairman BAUCUS and me by surprise and, as I noted above, we had already engaged in the committee process for several weeks.

We were fully engaged on a member and staff level. Many of our members and staff brought to the table the experience from three stimulus bills earlier this decade.

I respect the role of leaders here. My guess is Chairman BAUCUS and two-thirds of the committee members who supported the bill yesterday also respect the role of our leaders. Many in the leadership on my side of the aisle worried about the problem that might arise if the Senate had no role other than to rubberstamp the House bill. They are rightly concerned about the Senate processing a bill, dragging it out, and loading up the bill. Certainly, that is a reasonable concern. Certainly, that is something we find happening often in the Senate. But is that concern in itself so great that the Senate should abdicate all of its legislative responsibility? Is that concern so great that the Finance Committee members should have no say over legislation falling within its jurisdiction?

In my almost quarter century of service on the Finance Committee, I am not aware of any precedent such as this. I am also not aware of any precedent on the House side. At the end of last session, some in the House side might have complained about the outcome of legislation favoring the Senate position. I am not, however, aware of a situation where House leaders on either side virtually ceded their role in legislating on a tax bill this important. As I said, I respect the concerns of leaders about timing.

It comes down to this: The leaders' concerns with timing might weigh against the question of the quality of the House bill. In other words, is a ''take it or leave it'' House bill which passes quickly better than a Senate bill which allows the Senate to work its will?

I have laid out the leaders' concern about timing. Now we question the adequacy of the House bill. That is the other side of the balance we need to strike. I know other members on both sides have asked themselves the same questions, including Chairman BAUCUS. Chairman BAUCUS makes the ultimate call. Even if I had decided the importance of quick action outweighed the benefits of going through the committee process, the chairman would have made the ultimate call to go ahead. That was the call the chairman made back in 2002, and it was the call he made this time.

In 2002, I disagreed on the substance, and we had a party line markup, but the committee did process the stimulus bill. So to anyone on my side who says my opposition would have stopped the chairman from going forward, check the history books. It did not stop the committee in 2002, and it will not stop it now.

The same outcome occurred in 2003, when I was chairman of the committee and Senator BAUCUS was the ranking member. We went forward in 2003. This time we were able to proceed in a bipartisan manner, and what did the committee process yield? Let's examine this side of the question. Asked another way: Did the committee process improve the House bill with Senate amendments?

One thing I heard loudly and clearly from Republicans was concerns about suffocating income limits. The chairman heard me out and agreed to eliminate them. Unfortunately, the support from the Republican side of the aisle did not line up with the principle I heard from them that they wanted included in the bill as a correction to the House bill.

On the chairman's side of the aisle, meaning the Democratic side of the aisle, there was great controversy over taking those limits off. We heard the uncapped proposal over and over defined as something specifically benefiting Bill and Melinda Gates.

To those on the left, let me tell you there must be a lot of Bill and Melinda Gateses out there. The reason I say that is $12 billion of rebate checks is involved in going back to the House income caps. With the amount of checks capped, it means there are millions of families, not a few millionaires, who are being affected.

As I said, those facts did not move many on my side away from the House bill that contains those caps, so I revisited the issue with the chairman. The caps are back, but at a much higher level. They begin to phase out at $150,000 for single taxpayers and $300,000 for married taxpayers.

So we include a few more middle-income people. That is double the House income limits, helping more middle-income people.

It is safe to say the higher income limits will aid a lot of alternative minimum tax-paying families we hear about. From my perspective, this is a big improvement over the House bill. So if you support the Finance Committee bill, you are recognizing the burden these taxpayers' families bear through the AMT. I don't want to hear any more demagoguery about Bill and Melinda Gates getting checks because there is not going to be any more billionaires getting checks, no millionaires getting checks, no ''half millionaires'' getting checks. But a lot of upper middle-income families who will not get a check under the House bill will get a check under the Finance Committee amendments.

Most on my side would consider these higher income caps an improvement of the House bill. I particularly credit Senators CRAPO and KYL for bringing up this point in our Finance Committee meetings.

Some on the other side, especially those from high-income, high-tax blue States, will quietly support this change as well but not echo it because they don't want to face the chagrin of Members who think that nobody on the Democratic side ought to be concerned about anybody who has a little higher income.

