

which is one of the reasons I love the President, even though I do not always agree with what he is agreeing to.

In trying to get this moving, he agreed we were going to give tax cuts to people who did not pay any taxes. That is like dropping money out of airplanes. I do not think it stimulates the economy because we took the money from taxpayers and are giving it to people who did not pay taxes.

If we want to stimulate the economy, we have to find a way with the \$75 billion to get people to spend not only it but other things. We get that done by finding ways of spending the money that encourage other people to spend their money. Unfortunately, the other people who are spending their money are people who have money and, hence, almost any stimulus package that is worth anything could be criticized that somebody who is wealthy is going to be stimulated to invest their money and they at least think they are going to benefit.

The point is, America cannot be saved except at a profit. The fact that somebody will make money based on a stimulus package is the end objective.

There are two ways we can go about a stimulus package. If I could write the stimulus package, I would write it as follows: First, I would have cut the capital gains tax rate. It does not cost us anything for 2 years. Our experience with it, beginning at the end of the Second World War, has been almost uniformly positive. I have argued for it incessantly. The President decided not to propose it because he saw it as polarizing.

I also believe that making the tax cut permanent would stimulate the economy and bring stability to the economy. It is very destabilizing to have a tax cut that is going to dramatically change and, in fact, go away in 9 years. All over America today, people who could be investing are taking \$20,000 per child and locking it up in IRAs and in gifts to their children and grandchildren to try to avoid the death tax, even though we claim we repealed it. It is coming back in 9 years. So people who expect to live 9 years are using up their resources planning for it.

A decision was made that making the tax cut permanent would be too provocative in a partisan sense, and so that was not enough.

Senator GRASSLEY put together a good package given what we had already agreed to take off the table. I want to make the point—and I make it because Senator BYRD is here. Senator Byrd is going to propose some infrastructure spending. It has a disadvantage and an advantage, but it is one of the few proposals that is being made other than those that are targeted in the sense of targeting investment, tax cuts.

There is no doubt about the fact that accelerated depreciation—allowing

people to spend so if they buy new capital equipment to create jobs or open a factory they can write off more of it quicker—there is no question about the fact that a little bit of money there produces a substantial economic response.

I think we should be doing more of that. When people ask what cutting tax rates and accelerating the tax cut has to do with incentives to invest, do they not realize that 80 percent of the income tax paid by the top 1 percent of taxpayers is paid by small businesses filing under subchapter S as individuals? The top tax rate is really a small business tax rate. When people are saying the average person in that tax bracket will earn \$600,000 or \$700,000 a year, that average person is really Joe Brown and Son hardware store in Texas or West Virginia somewhere, and it is really their rate about which we are talking.

I see that as a very important incentive. I have to say when I look at the list of things we are doing, such as giving movie producers and recording artists and authors tax breaks, I would much prefer lowering the tax that affects investment or spending money on highways as compared to that kind of expenditure.

Let me turn to the whole question of infrastructure, and then I want to sum up before I run out of time.

In fact, how much time do I have?

The PRESIDING OFFICER. The Senator has 2 minutes 27 seconds.

Mr. GRAMM. The advantage of infrastructure is that by improving infrastructure, private investment can be induced. We get the impact not only of building a north/south interstate highway system in Texas, which is what we need—I do not know what they need in West Virginia, but I know we are way behind on highway construction, despite the success we have had recently in which the Senator has been a leader. But we can get a multiplier effect by the private sector investing as infrastructure is improved.

If we are going to use infrastructure as part of a stimulus package, we have to find a way to speed it up because in the postwar period not much infrastructure spending ever really got going until the recession was over.

I will sum up by saying what I think we need to do. First of all, I am going to make a point of order against the pending amendment, not the underlying bill. The point of order is that the pending amendment violates the budget rules. We decided in the 2001 budget that emergency designations for non-defense matters were being abused, and we eliminated them; they violate the Budget Act. But they are being used in violation of the Budget Act, and therefore there is a 60-vote point of order.

Everyone knows the bill before us is not going to become law. So why not

make it clear that is the case, so we can end these partisan debates that I know discourage people back home, and sit down around a table and work up a compromise. Compromise means some people get some things they want and other people get things they want.

It seems to me we agree on providing incentives for investment through expensing and through accelerated depreciation. It is in both bills. There has to be a compromise level. We differ greatly as to what we really believe will stimulate the economy. The logical thing to do, it seems to me, is to take half of the funds and do it through stimulation by lowering marginal tax rates to encourage investment, which is what I believe works, and then taking the other half as the Democrats want to use it and spend it, whether they spend it on infrastructure or whether they spend it in terms of health benefits.

In terms of health benefits, it is one thing to help people with health insurance, but it is another thing to set up a bureaucracy that probably would not even be in place until the recession was over. So in terms of spending money on health, I think there could be a compromise.

In terms of setting up this bureaucracy, I do not think the President would agree with that and I do not think that could happen. We have to sit down and work out a compromise. I think the Nation wants us to do it. The sooner we can get on with it, the better off we will be.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, the leadership time is reserved.

ECONOMIC RECOVERY AND ASSISTANCE FOR AMERICAN WORKERS ACT OF 2001

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of H.R. 3090, which the clerk will report.

The bill clerk read as follows:

A bill (H.R. 3090) to provide tax incentives for economic recovery.

The PRESIDING OFFICER. The Senator from Montana.

COMMITTEE AMENDMENT, WITHDRAWN

Mr. BAUCUS. On behalf of the Finance Committee, I withdraw the committee amendment.

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

AMENDMENT NO. 2125

Mr. BAUCUS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Montana [Mr. BAUCUS] proposes an amendment numbered 2125.

Mr. BAUCUS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The Senator from West Virginia reserves the right to object.

Mr. BYRD. I ask unanimous consent to be recognized when the Senator from Montana yields the floor.

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

Mr. BYRD. Mr. President, I remove my reservation.

The PRESIDING OFFICER. Without objection, the reading of the amendment is dispensed with.

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

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I say to my good friend from West Virginia, I intend to speak for only 2 or 3 minutes.

Mr. BYRD. The Senator may take whatever time he wants.

Mr. BAUCUS. Mr. President, the amendment I have offered makes several changes to the bill reported by the Finance Committee. It deletes the rural development provisions in sections 811 and 815 of the bill. These provisions generated considerable controversy, with some Senators questioning whether they provided economic stimulus. I support the provisions, and I think they are very important to the rural economy, but a similar set of provisions is being developed as part of a farm bill, and I think it is appropriate to defer to that debate at that time.

I note that I have not deleted provisions providing agriculture disaster assistance to farmers and ranchers because I think they are critical provisions of the bill.

My amendment also incorporates three Medicaid provisions which were filed in the committee but we did not have time to consider. One proposed amendment by Senator BINGAMAN temporarily increases the caps for States with extremely low disproportionate share hospitals. That is the so-called DSH cap.

The second proposed amendment by Senator LINCOLN establishes a 6-month moratorium on changes to the Medicare upper payment limit rules.

The third proposed amendment by Senator BREAUX revises and simplifies the transitional medical assistance program.

I also have provisions relating to the taxation of life insurance companies. Senator KERRY proposed a committee amendment addressing section 809 of the code to maintain balance. The amendment I am offering also addresses section 815.

There are also a few other corrections contained in the amendment. That is essentially a brief explanation of the amendment I am offering.

At this point, we are on the bill. I might say neither side has enough votes to pass the bill. The Senator from Texas correctly said we might as well get to negotiations and get to the heart of the matter because the current bill probably does not have the sufficient 60 votes to get it passed and enacted.

The same is true for the alternative bill proposed by the President and/or the minority party. There are not 60 votes for that either. So I agree very much with the main import of the point made by the Senator from Texas; namely, let us get on with it. Let us sit down. Let us start negotiating.

We are doing the country a disservice by continuing a partisan, rhetorical harangue, one side against the other. It is something I do not like. It is something I know most Senators do not like. I hope the leadership of both bodies, both the House and the Senate, on both sides of the aisle, find a way for us to put together negotiations where the leadership of the Finance Committee and of the House Ways and Means Committee, in conjunction with the White House, can sit down and put together a good, solid economic stimulus package quickly so Americans are served in the way they deserve to be.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. REED). Under the previous order, the Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, I thank the Chair.

Many times my colleagues have seen me reach into my shirt pocket and pull out the Constitution of the United States. The distinguished whip, the majority whip, also carries a copy of that Constitution, as do several other Senators on both sides of the aisle. I have supplied them with this shirt pocket copy. I will refer to it as the "shirt pocket copy."

Alexander the Great put foremost, among all books, among all histories and among all literature, "The Iliad." Alexander the Great's copy of "The Iliad" was referred to as the "casket copy." He slept with "The Iliad" under his pillow.

I do not sleep with the Constitution under my pillow, but I carry it next to my heart, the Constitution of the United States.

Now, let's read for a moment the preamble of the Constitution. Those who have shirt pocket copies, take out your Constitutions; and those of you who don't happen to have a shirt pocket copy, take the Constitution off the desk or the shelf, if it is nearby.

The Preamble reads as follows:

WE THE PEOPLE of the United States, in Order to form a more perfect Union—

Now, the President of the United States has said he wants to set a new tone in Washington: Do away with partisanship; do away with all the quibbling, the argumentation, as it were, to form a more perfect union. That is the way I would interpret what he said.

I continue to read from the Preamble of the Constitution:

... establish Justice, insure domestic Tranquility, provide for the common defence—

Let me read that again: "provide for the common defence." It doesn't say anything about defending ourselves in Afghanistan. It says "provide for the common defence." It means to provide for the defense of our homeland, as well. "Provide for the common defence." "Common" means common. It is everywhere. It is common to all. It doesn't single out any particular person, place, territory, or city. It provides for the common defence.

I continue to read:

... promote the general Welfare—

That doesn't say promote the welfare of the rich; it doesn't say promote the welfare of Sophia, WV, my little hometown which you can hardly see on a map. "Provide for the common defence, promote the general Welfare." The Preamble isn't talking about those people who are on welfare rolls. It says "promote"—that means to push forward, to lift up, to advocate. To "promote the general Welfare and secure the Blessings of Liberty."

