we should take affirmative steps to address fiscal imbalances in the long term—again, the basic formula I talked about: short-term stimulus, long-term discipline. In particular, it is critical that we revisit—and I truly believe we must revisit—the tax cut that was enacted earlier this year. If left fully in place, this legislation will drain significant revenue from the Treasury and, in the long-term context, substantially weaken our financial condition just as the baby boomers are about to retire.

I know many of my colleagues believe these tax cuts were affordable when we debated them earlier this year. We can have a debate about whether they were or were not at that point in time, but the times have changed and they have changed dramatically. We now face a substantially weakened economy, dramatically lower productivity in our economy, and huge costs for a long-term war against terrorism.

Given these changed conditions, I hope some of my colleagues will reconsider their views on the full tax-cut package and recognize the need to suspend some of the provisions that are set to be implemented in the future.

By the way, 65 percent of those cuts come after year 5 because, as most economists would agree, maintaining fiscal discipline in the long term is just as important as stimulating the economy in the shortrun.

Unfortunately, while there is broad, if not universal, consensus among economists about the principles that should guide fiscal policy, many in Washington think they know better, and they are pushing proposals that, in my mind, simply make no sense and really do challenge whether we are all working together in an economic sense to strengthen this country the way we are working in our war on terrorism.

The House of Representatives and Senate Republicans are promoting a stimulus package that would do very little to immediately stimulate the economy. The House and Senate Republican bills masquerade the stimulus, but they are both little more than an ideological repetition of programs designed to help those who need it least and favor special interests—a giveaway with limited economic benefits.

According to an analysis by the nonpartisan Center on Budget and Policy Priorities, the House bill would provide between 80 and 90 percent of its tax cuts to higher income taxpayers and corporations. It is just the opposite of how we get stimulus into the economy today.

The bill eliminates the corporate alternative minimum tax, or AMT. AMT is designed to prevent corporations from avoiding taxes entirely through the use of deductions and various other tax benefits. Repealing the AMT will not generate real economic activity. There is no guarantee it will do anything other than change the bottom line of the corporations.

Many corporations may well apply some of these savings to reducing debts, mergers, acquisitions, or increasing their bottom line, but there is no guarantee they will invest. That might benefit the shareholders, but it will not stimulate the economy.

The House and Senate Republican bills would also reduce capital gains taxes. Reasonable people can and do disagree about the effect of such a reduction on long-term economic growth but, regardless of one's view about the ultimate merits of reducing capital gains taxes, I do not know a single economist who would argue that it is a powerful way to stimulate economic activity in the short term, at least compared with any of the other possible approaches.

This same analysis applies to other provisions in the House and Senate Republican bills. It would accelerate a reduction in tax rates for those with higher incomes, just the opposite of where we should be for our long-term economic stability. We need to focus on how we are going to manage our fiscal affairs when these baby boomers start retiring.

Accelerating a reduction in tax rates is going to exacerbate a problem we already put in place with this previous tax cut.

In any case, regardless of one's view about the merits of cutting taxes for those with higher incomes, it is simply not credible to argue that of all the possible approaches to stimulating the economy, these are the most beneficial, and one cannot argue these are the most powerful. Such a claim is just not credible and does not relate to objective facts.

I also emphasize the provisions in the House bill are not temporary measures; they are permanent tax cuts with huge long-term costs, just exactly what the budget chairmen in both Houses and the ranking members argued we should not do, and as such they undermine the fiscal discipline and almost certainly will put pressure on long-term interest rates over some period of time.

I have spent most of my life as a business person and as a bond trader, someone who worked in financial markets looking at these kinds of policies as they worked their way through the marketplace. I can assure my colleagues that fiscally irresponsible tax cuts, such as the ones that are on the table in the House of Representatives, will affect investors and will undermine the long-term health of our financial system, if not our economic system broadly. The end result will be higher mortgage rates, less business investment, and a weaker economy.

Meanwhile, the House stimulus bill puts very little money into the economy directly.

There is no investment in our infrastructure, no investment in our Nation's security, only tax cuts for those who are already doing well—mostly for corporations and mostly for those that are doing well.

To be blunt about it, I think this is wrong-headed economic policy. Perhaps because of my private sector background, I find it especially alarming.

Our Nation faces an economic emergency. We need to be addressing it in an objective and legitimate way so we do not turn our backs on a need that is very obvious to everyone and get into political debates. We need to deal with it directly.

I think we are fiddling while Rome is burning. We simply cannot afford to continue business as usual. We have to pull things together, minimize differences and focus on what is important to get the job done. Our economy is at stake. We are all in this together. We cannot let the events of September 11 get us off the track of this great Nation, this great economy— doing those things which were done throughout the 1990s and continued as we started this century.

We need to move with a bipartisan, objective package that will lead to real economic growth, and we need to do it now.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

CONCLUSION OF MORNING BUSINESS

Mr. REID. Madam President, I ask unanimous consent that morning business be closed.

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

DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 2002—Resumed

The PRESIDING OFFICER. The clerk will report the pending business.

The bill clerk read as follows:

A bill (H.R. 3061) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 2002, and for other purposes.

Pending:

Daschle amendment No. 2044, to provide collective bargaining rights for public safety officers employed by States or their political subdivisions.

Gramm modified amendment No. 2055 (to amendment No. 2044), to preserve the freedom and constitutional rights of firefighters,