At the other end of the income scale are 20 million low-income seniors. I underscore that point, 20 million low-income seniors. The House bill leaves them out entirely. The chairman's mark in the Senate corrects that situation.

In the House bill, you will not find seniors with Social Security income covered in this bill. You will find them covered in the Senate bill.

Since we do not have the bill text yet—I am holding up the chairman's mark—we made this happen by including Social Security benefits as a qualifying income in the chairman's mark, and here is what that mark says on page 3:

All eligible individuals are entitled . . . if they satisfy at least two of the following criteria: The sum of an individual's: earned income . . . and (2) Social Security benefits must be at least $3,000.

That language is not in the House bill. Because that language is not in the House bill, 20 million seniors would not have gotten checks—if that House bill had been rubberstamped by the Senate.

During our committee process, many members discussed this defect in the House bill. As a result of careful Finance Committee member deliberations, we were able to improve the House bill.

Many disabled veterans do not get checks under the House bill. Here again, the House bill does not cover disabled veterans. Under the Senate bill, disabled veterans will be covered.

On page 2, the Finance Committee document says these words:

The provision modifies the chairman's mark to expand the rebate benefit to disabled veterans.

During careful Finance Committee deliberations, Senators LINCOLN and SNOWE filed an amendment to ensure that disabled veterans would be covered. The chairman incorporated that amendment into his modified mark. Does anyone think this is an inappropriate improvement in the House bill? I ask that of those who insist we rubberstamp this House bill, if they do not have guts enough to tell CHUCK GRASSLEY that be included, at least in their own mind, I hope they know they are wrong by not including the disabled veterans by saying we ought to rubberstamp the House bill. So the House bill, which some are insisting cannot be improved by the Finance Committee, excludes 20 million seniors and disabled veterans.

The House bill could also send checks to illegal aliens. That is right. As I said before, I spent a great deal of time on this point, for those who maybe missed the beginning. The House bill, which some are saying is the best bill we can get and ought to be rubberstamped in the Senate, is going to allow illegal aliens to get checks before we take care of all the people.

Do my colleagues understand the House of Representatives passed a bill to give rebate checks to stimulate the economy, making it possible for illegal aliens to get checks but not 20 million seniors and disabled people in this country who are here legally?

I wish to be specific on the modifications in the chairman's mark, and here is again the document to which I am referring. On page 2, this is what the document says:

The provision denies the basic credit and the qualifying child credit to individuals if they do not include on their tax return a valid taxpayer identification number for: (1) themselves (and if they are married, their spouse) and (2) any children for whom the qualifying child tax credit is claimed. For these purposes, a valid taxpayer identification number is defined as a Social Security number.

Continuing the quote:

If an individual fails to provide a correct taxpayer identification number, such omission will be treated as a mathematical or clerical error. As under present law, the Internal Revenue Service may summarily assess additional tax dues as a result of a mathematical or clerical error without sending the taxpayer a notice of deficiency and giving the taxpayer an opportunity to petition the Tax Court. Where the IRS uses the summary assessment procedure for mathematical and clerical errors, the taxpayer must be given an explanation of the asserted error and given 60 days to request that the IRS abate the assessment.

This provision uses current IRS verification techniques. It ensures that the taxpayer getting the check is identified by the tax system.

During Finance Committee deliberations, Senator ENSIGN and his staff raised this important issue. Senator ENSIGN filed an amendment that was addressed in the modified chairman's mark.

The House bill has no such provision. Again—I am not going to keep holding up these bills—we have the House bill without this provision; the Senate bill with that provision. There is no language in the House bill to address a problem Senator ENSIGN properly raised in the committee. The committee bill improves the House bill by making sure illegal aliens do not get a check.

The Finance Committee amendment also beefs up the business stimulus package by adding additional years to the current law net operating loss carryback rules. The Finance Committee bill adds extension of unemployment insurance benefits. I know this was a big sticking point in the negotiations between the House and the White House. In this respect, I favor the House bill. My personal preference would be to eliminate this provision. It, however, was a key issue for all the Democrats. So in compromise—and we do not get anything done in the Senate if we do not have some compromise; nothing is strictly Democratic or strictly Republican, nothing can pass here except under a process of reconciliation. So in compromise, the chairman has it worked out, and it was essential that it be worked out.