Aha, that word liberty!—"and secure the Blessings of Liberty"—to whom? "... to ourselves and our Posterity, do ordain and establish this CONSTITUTION for the United States of America."

Who said this? It says "do ordain and establish this CONSTITUTION. . . ."

In speaking of liberty to ourselves, who is doing the talking? Who is doing the talking? Let me tell you who is doing the talking. I will start with New Hampshire, Nicholas Gilman and John Langdon were the signatories for New Hampshire.

Next we will take Massachusetts. Who were the signatories? Rufus King and Nathaniel Gorham.

Then what is the next State? Connecticut. William Samuel Johnson and—who is that fellow who signed all those great documents from Connecticut? Who was he? Roger Sherman, Connecticut.

What is the next State? New York. New York, Alexander Hamilton. Only had one signator, the great State of New York.

And on down. Those were the men who signed this document. Immortal? This Constitution will live as long as the Earth stands. Immortal document, this is, indeed. These are the 39 signers.

I have just read the preamble to the Constitution. I have done so because it adequately and perfectly fits as the preamble to what I am going to say

and what I am going to advocate. I am going to talk about the homeland defense piece of this measure before the Senate. Defense; homeland defense. The preamble of the Constitution introduces the preamble, as it were, to that portion of the package which my staff and I, at the request of the distinguished majority leader, developed for this amendment. "Homeland defense," that is the title of this amendment. "Homeland" defense. Not homeland infrastructure. Not homeland pork. But "homeland defense."

Mr. President, hear me now! Fear has gripped the American people. It threatens the U.S. economy. I don't call my portion of this package a stimulus package. I am not calling it a "stimulus" although it does help to stimulate the economy. Anything that puts confidence back into the hearts and minds and pocketbooks and book-keeping ledgers of the American people is a stimulus to the economy. But to those who thought they would see Robert Byrd bring out a package with a lot of infrastructure in it are sorely dismayed and disappointed. It "ain't" here.

Infrastructure is needed in this country to be sure. If you want something that is true stimulus, put \$1 billion into highways and you will employ 43,000 people. Or put \$1 billion into school construction and you will employ 24,000 people.

But I am not doing that. I was asked at first by the majority leader to develop some options that would help to stimulate the economy. So my staff and I—I have excellent staff; they are not excelled by anybody anywhere in the world. That is what I think of them. My excellent staff and I were asked to prepare some options. We did that. We did a \$10 billion option, a \$5 billion option, a \$20 billion option, a \$30 billion option. So we have options all over the place. And in more than one of them I had infrastructure, something that would provide jobs.

But then something happened. We know, because we have read chapter and verse of the recent history in which we saw the awesome, terrible, horrific picture of two airplanes sailing into the Twin Towers in New York City. We saw the showers of bricks and mortar falling upon people, upon firefighters, upon policemen, upon men and women and children. And then there came anthrax, a weapon that has been spread among us.

I haven't been in my office in the Hart Building in weeks. The office is closed. My staff people are not in there. I haven't read the mail that has been sent to my office in the Hart Building in weeks. There are other Senators here who can say the same, on both sides of the aisle.

Fear has gripped the American people, and it threatens the U.S. economy. You can see it. You can see it in the

vacant streets of our major cities on the weekends. Walk the streets of Washington on the weekends. You can see it in the half-full airplanes taking off from our airports—half full. Some of them not half full. You can see it in the empty shopping malls less than 2 weeks before the start of the holiday shopping season—less than 2 weeks. Go to the shopping malls. Go to the national parks.

Here is a headline: "National Park Entrance Fees to be Waived." Aha, you can go for free.

National Park entrance fees to be waived over Veterans Day weekend to inspire national unity, hope, and healing.

So we see a repetition of the free passes, for example, that Metro issued here in the city, and in Northern Virginia, free passes that were issued by Metro so that people would ride, hopefully, into Washington, DC, and shop, spend money to stimulate the economy. There were the restaurants in Washington, DC, that offered a free glass of wine to the people who would come to those restaurants.

Now I have just read that the national park entrance fees were to be waived over Veterans Day weekend, which has just passed—for what reason? To inspire national unity, national hope, and national healing.

You can see it on Wall Street. Just watch Lou Dobbs. Watch him on television every day. You can see this fear spreading like oil, slowly, slowly—fear. You can see it on Wall Street. At one point, on Monday, November 12, the day after Armistice Day, Veterans Day, the Dow Jones Industrial Average dropped 198 points following the news of a possible terrorist attack on American Airlines flight 587. We saw the drop in the Dow Jones after the plane crashed in the streets of Queens, New York. Wall Street was already trying to recover from the troubling economic news of recent weeks. The Commerce Department reported on October 31 that the economy contracted by .4 percent between July and September of this year, the first quarter of negative growth since 1991—10 years.

The Labor Department reported on November 2 that the economy shed 415,000 jobs in October, increasing the unemployment rate to 5.4 percent from 4.9 percent in September, the largest jump since 1980.

Wall Street has been able to shrug off negative economic news in recent months, but traders seem less able to do so recently. The lingering anthrax scare has spread to victims beyond the news media and the Federal Government. The Attorney General has issued vague yet sobering warnings to the American people about anticipated terrorist attacks. National Guard troops can be seen patrolling the Golden Gate Bridge.

The American people, facing the fears of a new era, are looking to their

elected leaders—you, Mr. President, the Presiding Officer and you, Mr. President, at the other end of Pennsylvania Avenue—and me and other Members of this body and members of other legislative bodies, looking to their Government for reassurance. Parents want to hear that their children will be safe in their own neighborhoods. Families want assurances that it is safe to take that vacation they had planned earlier this year. The American people want assurances that they can open letters free from worries about biological weapons. They are looking to their elected leaders for security.

If a son asks his father for bread, will the father give the son a stone? If the son asks for a fish, will the father give him a serpent? If the son asks for an egg, will the father give the son a scorpion? Go back to the Gospel of Luke. The people are asking for "bread," in the form of Security. What do we, as elected representatives, give to our people when they ask for bread? Do we give them a stone when they ask for safety? What do we give them? A tax cut?

The people are looking to their elected leaders for security. What do we give them?

Do we reject this package which I shall explain momentarily? Do we reject it when the people ask for security against anthrax, when they ask for security against possible smallpox epidemics? What do we give them? Do we give them a stone?

When the people ask that the loopholes be closed along the northern border and the southern border, when they ask for security from terrorists who would come across those borders when they are not patrolled; when the people ask for security against terrorists who would slink across the borders, do we give them a stone? Do we give them a scorpion? Do we give them a serpent? Do we respond to their cries when they want safety? What do we give them?

We can start to alleviate the concerns of the American people right here—today—by addressing those vulnerabilities the terrorists are seeking to exploit.

My staff and I have crafted a \$15 billion package which would be a first step in giving back to the American people a small part of the sense of security that was blasted away on September 11.

A point of order will be made against the package that contains this "bread." Our people ask for bread. That is a good metaphor when one thinks of the security for which people are asking us.

A point of order will be made claiming that there is no emergency. The point of order will be made based on the claim that this \$15 billion package is not an "emergency."

Hear me now! Keep in mind that a point of order is being lodged against

this homeland defense measure. And, keep in mind the preamble of the Constitution of the United States—that phrase which says “provide for the common defense”.

The first bit of this graph that I point to is that section—that piece of the overall pie chart—which reads “Bioterrorism Prevention and Response.” See it? “Bioterrorism Prevention and Response—Food Safety, \$4 billion.”

Ask the one physician in this body, the one surgeon. Ask Dr. Frist, Senator FRIST from Tennessee, if he thinks that we need \$4 billion for bioterrorism prevention and response and food safety. Ask him. He is a renowned physician. I know he is a politician, too. So was Jesus a great physician. He was a politician also. Ask Senator FRIST if this is “pork.” Ask him if it is “pork” to provide \$4 billion for bioterrorism prevention and response and food safety.

We must reassure the American people whether their elected leaders are doing all they can to prepare against a biological or chemical attack. Anthrax, smallpox, and the plague are no longer the stuff of fiction but are deadly realities.

My proposal includes \$4 billion for bioterrorism prevention and response and food safety. This is money that would primarily be used for upgrading State and local lab capacities—get this now—State and local health departments, for example, in Raleigh County in southern West Virginia, and Sophia, WVA, my little town of 1,180 souls.

Ask the Governors of the States, Republicans and Democrats, whether they need that money to upgrade State and local Lab capacities. Ask the mayors throughout the country if they need this. These funds would help local health departments to train emergency health responders in recognizing the symptoms of an incidence of bioterrorism, and would enhance the ability to diagnose and to treat such illnesses as anthrax and smallpox.

My proposal will also allow State and local governments to plan for a variety of emergencies and to upgrade State and local information sharing systems.

Preparation and prevention are critical to waging the war against terrorism that is currently being fought. Where? On our home soil. That is getting pretty close to home, isn't it, on our own soil. We would do well to remember that it was a doctor in Florida who had just received training from the Centers for Disease Control and Prevention, CDC, who thought to test for anthrax when treating the first victims of that unusual disease. It is an unusual disease. But it is an old disease.

Read about it. Read about the 10 plagues of Egypt. Read about the murrain on the cattle, and the boils on human beings. Go to a dictionary and look up the word “murrain.” It means,

for example, anthrax among the cattle, the camels, and other livestock. Look at how old it is. It has been around a long time—thousands of years.

Here is a headline in today's paper. I will read it.

State Department Fears—

There is that word “fear” again

State Department Fears Another Anthrax-Tainted Letter.

What does this say?

Well, Cassius was nearsighted. I am not nearsighted, but I do need glasses to read. So here we go. I quote from this. The title of the article in today's paper of Wednesday, November 14, 2001, is: “State Department fears another anthrax-tainted letter.” I will just read a few excerpts from this news story in the Washington Times.

The State Department said yesterday it is searching worldwide for another anthrax-tainted letter.

At least one letter like the one sent to Senate Majority Leader TOM DASCHLE is packed in with State Department mail that was halted last month, said the department's top spokesman, Richard Boucher.

Meanwhile, the last of the Washington-area survivors of inhalation anthrax left the hospital yesterday after a 25-day stay.