I pushed hard for investment energy incentives, and the chairman agreed with me in that respect. So the last piece of this compromise is an expansion of investment incentives to seamlessly extend investment incentives for wind, biomass, and other renewable energy projects. In committee, these provisions caught some criticism, and I expect we will hear more of the same during this debate. I will respond in detail when those criticisms are given.

I compliment committee members on finding a bipartisan middle ground. The committee stimulus package raises the caps on rebate checks, expanding the benefits to more middle-class Americans, Social Security recipients, and disabled veterans. It makes sure illegal immigrants do not get checks. It also expands some of the business relief, and it addresses unemployment. The energy investment incentives round out the package.

I ask Members to go back to the basic question of balancing quick action on a House bill—and that House bill being imperfect as I pointed out in this debate—versus improvements that were made by the Finance Committee. The House bill could be passed quickly without improvement or we could finish the process in the Senate and add improvements made by the Finance Committee. I would challenge anyone to argue that none of the improvements made by the committee process are important enough to finish the job in the Senate. I hope nobody comes over and tells us that, for instance, it is OK to give rebate checks to people who are here illegally.

Having made that point, Madam President, we could prove our leaders right if we load up the bill in the Senate. So we ought to keep our eye on the ball and not load it up because we want to get a stimulus package passed. We don't want that to sink. Christmas is over, so let's not make this the traditional Christmas tree that sometimes legislation becomes.

Madam President, I yield the floor.

The PRESIDING OFFICER (Ms. KLOBUCHAR). The Senator from Wisconsin is recognized.

Mr. KOHL. Madam President, today our country is facing difficult economic times. Economic growth is slowing, consumers have maxed out their credit cards and are cutting back on spending, and the value of the dollar continues falling while prices for gas and food rise. Daily we hear news about growing problems in the mortgage industry, forcing our neighbors into foreclosure. In my State of Wisconsin, foreclosures are up 27 percent from this time last year, and it will get worse as more subprime mortgages adjust to

unaffordable higher interest rates. Working families around the country are facing stagnant wages while prices rise, and their most important investment—their home—is losing value.

In response to this bleak picture, the House and Senate have been able to move quickly in a bipartisan way to try to head off a growing economic storm. It is a rare moment these days when Senators set aside their individual priorities and agree on legislation for the greater good. But that is what has happened with the economic stimulus package that we are currently considering. This package strikes a balance between rebates, business needs, and immediate relief, and I am proud to support the bill before us today.

The centerpiece of this legislation is a rebate of $500 per individual and $1,000 per couple, with an additional $300 rebate per child. This will provide effective and efficient relief for families while jump-starting our economy.

We need to get this money into the hands of people who will spend it, so I applaud the Finance Committee decision to include income caps. Income caps ensure that recipients of the rebate—low- and middle-income working families—will put the money back into the economy.

Finally, as the chairman of the Special Committee on Aging, I want to voice my strong support for the extension of rebates to low- and moderate-income seniors. The House-passed legislation would leave out nearly 20 million elderly people from receiving the rebate, even though they are facing the same rising prices as everyone else. Seniors living on fixed incomes deserve to share in this rebate after paying taxes for all their working lives.

However, this package is not perfect. I was disappointed to see additional funding for food stamps was not included. As chairman of the appropriations subcommittee with jurisdiction over food stamps, the hunger and nutrition programs are something I take very seriously. The strain this economy imposes on lower income Americans is abundantly clear to me. Before we even understood we were headed toward economic crisis, we increased WIC funding by some $600 million over the President's request simply to feed the people already in the program. And now that the crisis has become clear, how can we stand by and not do more?

I hope the Senate will soon act to add an additional $5 billion in food stamp funding. With the downturn in the economy, we all know even more people will need a helping hand to put food on their family's table. We should increase funding for food stamps this year because we know there are families in dire need. And we should boost food stamps because we know spending will stimulate our economy. Every dollar spent on food stamps generates $1.73 in economic activity, and it happens quickly. Eighty percent of all benefits are used within 2 weeks of being sent out, and 97 percent are redeemed by the end of the month. And we don't have to create a new mechanism to deliver this stimulus. Adding food provisions to this package just makes sense.