The high concentration of spores on a single sorter indicates “that there is a letter like the one sent to Sen. Daschle that has moved through our mail system,” Mr. Boucher said. “We are now proceeding to go look at all the mail that we have held up, frozen, sealed off, in mailrooms in this building, annexes and around the world.”

There it is. So these funds—\$4 billion—would also be used to expand the Federal pharmaceutical stockpile by contracting for the development of 300 million doses of smallpox vaccine to be delivered by the end of 2002 to prepare for a potential outbreak of that dreaded disease.

No American has been vaccinated for smallpox since 1972, and the medical community is debating whether those who were vaccinated may still possess any degree of immunity.

Now, I was one of those children in the public schools of West Virginia many decades ago who were vaccinated for smallpox. That is where I received my vaccination. The scar is still there on my left arm.

Let's see what this headline says in the Washington Post of Wednesday, November 7, 2001. Here it is: “HHS”—that is Health and Human Services—“Set to Order Smallpox Vaccine for All Americans.” And it ain't free. It is not free. Let me just read excerpts from this story:

Health and Human Services Secretary Tommy G. Thompson said yesterday that he expects to sign a contract this weekend to purchase enough smallpox vaccine for every American but that he has warned the White House—

Hear him. Hear Tommy Thompson down there at the White House. Hear him.

... he has warned the White House the cost could be quadruple the \$509 million he originally estimated—or equivalent to the department's entire \$1.9 billion bioterrorism budget. . . .

The previously announced administration effort to vaccinate all Americans against smallpox, a deadly disease that was eradicated in the 1970s, took on a renewed sense of urgency as one of the leading smallpox authorities warned it was conceivable that former Soviet scientists were helping to “weaponize” the smallpox virus for nations such as Iran, Iraq, Libya, and North Korea.

These are referred to as “rogue states.”

“Many [Russian] scientists are really quite desperate for money”—

Cicero said: “There is no fortress that money cannot buy.”

And here we read a warning by Donald A. Henderson, director of the new Office of Public Health Preparedness.

U.S. intelligence indicates that several have been recruited by “rogue states” and were in a position to smuggle out a vial of the virus. . . . That's a very great worry.”

He said: “Many [Russian] scientists are really quite desperate for money.”

In addition, Henderson said, there is evidence that the former Soviet Union succeeded in weaponizing the virus and manufacturing up to 100 tons annually at a plant outside Moscow.

Mr. President, I ask unanimous consent to have both of these newspaper articles printed in the RECORD following my remarks.

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

(See Exhibit 1.)

Mr. BYRD. If anthrax can make the public jittery—and we have seen that it can and has made the public jittery—the prospect of smallpox, a contagious and vicious disease, could incite panic—panic! Funds in this bill, in my amendment, will be used to upgrade lab security at the National Institutes of Health and at the CDC, and to improve security at the U.S. Department of Agriculture labs, by hiring additional inspectors for import inspections, food supply monitoring, and lab equipment. There you are.

Now, the next section of the chart I wish to point out is the section denominated “Federal, State, and Local Antiterrorism Law Enforcement, \$3 billion.”

Federal, State, and local law enforcement officials have been working around the clock since September 11. When it comes to law enforcement and homeland defense—remember what the preamble said, “provide for the common defense”—this is where the rubber meets the road.

My package includes \$3 billion for Federal, State, and local antiterrorism law enforcement.

Of that \$3 billion, this package includes \$1 billion for Federal law enforcement antiterrorism investments. This money would be used to improve communications among Federal agencies, for the Coast Guard to increase

surveillance and improve communications with the Defense Department and other civilian terrorist/disaster response agencies, for the FAA to increase the number of safety inspectors and research on new safety technologies, and for the Drug Enforcement Agency, the U.S. Attorneys, the Judiciary, and the U.S. Marshals Service to improve security in courtrooms, for example, camera, x-ray machines and mylar on windows, and provide better facilities for police.

The remaining \$2 billion would be allocated for State and local law enforcement—again, State and local. Senators talk with your local mayors. Talk with your mayors in your home States. Talk with the police departments. See what they have to say.

The remaining \$2 billion would be allocated for State and local antiterrorism investments to improve the capacity of State and local police departments across the Nation to prevent and respond to terrorist attacks.

Municipal officials need billions of dollars—call them on the phone; hear what they say—municipal officials need billions of dollars for their cities' hazardous materials response teams to fully equip their search and rescue teams and to outfit the law enforcement officials who likely will be first at the scene of a chemical or biological attack.

Remember the day before yesterday? Who were the first people to go out to the scene of the plane crash? That wasn't a chemical or biological attack, but it was a sudden and terrible emergency. Who were the first? The policemen, the firemen, the paramedics.

Here is a letter addressed to me by the National Governors Association, addressed to me and my counterpart on the Appropriations Committee, Senator Ted Stevens. In writing to us about an economic stimulus package, this letter from the National Governors Association says:

Our recommendations also reflect the further deterioration of states' fiscal positions as detailed in the "economy.com" report sent to you earlier this week. With respect to our fiscal position,—

This is the National Governors Association talking now—

most states have made a series of spending cuts. Many are now implementing a second round, and in some cases a third. A number of states now have revenue shortfalls in excess of \$1 billion and many are scheduling special legislative sessions to address mounting fiscal problems.

And a Senator will soon make a point of order against this to say it is not an emergency, that this situation that prevails over this country and about which the National Governors Association is writing is not an emergency. Tell that to the National Governors Association!

I read further from the letter:

The cumulative states' current revenue shortfall is \$10 billion and growing. More-

over, new and unprecedented state responsibilities for homeland security are exacerbating serious fiscal conditions.

Let me read that sentence again for those who would say that this is not an emergency. Here is what the Governors say: New and unprecedented—what is an emergency? Something that is new, unanticipated?

Moreover, new and unprecedented state responsibilities for homeland security are exacerbating serious fiscal conditions.

Tell the Governors, tell the mayors, tell the chiefs of police of the departments throughout the land that this is not an emergency that we are dealing with and that a point of order should lie against this amendment because it is not an emergency?

Mr. REID. May I ask the Senator a question?

Mr. BYRD. Yes. I am glad to yield.

Mr. REID. I know the Senator from West Virginia is a parliamentary expert on what goes on in the Senate. Did I hear the Senator right; he has heard, as I have, that they are going to raise a point of order that the homeland defense part of the bill is not an emergency?

Mr. BYRD. Not an emergency.

Mr. REID. Am I hearing the Senator right, that there is going to be a point of order raised that that which he has laid out dealing with our security is not an emergency?

Mr. BYRD. Yes, that is exactly what they are going to say.

I say to all Senators, a point of order is going to be made against this package because those who offer the point of order say it is not an emergency and, therefore, it should be stricken from the bill. Not an emergency? Let them tell that to the Governors of the country.

I continue to read the letter from the National Governors Association:

Similarly, absent any changes in the Health Insurance Portability and Accountability Act (HIPAA) or new federal funding for HIPAA implementation in state-administered programs, states will have little choice but to divert scarce funds to comply with this federal mandate. This means that significantly less state funds will be available for education, critical state services, capital investment, infrastructure improvement, and additional efforts to respond to bioterrorism and other threats to homeland security.

Luke said, if the son asks his father for bread, will the father give him a stone? Here are the cities of this land asking their elected officials for "bread" as it were. Those who make the point of order will say: Give them a stone. Let them eat stones. Let them have a stone for security. Let them have a stone to protect them against a smallpox epidemic; give them a stone!

I hope that Senators, when they vote on this point of order, will understand that the people back home are going to remember all of us, how we vote when the people, when the mayors, when the

Governors, when the law enforcement officers of this country ask for "bread," when they ask for security, when they ask for money to provide security to those little towns and hamlets and cities all across this land, I hope that those who vote for this iniquitous point of order, will be remembered by the people of this country come the next election.

Let's talk now about the FEMA firefighters program. This package contains \$600 million in grants to State and local communities to expand and improve firefighting programs through FEMA firefighting grants. Over 50 percent of that funding goes to volunteer fire departments in rural communities in the countryside, and the volunteer fire department is the first and only entity available to deal with the crisis.

Last year Congress took action to begin to address this serious deficiency by creating a Federal program to provide direct assistance to fire departments. Administered by the Federal Emergency Management Agency, FEMA, the Assistance to Firefighters Grant Program received an initial appropriation of \$100 million. This funding was quickly depleted by tremendous demand. The Agency received more than 31,000 applications, totaling nearly \$3 billion in requested funds, almost 30 times the amount appropriated.

To those who would say that this package is wasteful spending, to those who would say it is porkbarrel spending, I say that one-half, a full 50 percent, would be allocated for bioterrorism prevention and antiterrorism law enforcement; Federal, State, and local antiterrorism law enforcement, \$3 billion.

Now as to transportation vulnerabilities, much has been done in the weeks following the September 11 attacks to improve our transportation security. I am not talking about building highways at the moment—to anyone whose skin might quiver at my use of the word "transportation." This is transportation security. But each step we have taken to plug the holes in our transportation security has revealed another hole that must be filled. This package includes \$2.2 billion to address simultaneously these vulnerabilities. Municipal officials need funds to protect their mass transit system. Of that \$2.2 billion, this package provides \$1.2 billion for enhanced surveillance of transit stations and improved emergency response systems.

Amtrak requires funding to address the critical safety vulnerabilities of its facilities, including tunnels. Have you ever gone through a tunnel on a train? Go to West Virginia. You will travel through several tunnels on Amtrak. But this money that we are talking about includes tunnels in and around New York City. It must improve its station surveillance. Out of that \$2.2

billion, this package provides \$760 million for that purpose. The purpose is this: Amtrak requires funding to address the critical safety vulnerabilities of its facilities, including tunnels in and around New York.

Another \$150 million would be used to improve the security at our Nation's ports, ferries, and freight rail. This is a recommendation by Senator FRITZ HOLLINGS. I have been surprised to find that only 2 percent of the cargo that comes by sea to our Nation's ports is inspected and only one-third of the cargo that crosses over the boundaries by truck is inspected. This package finds moneys for addressing these border and these port security needs.

Airport security. Airports have to respond to the substantial costs of the FAA's new, rigorous security directives issued since September 11. Airports need funds to increase the visibility of law enforcement personnel for deterring, identifying, and responding to potential security threats. Additional staff is needed to conduct security and employee identification checks throughout airports. Airports with tighter budgets, particularly smaller airports in rural areas, are unable to absorb these new costs. This package provides \$1.2 billion to hire law enforcement personnel to improve protection of secure areas at airports.

We have read recently a great deal about postal security. The distinguished Senator from North Dakota, Mr. DORGAN, just a few days ago—last week, as a matter of fact—as chairman of the Treasury Postal appropriations subcommittee, conducted hearings and had the Postal Service people up before the subcommittee to testify. It was a great hearing. The Senator from North Dakota rendered a tremendous service to the American people in holding this hearing.

Today, the American public and Postal Service employees find themselves the victims of terrorism by mail. The people are afraid to open letters. I used to reach into the mailbox when I was hardly tall enough to reach it; I would reach into the mailbox with glee and pull out a letter. I remember the first letter that was written to me when I was elected to the House. After I was sworn in as a Member of the House of Representatives in 1953, the first letter that was written to me—and I would have been 35 years old, so that was quite a long time back—came from my two daughters, and it carried on it three 1-cent stamps. We didn't have any fear of anthrax in those days. We used to open the mail with our hearts beating in our chests, with thankfulness, with expectation—but not expectation concerning a death-dealing letter.

People today are afraid to open letters from distant kin. Suddenly postal workers are confronting attacks from something much more frightening than

the vicious dogs that have long haunted the mail routes. A letter from an unknown source today is reason to call 911. America cannot function like this. America cannot go on functioning like this. Remember that phrase in the preamble of the Constitution about the "general welfare"? America should not have to function like this. This package contains \$1.1 billion for this.

How much did the administration request? The Administration requested \$175 million. That is a drop in the bucket. This package contains \$1.1 billion to begin to make the security changes necessary to keep the mail moving and allow the Postal Service to respond to this and future terrorist attacks.

Now, about the security of our borders, to which I alluded a little while ago, for border security there is allotted \$1.1 billion. Our border security is dangerously underfunded. We want America to remain always the land of the free, but we want it also to be protected. Our borders must be secure. Our borders leak like a sieve. Try holding water in a sieve. Our borders leak like a sieve, and the leaking should cause us severe alarm.

The Immigration and Naturalization Service conducts some 500 million inspections at our ports of entry each year—500 million inspections. Hundreds of millions of visitors enter the country without visas through the visa waiver program, or other legal exemptions. Yet how many inspectors are there to process these hundreds of millions of visitors? There are only 4,775 INS inspectors. Yes, you heard me. There are only 4,775 INS inspectors to process these hundreds of millions of visitors. That is 1 inspector—just 1—for every 104,712 foreign nationals who cross our borders.

Just to make it easy, call it 100,000, rounding it. So you have one inspector—just one—for every 100,000 foreign nationals who cross our borders. And, some Senators would make a point of order against this package to say that it is not an emergency? When our borders leak like a sieve, they say that this is not an emergency?

The U.S. Customs Service currently has the resources to inspect only 2 percent of the cargo arriving by sea. It inspects only about one-third of the truck cargo crossing the southern border. Almost nothing is more urgent than to quickly move to close these hideous gaps in our ability to monitor the goods and people who move across our borders.

This package provides \$1.1 billion for additional Border Patrol agents and screening facilities, primarily on the northern border, and to fully implement database improvement projects.

It is not enough that we authorize these additional expenditures in the antiterrorism bill. It is an empty promise if we fail to provide the resources to

back up that authorization. We must provide the funds, and we must do so quickly.

The next item on my chart is designated as Federal computer modernization, \$1 billion. There are more than 40 Federal agencies and tens of thousands of Federal workers who are working together to fight terrorism, but many of these agencies cannot pass along to each other information on suspected terrorists. They cannot pass that information along. Their computer systems simply do not work together. Their computer systems do not talk to one another.

This package provides \$1 billion for Federal computer system improvements so that Federal agencies that participate in our counterterrorism program can communicate with each other and provide more comprehensive information about threats and those who would carry them out. And, there are those who would say a point of order will lie against this because we do not have an emergency! Computer compatibility is critical to our ability to rapidly assess threats and to respond to them throughout the Nation.

How about those nuclear powerplants? How about those electric power projects? How about those national landmarks such as the Washington Monument, the Lincoln Memorial, the Statue of Liberty that beckons to peoples from across the sea? We need only to look across the Potomac to comprehend the threat to our Federal facilities and national landmarks in this war on terror.

I will never forget that day standing in my Capitol office. I was one of those slow movers. I will not be slow the next time. The next time those police tell me to get out of this building, I am going, and I will get out of there ahead of the police.

But that day I was slow moving. "Why should I go, I said?" "I will not be any safer out there than I am in here," so I was slow to move. I looked out the window on the morning of September 11 and watched the smoke rise from the direction of the Pentagon. Any Federal building or national landmark in this country could be the next target. This Capitol could be the next target.

In October, the CIA received a warning from an intelligence service in Western Europe about the possibility of a terrorist attack on the Three Mile Island nuclear facility in Pennsylvania. While the threat later proved not to be credible, it underscored the breadth of the danger to our homeland—to our homeland, America the beautiful.

The State police and the National Guard have stepped up patrols of these plants, and the Coast Guard is enforcing new rules barring boats from the waters near any nuclear plant. Likewise, utilities around the country have stepped up security at their plants

since the September 11 terrorist attacks, but utility officials admit that the Nation's power grid is just too large to be fully protected from wanton attacks.

My proposal includes \$900 million to increase security at Federal facilities throughout the country, at nuclear plants, at our national treasures, such as the Washington Monument. Some of that funding would be directed toward enhancing security at State Department facilities. These security precautions are essential. These are investments that will have to be made in the future if we are to cope with the continuing threat of terrorism.

Mr. President, over 6 weeks ago, on October 2, an agreement was reached with the administration so that the Congress could act expeditiously on the fiscal year 2002 appropriations bill. That agreement to limit spending in the 13 appropriations bills to \$686 billion is being fully implemented.

The Senate has passed this fiscal year appropriations bills on a bipartisan basis by an average vote of 91 to 7. That is bipartisan, is it not, an average vote of 91 for and 7 against on all of the appropriations bills that have thus been passed? We lack only one of the 13 bills, one that has not been passed by the Senate.

We have lived up to our agreement. The Senate has lived up to its agreement. Republicans and Democrats on both sides of the aisle have lived up to this agreement. However, there was no agreement to limit our response to the September 11 attacks in the \$40 billion appropriations supplemental passed on September 14. Who could have foreseen those two planes plowing head on into the brick and mortar, the cement, the steel of those Twin Towers? Is this an emergency? Who could have foreseen that? Who could have foreseen how the world would change? Who could have foreseen the emergency responses that would be required?

In the weeks since, the reality of our post-September 11 world has taken hold, has seized the American psyche. We are now faced with security threats that were not foreseen last month, that were not foreseen the month before last, that were not foreseen and still seem unimaginable, the stuff of nightmares. Anthrax appeared like a vampire in the night, sapping us of our customary optimism. The threat of smallpox may face us for the first time in more than 20 years.

Since October 2, the Attorney General has issued another warning about an eminent terrorist attack.

That is since October 2. That is since the letter referring to the agreement concerning the top line of \$686 billion. We have received information about a possible terrorist attack on the Three Mile Island nuclear facility in Pennsylvania since October 2, that letter of agreement among the executive and

legislative branches that the top line would be \$686 billion.

The National Guard troops have been dispatched to protect the Golden Gate Bridge since October 2.

The President has given the American people a pep talk. God bless him. He is a nice fellow. I like him. The President has given the American people a pep talk telling them they are now living in a different world and urging them to answer a call to war in our own land.

And yet, there are those who would say this is not an emergency? Yet, we have war, not just in Afghanistan but also in our own land. Tell that to the farmer sitting by that cold stove on the plains. Tell that to the coal miner as he emerges from the dark bowels of the earth after a hard day's work. Tell that to the mother who has children she takes to school in her own automobile. Tell all of these that there is no emergency. Tell them that there is no war going on.

A few days ago, President Bush asked the House and Senate leadership and the Appropriations Committee chairmen and ranking members to come to the White House; let us reason together. He wanted us to come to the White House to discuss the completion of the appropriations bills. I went.

While the meeting was intended to be a discussion as a need to provide additional funding in response to the attacks of September 11, the President used the meeting as an opportunity to tell us that he would veto the Defense appropriations bill if Congress included additional spending beyond the \$686 billion top line for the 13 appropriations bills and the \$40 billion level approved by Congress on September 14 in response to the September 11 attacks.

I assure the Senate that we are not breaking the \$686 billion top line agreement on spending in the fiscal year 2002 bill. We have worked hard in the Senate to produce bipartisan bills that conform to that October 2 agreement. We took a handshake, and it was an old-time handshake. We are keeping our word. So far, the Senate has passed 12 of the 13 bills by an average vote of 91 to 7. Each of those bills has been consistent with the \$686 billion top line.

After the House takes up the defense bill, the Senate will take up a \$317 billion defense bill that would also conform with the \$686 billion deal. However, \$40 billion approved by Congress on September 14 is clearly not enough to respond to the September 11 attacks.

Why is \$40 billion not enough? The President has proposed that \$21 billion of the \$40 billion go to DOD, and that \$1.5 billion go to foreign aid programs. The President has proposed less than \$9 billion for New York.

Hear me, Governor Pataki, hear me! The President has proposed less than \$9

billion for New York City despite our promise of \$20 billion to New York City. That leaves less than \$9 billion for homeland defense, and that is simply not enough.

One cannot make a silk purse out of a sow's ear. One cannot make a violin out of a cigar box.

That leaves us with a choice of not meeting our commitment to New York or not providing for a strong homeland defense. That is a choice I do not want to make. That is a choice I will not make. That simply is not acceptable. That is not living up to our word. That is not keeping our commitment. That is breaking our word.