I am pleased the Senate has come together quickly to move this important package. We cannot delay, and we should not let this bill get bogged down. We need to pass it soon so hard-working Americans get the helping hand they deserve when they need it most.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Ms. SNOWE. I ask unanimous consent to speak for 15 minutes.

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

Ms. SNOWE. Madam President, first of all, I thank the chairman of the Finance Committee, Senator BAUCUS, and our ranking member, Senator GRASSLEY, for their combined tireless leadership in advancing a very critical piece of legislation, the stimulus bill that has been passed by the Finance Committee and will be considered by the Senate shortly. I thank them for spearheading such an important initiative in a very timely fashion. It is an issue of critical consequence to the Nation.

We know there is a decline in our economy. We are seeing the economic indicators, which I will speak to shortly. There is no doubt that across the board it is absolutely vital that we enact as quickly as possible a stimulus package to begin to address the erosion we have identified and that we have seen in our economy.

Again, I thank the chairman of the Finance Committee and the ranking member for working so quickly to address many of the issues raised on this very comprehensive piece of legislation, understanding that some of the issues that have been raised—even since the time in which the House of Representatives had voted upon their package, they also incorporated many provisions that I think are more targeted and will strengthen the bill that passed in the House of Representatives and the bill that had been negotiated between the House and the President.

I do think it is important for the Senate to have the opportunity to have its input on this bill that is going to be so vital to America and to our constituents and to make sure it is as precise and calibrated as possible in order to rejuvenate the economy and, hopefully, to galvanize some of the economic dimensions of our economy that have taken a turn for the worse.

It is imperative that we act in a timely fashion. I think changing the package and incorporating those issues that are also essential to build upon the strengths of the legislation that passed in the House of Representatives are not mutually exclusive. We cannot afford to stand idly by as the economy continues to erode. That is why I think there is a collective conclusion that we have to develop a package that can be supported in both the House and Senate and will be signed by the President.

The Finance Committee held a number of hearings recently on the question as to whether to even have a stimulus package. I know there is debate on both sides of the political aisle and among economists as to whether it is essential. But the fact is, more than half of the economists surveyed in this country believe there is a recession that is imminent. So, obviously, we have a responsibility to take every possible step and every possible measure that can avert or at least mitigate the impact and the brunt of any recession.

Dr. Martin Feldstein, former chair of the Council of Economic Advisors for President Reagan, expressed his support for a stimulus plan. Last week, before the Senate Finance Committee, he said:

> Because of current credit market conditions, there is a risk that interest rate cuts will not be as effective in stimulating the economy as they were in the past. That is why a stimulus measure deserves our attention.

It certainly deserves our attention and our informed decisions, in terms of what exactly should be considered in a stimulus package. No doubt, time is of the essence—we all agree on that—in passing a viable and effective piece of legislation. But our obligation, as well, is to be deliberative on one of the issues that is of great consequence to this country.

We have to develop the best possible package, building upon the strength of the House measure, and it must be targeted to those who need the support; and we need to rebuild the economy and, hopefully, avert any potential recession. We have to strike the right balance because, obviously, that will be central to averting a recession, avoiding it, as we face a confluence of historic and unprecedented economic indicators that are profoundly troubling.

We can anticipate more than $600 billion in resets in the adjustable rate market in the spring, which is, of course, on top of all the resets that have occurred recently. We are experiencing a housing crisis. Recently, the Commerce Department indicated that the drop in home prices is at the lowest since they began keeping records in 1963. Likewise, the price of oil per barrel has now skyrocketed and spiked recently to $100 per barrel. Gasoline is approximately $3 at the pump, and we can anticipate, according to a report even of today, that it may go as high as $3.50 per gallon. The number of long-term unemployed today is nearly twice the rate of the unemployed immediately prior to the recession of 2001 and 2002, when we extended unemployment benefits. So we have seen the

long-term unemployment rate jump significantly.