The world has changed. The world has changed since Congress approved the \$40 billion supplemental on September 14. The threat of terrorism is no longer theoretical. It is real. When Congress approved the \$40 billion package, we were only beginning to learn of the extent of the damage and the anthrax attacks that had occurred. The President's proposal does not provide sufficient resources for responding to the threat of bioterrorism or threats to the American food supply. Nor does it include sufficient resources to protect our Nation's transportation system for our airports, mass transit, river ports, seaports, or Amtrak. Nor does it provide sufficient resources to improve security at our borders or to improve security at nuclear powerplants and labs, or at our Nation's dams and reservoirs. That is why I have included \$15 billion for homeland defense in this bill.

On November 7, several press reports indicated the White House is weary that any additional spending approved now will be built upon in coming years, and I shall quote an AP story.

What it had to say is this: Possibly forces President Bush to confront an endless stream of budget deficits just as he prepares for reelection in 2004.

Watch out now. In order to respond to the White House anxiety about this spending, I intend to offer an amendment, if I have the opportunity to do so. Let me offer this amendment. I intend to offer an amendment to direct the Congressional Budget Office and the Office of Management and Budget to not include the funds contained in the homeland defense title of this bill in any calculations of so-called baseline spending for fiscal year 2003 and future years. So I say to the White House, go to sleep, sleep quietly. Sleep soundly, White House. Let me offer this amendment. This amendment will wipe away those fears.

Under this amendment, these homeland defense funds would not be used to inflate the amount of spending necessary to maintain current services in future years. I remind my colleagues, without this amendment the Congressional Budget Office and the Office of Management and Budget would be expected to add over \$177 billion—it

would start with \$15 billion—to add over \$177 billion over the next 10 years. That is not my intent. That is why I have an amendment ready.

Let me say to all Senators, this Senator has no hidden agenda in offering this package, no hidden agenda. I assure Senators and assure the Senate that the \$15 billion in spending contained in this bill is not intended to result in a permanent increase in spending. This spending is intended to address the clear inadequacy of Federal, State, and local capabilities to respond to a clear and present danger to our homeland defense.

I am not interested in playing the game of baseline bingo. The amendment I offer would make it clear that it is a one-time \$15 billion expenditure. I hope a point of order will not be made.

We must have a recrudescence of confidence in the determination of our elected officials to recognize terrorist attacks before they happen and take every possible step to minimize them if they do. The administration has responded to this by advocating additional money for bioterrorism prevention and additional National Guard troops at our Nation's airports. That is necessary, but it is not enough. We cannot expect the American people to take comfort in our efforts if we only address the threat of the day, whether it be anthrax or airline security. We cannot wait until there is an attack on a nuclear facility. We cannot wait until there is an attack on our mass transit system. We cannot wait until there is an attack on our food supply before we react. We have to take preventive steps now before an attack kills more of our innocent citizens. We must anticipate our vulnerability, not wait for them to be shown to us on CNN.

The economy will continue to rise and fall, like the tides of the sea, but a sense of security for the American people is something that must not be allowed to wax and wane. The Congress has the opportunity before it adjourns for the year to show the American people that their elected officials have made every effort to prevent future terrorist attacks. We can take preemptive steps to combat terrorism on the homefront, with a health care system that can respond to bioterrorism, a safer food supplier, more secure airports and railroads, stringent border security, and State and local law enforcement that is trained and prepared to handle a terrorist attack.

It is not enough that we make improvements to airport security or bioterrorism prevention. We cannot protect ourselves if we only focus on our vulnerabilities after they have been exploited by homicidal maniacs. We must be more prepared than that. A focus on every aspect of our homeland defense is essential in order to reveal and repair every weakness that we may find.

These are basic safety precautions. These basic safety precautions must be implemented before the Congress adjourns for the year. We cannot wait for another year and another Congress to convene before we come to grips with the horrible reality of another disaster like the Twin Towers or the deadly attack on the Pentagon. Every man, woman, and child in America expects our utmost now. Let us act before it is too late.

Mr. President, this is an emergency. On a monument to Benjamin Hill—great Senator and great orator—to be seen in the city of Atlanta, GA, are these words:

Who saves his country, saves all things, saves himself, and all things saved do bless him. Who lets his country die, lets all things die, dies himself ignobly and all things dying curse him!

Mr. President, let us act to save our country.

(EXHIBIT No. 1)

[From the Washington Times, Nov. 14, 2001]

STATE DEPARTMENT FEARS ANOTHER ANTHRAX-TAINTED LETTER

(By Guy Taylor)

The State Department said yesterday it is searching worldwide for another anthrax-tainted letter.

At least one letter like the one sent to Senate Majority Leader Tom Daschle is packed in with State Department mail that was halted last month, said the department's top spokesman, Richard Boucher.

Meanwhile, the last of the Washington-area survivors of inhalation anthrax left the hospital yesterday after a 25-day stay.

Leroy Richmond, 57, of Stafford County, Va., is believed to have contracted the disease when the Daschle letter went through the District's Brentwood Mail Processing Center.

Another Brentwood postal worker left the hospital Friday, the same day an employee at a State Department mail-handling facility in Sterling, Va., went home.

The State Department closed its mail system Oct. 24 when the Sterling employee came down with inhalation anthrax. It also notified posts worldwide to seal and shut down pouch mail.

Mr. Boucher said eight out of 55 samples taken from the Sterling facility tested positive for anthrax. Two of the samples came from two separate mail sorters and six were found on a third sorter.

The high concentration of spores on a single sorter indicates "that there is a letter like the one sent to Sen. Daschle that has moved through our mail system," Mr. Boucher said. "We are now proceeding to go look at all the mail that we have held up, frozen, sealed off, in mailrooms in this building, annexes and around the world."

Officials have to assume that there is a contaminated letter of some kind in the system, and that it will eventually be found in a mailroom or pouch bag, he said. "If there had been a letter that had gone beyond that into our system, we assume by now we would have seen it."

As officials were looking for the real anthrax letter yesterday, the U.S. Capitol police were dealing with reports of a phony one found on the desk of one of their own officers.

The officer has been suspended and accused of leaving a note and a powdery substance at his post in the Cannon House office building.

The substance was not hazardous but the department was taking the situation very seriously, according to U.S. Capitol Police Lt. Dan Nichols.

Federal officials during recent weeks have tried to get across the message to anthrax hoaxers that their pranks will be penalized harshly.

In a radio address last week, President Bush said "sending false alarms is a serious criminal offense."

Lt. Nichols said a criminal investigation into the incident is under way and findings will be sent to the U.S. Attorney's Office and the police department's internal affairs division.

The suspended officer was not identified. If convicted of a hoax, he faces up to five years in prison and as much as \$3 million in fines.

"He's been accused of this, and he's suspended without pay, but he hasn't been charged with anything yet," said Jim Forbes, a spokesman for U.S. Rep. Bob Ney, Ohio Republican, who heads the committee that oversees U.S. Capitol Police.

Mr. Forbes said there is no reason this officer would be exempt from charges similar to those faced by other anthrax hoaxers.

"He's not exempt from anything," Mr. Forbes said.

[From the Washington Post, Nov. 7, 2001]

HHS SET TO ORDER SMALLPOX VACCINE FOR ALL AMERICANS

(By Ceci Connolly)

Health and Human Services Secretary Tommy G. Thompson said yesterday that he expects to sign a contract his weekend to purchase enough smallpox vaccine for every American but that he has warned the White House the cost could be quadruple the \$509 million he originally estimated—or equivalent to the department's entire \$1.9 billion bioterrorism budget.

Thompson said that he was disappointed the bids from three companies came in around \$8 a dose but that he hopes to settle on a lower price in final negotiations on Friday, as he did in his recent talks on the antibiotic Cipro.

In addition to the 54 million doses already on order, Thompson said he plans to stockpile 250 million doses of new vaccine, or enough for "every man, woman and child" in the country.

The previously announced administration effort to vaccinate all Americans against smallpox, a deadly disease that was eradicated in the 1970's, took on a renewed sense of urgency as one of the leading smallpox authorities warned it was conceivable that former Soviet scientists were helping to "weaponize" the smallpox virus for nations such as Iran, Iraq, Libya and North Korea.

Many [Russian] scientists are really quite desperate for money," said Donald A. Henderson, director of the new Office of Public Health Preparedness. U.S. intelligence indicates that several have been recruited by "rogue states" and were in a position to smuggle out a vial of the virus, he said. "That's a very great worry."

In addition, Henderson said, there is evidence that the former Soviet Union succeeded in weaponizing the virus and manufactured up to 100 tons annually at a plant outside Moscow. He described experiments in which the Soviets planned to place smallpox warheads atop intercontinental ballistic missiles. It is unclear whether any warheads were tested.

"We do not have the confidence that the Russians are not at this moment proceeding with research on biological weapons," Henderson said, noting that as recently as the

early 1990s Russian scientists tried to combine the smallpox and Ebola viruses in search of an even deadlier agent.

As the man who led the effort to eradicate smallpox in the 1970s, Henderson is familiar with the potential consequences of a reemergence of the disease. Because it is contagious and cannot be treated with existing drugs, its virus is widely considered to be the most potent biological weapon.

"The likelihood of a smallpox release is much smaller than an anthrax release," he said. "We're worried about it because it could be far more serious."

A person infected with smallpox often develops a fever and, later, a rash. Smallpox vaccine administered within two or three days of exposure has been effective in preventing the illness from developing, he said. Historically, 30 percent of people infected with the smallpox virus have died, he said, estimating that the eradication of the disease two decades ago has saved 60 million people and protected 240 million others from illness.

Since the Sept. 11 terrorist attacks and the subsequent anthrax attacks, Henderson has advocated an aggressive smallpox strategy, including the stockpiling of vaccine. He reiterated yesterday that he would not support widespread, mandatory vaccination but that he wants to have the vaccine on hand in the event of an attack.

"A smallpox outbreak anywhere in the world is potentially an international disaster," Henderson said at a bioterrorism conference at the Johns Hopkins Paul H. Nitze School of Advanced International Studies. For that reason, he said, federal health officials have begun informal talks with Japan, Brazil and several countries in Europe on the stockpiling of smallpox vaccine.

If even a single case emerged, Henderson said, he would assume that it was the work of terrorists and would rapidly order quarantines and vaccinations to "build a barrier of immunity."

The United States has about 15.4 million doses of the old smallpox vaccine available, and government researchers say it may be possible to dilute those doses to vaccinate 50 million to 77 million people. Thompson recently expanded and accelerated a contract with OraVex Inc. (subsequently bought by British drugmaker Acambis PLC) for the delivery of 54 million doses by the end of next year.

A task force appointed by Thompson is reviewing the three bids and debating safety, efficacy and possible human clinical trials. Already, hundreds of volunteers in the United States are receiving the vaccine as part of a rushed study on the efficacy of diluting the old vaccine.

Later this week, newly formed smallpox teams at the Centers for Disease Control and Prevention will take a crash course on the virus with two former CDC experts. The class will focus on identifying, isolating and treating the disease, said spokesman Tom Skinner. More than 100 CDC epidemiologists have also received the vaccine, he said.

SOFTWARE TECHNOLOGY INDUSTRY

Mrs. CLINTON. Mr. President, I strongly support the amendment of the distinguished senior Senator from West Virginia, the chairman of the Appropriations Committee, Mr. BYRD. The chairman has put together this very well conceived \$15 billion package of appropriations to address the Homeland security needs as quickly as humanly possible.

I call to the attention of the distinguished Senator from West Virginia the devastating impact that the tragic events of September 11, 2001 had upon the software/information technology industry in and around New York City. Eighty-five percent of these software/information technology companies employ less than 100 persons. The survival of this industry is vital to the recovery efforts of New York City and to the national interest. Accordingly, it would be my hope that, in their administration of the programs for which funding is provided herein, all agencies are strongly encouraged to develop proposals which, to the maximum extent possible, take into account the dire circumstances faced by these companies.

Would the chairman agree?

Mr. BYRD. I thank the junior Senator from New York for her support of my amendment. Yes, I do agree with the Senator that the various agencies which receive funding under my amendment should take notice of this colloquy and take all appropriate action to encourage applicants to work with the companies which the Senator from New York has described.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. I know the Senator from Texas has been here for several hours and I will finish in one moment.

I say to the Senator from West Virginia, I was privileged to be able to listen to the speech, and I am better for having done it. I have so much respect and admiration for the Senator. One thing that always amazes me is the great memory of Senator BYRD, reciting the signers of the Constitution from memory, and of course ending the remarks with this statement of Senator Hill. I appreciate very much having the privilege of listening to the Senator from West Virginia.

Mr. BYRD. I thank the distinguished whip.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, first I thank Senator BYRD for his speech. I want to clarify exactly where we are, exactly what the rules of the Senate are, the issues I believe are involved, and then I will make a point of order. I think I can do all that fairly briefly.

We have before the Senate a bill which is the House bill, H.R. 3090. That bill has been brought to the floor of the Senate. Now there is an amendment to that bill in the nature of a substitute, which is pending. Part of that substitute is Senator BYRD's \$15 billion amendment, but \$67 billion has to do with tax and spending provisions as diverse as giving Federal funding for health insurance for the unemployed and an innumerable list of large and small items to be given some form of subsidy or tax treatment.

In the 2001 budget, we reached a conclusion about a provision we added to

the old Gramm-Rudman law in 1990, which gave emergency designations, where you wrote a budget, the budget was binding, but if the Congress and the President agreed, there was not a point of order against a provision. It was decided in the 2001 budget that this process had been greatly abused and so it was changed. It was changed so there would still be an emergency provision for defense-related matters, but there would not be an emergency provision to waive or get by the budget constraints that we had imposed on ourselves for non-defense matters.

The point of order that I will make is not a point of order that Senator BYRD's provisions are not emergencies. They are not a point of order against provisions that would use poultry waste to create energy. It is simply a point of order that says we do not have a procedure whereby you can protect yourself in advance against a budget point of order except in strictly defined areas related to national defense, so that the waiver that is written into the bill is basically a waiver which is banned under the budget process as it was amended by the 2001 budget. That is the point of order that I will make.

Senator BYRD has given a list of concerns that we all share. I do not believe any Member of the Senate is less concerned about security of our homeland and our people than any other Member of the Senate. The President, whether he is right or whether he is wrong, said the \$40 billion that we have given him, which he is in the process of spending—\$20 billion of which we will have an opportunity to set partial priorities on—is sufficient through the end of the year. At the beginning of next year, if more funds are needed, he would like the opportunity as President to review the need, to involve the Cabinet officers and members of the executive branch and potentially independent agencies in doing a comprehensive review, and to send a request to the Congress for those funds.

The question proposed by the Byrd amendment, which is only a small part of the bill against which I make a point of order, is the basic approach that we should act now and that we should set these priorities as Congress. I believe it is a joint process involving the President and the Congress. The President has said that he would veto a bill that breaks the budget caps, even with the best of objectives. I make this point of order, not because it solves our problem by killing the underlying substitute, but because I see it as an important step in the right direction.

The problem is we have our ideas as Republicans. Democrats have their ideas as Democrats. In this case, for the first time since September 11, we in the Senate have not successfully been able to come together on a bipartisan basis. So rather than spending the rest of this week making partisan speeches

where Democrats point out and vilify some part of the Republican stimulus proposal and we pick out some small provision and burrow in on it—rather than waste the week in doing that, my objective in making the point of order is to make it clear that the provision before us cannot pass and begin the process whereby we go into negotiations, hopefully involving the House and the Senate, Democrats and Republicans and the White House, to try to come up with a stimulus package.

I think the American people want us to work together. Working together means I am not going to get everything I want. Our Democrat colleagues are not going to get everything they want. But in the end, I believe we can produce something that will be worthy of being adopted.

Mr. President, I make a point of order that section 909 of amendment No. 2125 to H.R. 3090 is in violation of section 205 of House Concurrent Resolution 290, the fiscal year 2001 budget resolution. Sustaining this point of order will not bring down the bill itself. The House bill will still be there. It will then be subject to amendment if we work out a bipartisan compromise. But it will pull down the committee substitute.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I move to waive section 205 of H. Con. Res. 290, the concurrent resolution on the budget for fiscal year 2001, for the purposes of the pending amendment.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. GRAMM. Mr. President, I ask for the yeas and nays on the underlying amendment.

The PRESIDING OFFICER. Is there objection to this request?

Mr. BYRD. Mr. President, reserving the right to object.

Mr. REID. Objection to what?

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas.

Mr. BAUCUS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent the order for the quorum call be dispensed with.

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

Mr. GRAMM. Mr. President, I ask unanimous consent that the yeas and nays be ordered on the underlying committee substitute.

The PRESIDING OFFICER. Is there objection to it being in order to request the yeas and nays?

Mr. REID. I want to be sure the record is clear it is the Baucus substitute.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. I object to the request. As I understand it, the Senator is asking the yeas and nays be ordered by unanimous consent. I am opposed to that.

Mr. GRAMM. Will the Senator please yield?

Mr. BYRD. Yes.

Mr. GRAMM. We had gotten the yeas and nays on the point of order before I had an opportunity. We had talked to the leadership on your side about ordering the yeas and nays on the amendment. And because we had ordered the yeas and nays on the point of order, it was not in order for me to simply request it. So, therefore, I asked unanimous consent.

Mr. REID. Will the Senator from Texas yield?

Mr. GRAMM. Yes.

Mr. REID. I would say through you to my friend from West Virginia, the Senator from Texas indicated to us he was going to ask for the yeas and nays on the Baucus amendment. We acknowledge he was going to do that. From a parliamentary standpoint, he should have done that before he raised the point of order. Now that he raised the point of order, he can't ask for the yeas and nays unless it is by unanimous consent. As far as we are concerned over here, at least me representing the arrangement we had earlier in the day, we knew that is what you were going to do. I would say to my friend from West Virginia, if you have some objection, that is the status of the parliamentary procedure. We knew he was going to do it. He didn't do it when he should have.

Mr. BYRD. Is the Senator asking unanimous consent that the yeas and nays be ordered?

Mr. GRAMM. I could ask it either way. I could ask unanimous consent it be in order to ask for the yeas and nays. Why don't I do that.

I ask unanimous consent that it be in order to ask for the yeas and nays on the underlying Baucus amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. GRAMM. Mr. President, I ask for the yeas and nays on the underlying Baucus amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Will the Senator withhold his request for a quorum call?

Mr. BYRD. Mr. President, I withdraw my suggestion.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I was present for most of the presentation by my colleague from West Virginia, Sen-

ator BYRD. I will not repeat much of what he described as an emergency with respect to the provisions that he has offered dealing with homeland defense.

But there is a time, it seems to me, for leadership. I recall reading in John Adams's book a letter he had written to his wife, Abigail, in which he described the difficult times in trying to form this new country and find leadership. He expressed great woe to his wife, Abigail, saying: Where are the leaders? Where are the people who will rise up and provide leadership at this urgent time in this country? Then he lamented: There is only us: Washington, Jefferson, Franklin, Madison.

Of course, over a couple of centuries we have discovered that the "only us" represented some of the greatest leadership in human history.

But I think it is important to ask again, Where is the leadership when we need leadership?

We have an economy that is in very difficult trouble. The economy was very weak prior to September 11. But on September 11, terrorist attacks cut a hole in the belly of this country's economy.

The question for us is, What do we do? Do we do nothing? Do we say this is simply the normal movements of an economy, the expansion and contraction of an economy, or do we recognize that something different and unusual has happened that requires an urgent response by the U.S. Congress? I believe the latter is the case.

We have an economy in which we have buyers and sellers, consumers and producers, demand and supply, and we have an economy in which for two centuries in a market system we have expansion and contraction. It is called the business cycle. No one has been able to interrupt the business cycle very much. We can establish some stabilizers here in Congress to try to even out some of the movement of the economy, but the business cycle is central. It is like the tide. But we are not here to talk about the business cycle. We are here to talk about an economy that was on a down cycle in the contraction phase when on September 11 it was dealt an enormous blow.