We have had an unemployment rate that surged most recently, in the short term, from 4.7 percent to 5 percent in 1 month alone. Obviously, we don't know what to anticipate in future months. That is why it is so critical to have the stimulus package in place.

Most troubling is what the Commerce Department indicated yesterday: that a growth in the gross domestic product has slowed to .6 percent in the fourth quarter of last year, for an annualized rate of more than 2.2 percent for 2007. That happens to be the slowest annual rate of growth in 5 years. So there is no question that we must use the fiscal tools at our disposal to mitigate the impact of a slowing economy and, hopefully, avoid any potential recession.

One of the economists who appeared before the committee—Dr. Jason Furman of the Brookings Institution—echoed as much when he said that ''a well-designed fiscal stimulus in the form of increased government spending or tax reductions, has the potential to help cushion the economic blow.''

So the package agreed to yesterday in the Finance Committee, in my view, meets this challenge and achieves those goals. It is well-balanced, effective, and it will stimulate the economy through some key provisions that I think are essential, in terms of addressing the problems we are facing. One is the refundable tax rebate, of course; that is, to spur the buying power of all Americans across the board, but most especially low-income and senior consumers, which is important.

The House-passed package doesn't include a benefit for senior citizens. It doesn't include the more than 20 million seniors on fixed incomes. They would not benefit from the stimulus package enacted in the House of Representatives. It doesn't include an extension of unemployment benefits which, again, I might add, economists have identified as one of the surest ways to impact the economy. You will have the most affect on spending almost immediately—in fact, some economists have said within 2 months, as opposed to the rebate, by the time it passes the Congress and is signed by the President, but also because of the length of time it takes to distribute it. Even under the most efficient means possible, we will not feel the effect of it until the spring or later midyear. So then it would take a while to really be absorbed into the economy so that an extension of unemployment benefits would become essential and pivotal. In fact, the Congressional Budget Office said it has the greatest amount of cost-effectiveness and the least amount of lag time before it is felt in the economy, it has the maximum amount of impact on the overall economy in terms of its effectiveness, and it has the most certainty about the impact it will have on the economy to spur economic spending.

Finally, we have an extension of the energy tax incentives. People say we should not have the energy tax incentives in this legislation. Yet it is interesting to note that it would create more than 100,000 jobs, by industry estimates, by the end of the year—100,000 jobs. The whole goal and focus of this legislation is to create more jobs, and if we know definitively there are provisions that will create more jobs immediately because of pending projects, then doesn't it make sense to include them in this legislation? It will spur economic activity or spur consumption, and it will reduce our dependency on imported oil.

Investment incentives for small businesses will also be included in this legislation to work in conjunction with other initiatives through job creation by providing for expensing for small businesses so they can write off more of their capital investments or be able to use the extended carryback of operating losses and extending that period from 2 to 5 years so they can reach back further. They have their choice of incentives, whatever works for a company. They may be in a struggling situation, and they can write off their losses of current years against their profits of past years. It makes sense to put these provisions and incentives in one single package that will help to spur the economy.

In addition, of course, is the bonus depreciation as well—another dimension of economic investment that can make a difference in serving as a catalyst in our economy.

Finally, in this legislation, we include a provision that was omitted in the House of Representatives package, and that is one that would make sure our disabled veterans benefit from the stimulus package, benefit from the rebates.

I thank my colleague, Senator LINCOLN, for initiating this amendment. I joined her in that effort in the Finance Committee because we thought that was a major omission, to exclude more than 250,000 of our Nation's service disabled veterans because their compensation is not taxable. We wanted to make sure they should be able to participate in the stimulus plan. Our disabled veterans deserve to be part of the rebate plan, and this package makes sure that happens. I appreciate my colleagues on the committee who supported this pivotal provision.

This legislation casts a wide economic net, and that makes it more equitable, especially to the most vulnerable among us in America. It doesn't merely represent sound economics to propel this stimulus, but it is also in greater alignment with Federal Reserve Chairman Bernanke, who said that a fiscal stimulus package should be implemented quickly and structured so that its effects on aggregate spending are felt as much as possible in the next 12 months or so. The measure we will be considering and debating does affect the aggregate. It does ensure that its impact is felt as much as possible, and it does so on a more accelerated timetable.