As a result, we have had hundreds of thousands of people having to go home at night and say to their family: I have lost my job. Last month alone, 415,000 people had to go home and tell their family: I have lost my job. It wasn't my fault, I am sure they said, but I have lost my job.

This economy is in very deep trouble. This Congress has a very substantial responsibility at some point to come together with this President and find ways to respond to it.

There are a couple of proposals we have offered today. One is a set of proposals by Senator BAUCUS, and the other is a set of expenditures dealing

with homeland defense offered by Senator BYRD. Both of them have the capacity to provide a lift to this economy. Both of them represent a menu of items that will be helpful to an economy during troubled times.

Some others say: Well, this economy works only when you pour something in the top and it filters down to the bottom. That is trickle-down economics. Even during tough times, we see those who believe in the trickle-down theory at work to formulate a package to try to deal with what is called "economic recovery" or "stimulus"—kind of representing the trickle-down approach. Just pour something in the top and somehow it all comes down to the bottom.

We have seen during tough times on other occasions where some had the responsibility and said: Let's do nothing. Let's just sit for a while and see what happens. Let's just wait and see.

Herbert Hoover had that notion. He said: We will wait and see and let everything take its course. He felt there was no need for intervention. Of course, we sank deeper and deeper into a recession and then a depression.

We know from those experiences that there are things we can do. We also know from the experiences of the past century or so that this economy rests on a mattress of hope and confidence. If people aren't confident, they do things that express their concern about the future. They defer decisions to make purchases of cars or homes or to take vacations and so on. If they are confident, they make exactly the opposite judgment. They feel secure about a job. They feel good about the future. They take that vacation, buy that car and invest in that home. This is all about confidence.

I have said before that some view this system of ours like the engine room in a ship of state. If you just go to the engine room and take a look at all the gauges, dials, nozzles, and letters, then adjust all of them—M-1B over here, and investment tax credits over there, and accelerated depreciation—you just get all these knobs and letters and dials going just right and somehow the ship of state comes along. In fact, that is not the case at all.

There is a lot we don't know about the economy. What we do know, however, is that engine room in the ship of state runs almost exclusively on the American people's confidence about our country and its future. How do we at this point in time respond when we had a troubled economy, then that economy took this horrible blow on September 11, and as a result of that we see a contraction, hundreds of thousands of families losing their jobs? How do we then respond? What do we do to offer confidence to the American people?

The September 11 tragedy was followed by the anthrax attacks in sev-

eral places in this country. It has been very unsettling to the American people—being attacked in this country through the mail and using the Postal Service as a delivery mechanism for terror. It has caused great concern to virtually everyone.

In fact, a county sheriff in North Dakota called my office about a week or so ago and said someone in his county had called him. They had gotten a letter from me and wondered whether it was safe to open a letter from Senator DORGAN because they heard about all of this anthrax. All of a sudden, they get a letter from Washington, DC, in the mailbox. I was responding to their letter, perhaps. They wondered whether it was safe.

In every part of the country people worry about these issues.

You have the September 11 terrorist attack—this act of mass murder by mad men. Then you have the anthrax attack. Then you have an economy that is in very deep trouble. Last month's figures show 415,000 people are now newly unemployed. What do we do about that?

The interesting thing about the newly unemployed is in almost all cases they are the people at the bottom going up the economic ladder. They are the people who know about second-hand, second shifts, second mortgages, and second jobs. They are the folks who deal with all of those issues in their daily lives. Now they deal with the issue of being laid off. The question for Congress from them is, What can we do here? What can we do to try to get them back on their feet?

That is a way of saying that part of this stimulus package must be to address those issues. Addressing those issues, according to almost all economists, is to provide stimulus to this economy.

Nearly one-half of the people who have been laid off don't have unemployment benefits at all. Providing unemployment benefits and extending it for those who do have it is a certain way to put some money into this economy. It is important to do so. These are folks who were working and who were laid off through no fault of their own. They, too, are victims of terrorism.

When we debate these issues, we have some who do not think those folks are very important. They say that is spending. Just spending on those folks is not the right thing. During every economic downturn we have had, our first responsibility was to help those who needed help—to provide a helping hand, to reach out and say they are not alone.

Will Rogers talked about the inclination of some with whom we serve. It has been ageless, of course. He said:

The unemployed here ain't eating regular, but we will get round to them as soon as we get everybody else fixed up OK.

It seems to me, part of a package to provide hope and encouragement to this country and to try to stimulate this economy is to take a look at those who have been victims of these terrorist attacks and victims of a downturn in this economy and say to them: We can give you some help.

Nearly every economist in this country says when you extend unemployment benefits to help to those people who have lost their jobs, this is money that goes right into the economy.

Some have said—in fact, I have heard it in recent days—if you provide unemployment benefits, it reduces the urge for those folks to look for work. Look for work? They were working. They lost their jobs because of the economy. Does anybody think any one of these people would have chosen not to work? Half of them do not have unemployment benefits. Does anybody here think they would have chosen that unfortunate circumstance where they have to go home after work some night and say, "By the way, I want you to know, I have lost my job?" I do not think that is something that someone would choose. We have a responsibility to help.

So Will Rogers described the circumstances that still exist. Fortunately, it exists only in a small pocket here in the Congress. Most people understand the responsibility to do this.

We need to extend unemployment benefits. We need to provide some short-term help with the health insurance needs of those unemployed folks called COBRA. We can do all of that.

Now let me turn, just for a moment, to the remarks of Senator BYRD, because what he said is very important. Part of economic recovery in this country is, as I said, giving people confidence about this country, where we are headed, and what kind of security exists. So the package that Senator BYRD offers today is one that deals with homeland defense, bioterrorism prevention and response, and food safety. I went to a dock in Seattle, WA, one day just to see what happens at these docks. I come from a State that does not have dock facilities. We are a landlocked State right in the middle of our country, the State of North Dakota. So I was at the Seattle docks, talking to people about what is coming into our ports and how they deal with it. I saw these container ships being unloaded with these large cranes. Then they took me over to an inspection site. They opened the back of one of these containers, which was now resting on an 18-wheel truck, because they just drive these trucks underneath and drop the container, and then run the trucks off someplace to the rest of the country.

What they had opened was a container of frozen broccoli from Poland. It was bagged in, I believe, 100-pound bags. They took a knife and opened a bag of this frozen broccoli from Poland.

I asked the people who were showing me all of this: Do you know where this broccoli was produced in Poland? Do you have any idea?

They said: Oh, no, we wouldn't have any idea about that.

I asked: Do you have any idea what kind of chemicals were applied to this frozen broccoli from Poland?

They said: No, we wouldn't have any notion of that.

I asked: How many of these containers with frozen broccoli or frozen asparagus or peas, or whatever else is coming in in our food supply, are actually opened? The one you open, you do not know much about. All you can tell is it is green and frozen and it is a vegetable, but how many of these containers actually get opened?

They said: Oh, probably just 2 or 3 percent. The rest of them just move right on through.

It is a steel container with frozen vegetables, and it hits these shores. It is put on top of 18-wheelers, and off it goes someplace to a distribution center and then someplace to a restaurant and then someplace to a dinner plate. And we do not have the foggiest idea how it was produced, what chemicals were used or whether someone deciding to introduce bioterrorism in America's food supply found a way into that container. We do not have the foggiest notion about what the circumstances are with that broccoli.

Senator BYRD, in his proposal, says that, too, is an issue of homeland defense, protecting America's food supply. Should American consumers, with the threat of bioterrorism, inspect more than 2 percent of the food coming into this country, of those commodities coming into this country? I believe they should inspect more than that. So that is homeland defense.

Senator BYRD's homeland defense proposal also invests in State and local antiterrorism law enforcement. Investing in that kind of law enforcement is not only necessary, it also improves confidence. It also will stimulate confidence in this economy.

Remember, on September 11, while we all watched television, with great horror, others in this country were doing something quite different. Men and women, making \$40,000 and \$50,000 a year, wearing the badges of law enforcement and firefighters, were running up the stairs of the Trade Center. They were running up the stairs on the 20th, 30th, 40th, and 50th floors. And as people evacuated those buildings, they saw the first responders—the firefighters and law enforcement folks—going up. They did not do it because of their salary. They do not make much money. They did it because they were the first responders required to protect this country and their city.

State and local antiterrorism law enforcement, Senator BYRD says in his proposal. Do we need that kind of in-

vestment? You bet we do in virtually every reach of this country.

FEMA firefighters grant program: Absolutely necessary.

The Federal antiterrorism law enforcement, border security, airport security: I've been very concerned about the northern border. I am concerned about all of our borders around this country. You cannot provide security in America unless you have security of your borders. You must know who is coming in, and make sure those who are associated with terrorists or known terrorists are not allowed in.

On the northern border we have a wonderful, long 4,000-mile border with a great neighbor, the country of Canada. We are so fortunate to be able to share that border with a good neighbor. But it is true, on 4,000 miles of border, we have 128 ports of entry, and over 100 of them are part time. In most cases, at 10 o'clock at night, the security between the United States and Canada is an orange rubber cone that someone puts in the middle of the road as they shut the station down. That orange rubber cone that cannot shoot, cannot think, cannot talk, and cannot tell a terrorist from a tow truck. It is supposed to be security. Do we need to do something about that? The answer is, clearly, yes. And Senator BYRD, in his proposal of homeland defense, does that.

Airport security, mass transit security, Amtrak security, nuclear powerplants: I will not go through all of it, but I think Senator BYRD did it in a very thorough way. I will only say this: Can anyone come to this Senate and tell us this is not a set of emergency needs that are required at this point in this country? Does anybody really believe these are not emergency needs? I do not believe that someone can make the case that, A, this is not an emergency; and, B, these are not necessary.

Let me turn for a moment to the proposals on taxation. One way to provide economic stimulus and recovery and confidence is to get the economy moving again through tax incentives. We have done that before. Some are more successful and some are less successful.

There are some common provisions in both the House and the Senate bills that makes sense. Additional expensing makes sense. Some bonus depreciation makes sense. I happen to think a targeted investment tax credit would make some sense.