The tax rebate incorporated in this legislation is obviously central, and the refundability makes it all the more effective. That is why I was a strong advocate in ensuring that refundability was part of the stimulus package, that it certainly had to be included to make sure the low-income and middle-income Americans and households would have the ability to have the benefits of any rebate because it would also make a difference in stimulating our economy because two-thirds of consumer spending is really what drives our economy. It is the economic engine. We depend on consumer spending to drive our economy. So the refundability portion is very important because it will make sure those people who benefit from this rebate are ones who also need this rebate. They need it to pay for the necessities of daily life, given spiraling costs in terms of oil, food, and gasoline. We want to make sure we can mitigate the impact of this declining economy and the rising costs in their households.

When we had various witnesses before the committee, we talked about the effectiveness of the refundable tax rebate. In fact, the Hamilton Project, which was conducted by economists at Brookings Institution, noted that a one-time tax rebate equal to 1 percent of the GDP, which is about $140 billion in today's economy, and directed at households likely to spend money would boost the level of GDP by 1 percent or more for two consecutive quarters, increasing the annualized GDP growth rate by about 4 percent in the first quarter of the effect.

So if the aim of this bill is to arm American consumers with additional money to stimulate consumer spending, it is integral that this benefit is extended to the 20 million working families and the 20 million seniors who were omitted from the House bill who are more likely to spend the money that will be included in the stimulus package.

The package which is before the Senate which was enacted by the Finance Committee will be absolutely vital to low-income Americans and to seniors who otherwise would not have benefited from the package which was enacted in the House. So, again, the Senate Finance Committee package builds upon the provisions that were incorporated in the House legislation and are strengthened in the package that was marked up in the Senate yesterday.

I think it is absolutely critical that we make sure no one is left behind when it comes to benefiting from this rebate that is directed at low-income and middle-income households because they are the ones who are most likely to spend this rebate because of the driving costs of, as I said, oil and food and the daily necessities of life.

I also think it is important to extend the unemployment benefits, as I said

earlier. The fact remains that the unemployment rate for the long term is twice as high as it was in the recession in 2002. We included extension of unemployment benefits. After all, if the purpose of this package is to put in place the fiscal tools to make sure we can do everything within our power to avert a potential recession, then we have to make sure these tools are absolutely in place to make sure we can avoid a potential decline in our economy that leads to a recession.

In my home State alone, the case for an extension is undeniable. As the State department of labor reported, the announced layoffs for February and March are up an unconscionable 75 percent over the layoffs that occurred in December and January. Unemployment is increasing, certainly in my State. We have seen it reflected in the recent numbers. We have no way of knowing the extent to which it will get worse, but we do know by all accounts and certainly by the economic indicators, by the general consensus of economists, that a recession is a potential, that it could potentially be imminent in the short term. So all the more important to put in place a provision to extend unemployment benefits because it will have the maximum effect in our economy to impact direct spending. Also, I think it is important that it will stimulate the economy. In fact, Mark Zandi of Moody's Economy said that every dollar spent now on unemployment will result in an infusion in the economy of more than $1.64 cents.

So the beneficiaries of this extension certainly will be those who have been unemployed for the long term, who have seen their benefits expire. If they have already exhausted their 26 weeks of benefits, they will have an additional 13 weeks. For those high-unemployment States, which is triggered at 6 percent or more, they will then get an additional 13 weeks of benefits. It would provide an immediate infusion of cash through a very reliable mechanism that is already in place to the people who very likely will spend that money on consumer goods.

The fact is that long-term unemployment is twice as high today as it was in 2001 and the 2002 recession at a time when oil was only $25 a barrel, and today we have seen it is almost $100 a barrel. We cannot afford to ignore this potentially dire situation which this long-term unemployment rate poses. That is why I think it is absolutely important that we do everything we can to ensure that a stimulus package includes the extension of unemployment benefits.

I also am pleased that we have energy tax incentives, as I said earlier, as well. Energy production tax credits will be extended in the first quarter of this year. By all industry estimates, it is indicated that we could create more than 100,000 jobs. I know in my own State of Maine, with some of the investments that have already been made in wind power, for example, there is more than $1.5 billion worth of projects that are pending, that are waiting for this energy tax credit.

We know that in the final analysis, we are going to enact an energy tax credit that will cultivate the renewable sources of energy we need to generate in this country so we can reduce our dependency on foreign oil. What better way to do it than through tax credits. We know they have worked, and we know that later this year we will be considering these energy tax credits to extend them. So why not extend them now if we are certain it is going to create jobs? As I said, by industry accounts, the experts have estimated that more than 100,000 jobs will be created as a result of these tax credits.

So it is unquestionable in terms of the benefits economically, it is unquestionable in terms of the benefits to our energy security and our independence, which is inextricably linked to economic security and progress. I do not think anybody in this Chamber can believe that lessening our dependence on oil and lowering its price per barrel, which these approaches will facilitate, will not prove to be an immediate boon to our economy. So these incentives are necessary, in my opinion, because they also address the root causes of our current downturn.

I hope, in the final analysis, when we get to the question of a stimulus package, we will also include financing for low-income fuel assistance.

Two years ago, I advanced a billion-dollar initiative in increasing financing for low-income fuel assistance. At that time, heating oil was $2.44 a gallon. Today, our families, households are paying an inconceivable, incomprehensible increase of $3.45 a gallon—nearly $3,000 just to get through a winter. The average resident in the State of Maine uses about 850 gallons to 1,000 gallons, so that cost is near $3,000. The eligibility income for low-income fuel assistance is approximately $13,000. It takes more than a quarter of their income to pay for heating their home—more than a quarter of their income, of the $13,000. It is absolutely inconceivable that any family could live on $13,000 and pay more than a quarter of their income toward home heating oil that continues to rise as we speak when we are talking $3.45 a gallon.

It is only right we fund this indispensable program. We have provided some increases. It is clear we need to do more, and what better way to stimulate the economy and to ensure households have the benefit of an increase in low-income fuel assistance than providing it as part of the stimulus package, particularly at the time of crisis for households in the cold weather regions of this country. I know there will be an amendment offered at the time we are considering the stimulus package.

Finally, I wish to mention as ranking member of the Small Business Committee that there are two vital provisions, as I said earlier, regarding small business expensing and the extending of the carryback period of operating losses from 2 to 5 years. They are critically important initiatives because they certainly will be a great catalyst for the generation of jobs in America. Small businesses are the key to job creation in this country, key to our economy. They are responsible for creating two-thirds of all new jobs in America. They represent 99 percent of all of our employers. They represent half of the employees in this country, so they are pivotal to the success or failure of our economy. The more we can invest in small business, the more we will see the benefits in terms of job creation. That is indisputable by any measurement, by any account; that they are able to create the kind of jobs directly that benefit our economy, benefit the people we represent, and they can make that investment quickly.

That is certainly true when it comes to expensing, where they will be able to write off up to $250,000 in this initiative, where they will be able to use bonus depreciation, for example, and other important investments for capital incentives, and also as well for the carryback period, in extending and reaching back to 5 years. Any one of these initiatives or in combination is going to be absolutely vital to helping generate new jobs in our economy and helping to mitigate the downturn in our economy.

The gravity and the urgency of our economic situation cannot be overstated, and it unquestionably requires swift and decisive action. So I hope at the time we consider this stimulus package, there will be strong support for the initiative that passed the Senate Finance Committee.

Madam President, I yield the floor.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. CORNYN. Madam President, I understand the leaders may well be coming to the floor here in the next few minutes, and certainly when they arrive I will defer to them for the business about which I know they will want to inform the Senate.

DEVELOPMENTS IN IRAQ AND AFGHANISTAN

Mr. CORNYN. Madam President, I wish to talk about the global war on terror here for the next few minutes, and to recount some very good progress we happen to be making in Iraq and that the Iraqis appear to be making. I realize that because the news is not as bad as it once was, it has now fallen off the front page of the newspaper. Yet I think it is very important not only to our national security but because we are being asked to support our men and women in uniform in a variety of ways that we keep close track of the developments occurring both in Afghanistan and in Iraq. That is the subject of my comments.

First, I acknowledge a report from the Associated Press indicating that