I want to make a couple of points about some provisions that have been kicking around here that are in either the House or the Senate Republican proposals that make no sense at all. What we have to do is get to the core of what works, to provide some help to this country's economy. One of things that happened—this is in the House of Representatives stimulus bill—is they decided to give retroactive tax cuts in the form of payments to some of the

largest corporations in the country, retroactively refunding the alternative minimum taxes that were paid by the companies.

I was in the other body, and I was on the House Ways and Means Committee when we wrote the 1986 Tax Reform Act. I was one of those who helped write the alternative minimum tax. It has turned into something that we did not intend back then, but, nonetheless, the reason we did it is we had all these stories. I recall one of them was General Electric making \$1 billion and paying zero in taxes—zero. We decided that was not fair and it was not something we wanted to see happen. So we thought, if someone is able to zero out their tax liability with all kinds of other devices, let's have an alternative minimum tax, so those who have earned substantial profits will at least pay some taxes. That is called the alternative minimum tax.

The stimulus package enacted by the House of Representatives says that we are going to give back immediate tax refunds for all the alternative minimum taxes paid back to 1986. So we will send IBM a check for \$1.4 billion, Ford Motor a check for \$1 billion.

Can you imagine that? How is that going to stimulate the economy? Tom Paxton once wrote a song, when Chrysler got a bailout, saying: "I'm changing my name to Chrysler." Now maybe he would write a song saying: "I'm changing my name to Ford."

Are we going to give refunds of billions of dollars to refund the alternative minimum tax that corporations pay? How does that help this country's economy?

In the Washington Post this past weekend, there was a fascinating op-ed piece written by a Nobel Prize-winning economist, Joseph Stiglitz. He wrote:

What worries me now is that the new proposals, particularly the one passed by the Republican-controlled House, are also likely to be ineffective. The House plan would rely heavily on tax cuts for corporations and upper income individuals. The bill would put zero—yes, zero—into the hands of a typical family of four with an annual income of \$50,000. Giving tax relief to the corporations for past investments may pad their balance sheets but will not lead to more investments now when we need it.

Then he wrote:

The Senate Republican bill, which the administration backs, in some ways would make things even worse by granting bigger benefits to very high earners. For instance, the \$50,000 family would still get zero but this plan would give \$500,000 over four years to families making \$5 million a year and much of that after (one hopes) the economy has recovered. It directs very little money to those who would spend it and offers few incentives for investment now.

The point is, we are required to not only do something but to do the right thing. This economy is contracting. The economy declined by .4 percent in the third quarter. The new figures will

likely show we are in a recession. Almost everyone in the field of economics believes that. It could very well be a very deep recession.

Factory orders dropped 5.8 percent in September, the lowest level since March of 1997. Corporate profits dropped 72 percent in the third quarter. Unemployment is 5.4 percent, up a percent and a half from last year; 415,000 job cuts in the month of October alone.

Consumer confidence is way off. Consumer spending has plunged. We have substantial excess capacity in our economy. That is why putting substantial money into the top in the form of a billion dollars here and a billion dollars there to one corporation is not going to do very much if you have substantial excess capacity.

The problem is that the economy is in deep trouble. The question is, What do we do? The answer is, What we do ought to be temporary, No. 1; No. 2, it ought to be immediate. The legislation brought to us from the House fails on both counts. The proposal that is offered by Senator BAUCUS and Senator BYRD succeeds on both counts.

I mentioned a moment ago the alternative minimum tax retroactive refund, \$7.4 billion for 16 large companies. Senator BYRD talked about the need for investment in this country, the need for helping people who are out of work with extended unemployment benefits during tough times. That amount, \$7.4 billion, could help State and local governments hire the first responders, fire and police protectors, and training. It could help deal with the U.S. Postal Service needs.

I did not mention but Senator BYRD talked about the need that is required now by the Postal Service to find the technology to irradiate the mail, make sure the mails are safe. It is a whole series of things dealing with the use of money. Bioterrorism, if we are going to pass a bioterrorism bill, how do we pay for that? Law enforcement, infrastructure, all of these are needs that we must address.

Some believe this is not an emergency. I very seriously disagree with that. Clearly, this country is facing an emergency situation with an economy that is in a very steep decline.

My hope is that we will decide in the coming week or so that there is a way for the Republicans and Democrats, for the House and Senate and the President, to engage in the kind of negotiations that will lead to an economic recovery or stimulus package that, A, is immediate and, B, is temporary, one that recognizes the requirement that we have to do this now.

I regret very much that a point of order was just raised. I understand why it was raised, but I regret it was raised because I believe a point of order also exists against the underlying Republican bill that is at the desk. The bill that came over from the House also has

a point of order against it. It substantially delays things here in the Senate to begin battling points of order. Either we are going to do a stimulus package or we are not. If we are going to do a stimulus package or an economic recovery package, let's get serious about it.

What I see in some of these bills, especially the one at the desk from the House, reminds me of what my mother used to call supper. When asked, "What is for supper?" she often would say, "Leftovers." We all knew what leftovers meant. It meant whatever else was left in the refrigerator.

That is what we got from the House in their so-called stimulus package—all the leftovers they hadn't gotten done in previous bills, having nothing to do with making something immediate or temporary, just leftovers, just the old things they always wanted to do. Give a refund of \$1.4 billion to IBM because they paid an alternative minimum tax since 1986. That doesn't make any sense. That is not going to stimulate the country. It is just the same old nonsense.

I started talking about John Adams in his book lamenting to Abigail about, where was the leadership? Where is the leadership? he said, during the formative time of this country when they needed leadership. He said: Regretfully, there is only us, Washington, Franklin, Jefferson, Madison. Of course "only us" turned out to be quite substantial leadership, the greatest leadership certainly in this country's history, perhaps in the history of the world, the organization of free government.

The question is, Where is the leadership now? The leadership offered by Senator BAUCUS and Senator BYRD, assisted by Senator DASCHLE, in trying to put together legislation that will give hope and confidence to the American people—I hope as well the leadership of the President and others who will join us in very serious negotiations in the coming days—will allow us to pass legislation that will give us the opportunity to say, as Churchill asked the English to say, "this was our finest hour."

We need to do this in a serious way. This country faces a serious challenge. My hope is we do it sooner rather than later. Again, I regret very much a point of order was raised because there is not only a point of order against the legislation that has been offered today, there exists a point of order against the underlying House bill; there is a point of order that lay against the Senate Republican bill; there is a point of order against all of this. The question is, do we have an emergency in this country or don't we? Those who, like Herbert Hoover, want to sit around and say, let's just wait and see what happens, will do this country no service. Let's decide we will take action now. We will do it on a bipartisan basis,

with Republicans and Democrats in cooperation with the President, and do it in a way that will make this country proud of the service given by Congress and the President.

I yield the floor.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Mr. President, it is very important that we debate and understand where we are going on the stimulus package. I agree with what many people have said: We do need an economic stimulus. We have been in a recession for 15, 16 months. September 11 has pushed us down even further. The economists may say we have to wait until we have two successive quarters of negative growth, but everybody knows the economy has been going downhill.

I also agree that what we need to do needs to be immediate, needs to be stimulative, and should not be permanent; it should be temporary.

I have a great deal of problems with what has been produced by the House and what has been produced by the Finance Committee. A newspaper that is common to the area the occupant of the chair and I serve—I often don't agree with it—had an editorial today referring to one part of the Senate Finance Committee bill and talked about chicken manure and applied that appellation to both bills, the one that came out of the House and one that came out of the Finance Committee. I wouldn't go so far myself as to say that. I would say, as we say back home, I have a minimum amount of high enthusiasm for either one of those bills.

Now, on either one of them, one can say these are needed things. Any bill that provides for research in science and building infrastructure, things normally in the course of appropriations, I would support. We need to build highways. We need to do research. There are a lot of problems with which we need to pick up. Similarly, when you are talking about tax relief and tax cuts, the long-term good of the economy requires that we lower marginal tax rates and get rid of the craziness that the alternative minimum tax imposes, particularly on individuals and small businesses. But I don't think this is the time to do it. I think we need to take care of those people who are hurting. That is why I think we ought to provide something that has unemployment compensation and grants to the States to help with health care.

I also believe we need to help small business. I have filed a couple of amendments that do several things for small business. Frankly, small business was largely left out of the Senate Finance Committee and the House bills. Small business is the driving engine of our economy, and nobody seemed to care about small business. They are the ones taking it in the teeth in many areas. So I filed amendments that do

several things. First, my amendment provides for much more generous loan terms for small businesses that have been directly or indirectly affected by the September 11 terrorist attacks, by deferring and/or forgiving interest on these loans and lowering fees. In other words, it says to small business that if you are willing to take the chance now to invest and grow your business as this economy starts to turn around, we are going to give you a break on the amount you have to pay up front. You can defer paying interest until we come out of this. That makes a lot of sense.

I think, also, we need to encourage and ensure that small business gets a share of Government procurement as part of these stimulus packages. We pass small business bills that give all kinds of benefits to small business and then the bureaucrats find ways around them. We need to tighten up and eliminate those loopholes so when the Federal Government spends money, a part of that money goes to small businesses for the purchase of goods or services.

On the tax front, if there is one thing we can do to help small business it is to raise the amount of new equipment that they can expense. Today, if a small business owner buys a piece of equipment, he can expense up to \$24,000 of the purchase price. My proposal is to increase that limit to \$50,000 that can be written off immediately so they can get an immediate tax break and don't have to depreciate it. We would also raise the limit on vehicles. Right now, you can only depreciate about \$14,000 on vehicles. A lot of vehicles—particularly vans and trucks used by small business—cost well above that amount and they can't depreciate the full cost of the vehicle. So it is a real burden on small business to buy them.

For restaurants, which are dominated by small businesses, we ought to restore the full 100-percent business meal deduction. These are things we can do on an immediate basis that will have an immediate impact on small businesses, their suppliers, equipment manufacturers, and our economy as a whole.

I also happen to favor one of the simplest, most direct approaches to get money into the pockets of working men and women who can spend it right away. Senator DOMENICI has developed a concept of having a December tax holiday on FICA, the Social Security payments all working Americans make each year. Under this proposal, any payments that are owed during December by employees or employers would not be sent in, leaving more in each worker's pay check and more for the business to protect jobs. The General Treasury would reimburse the Social Security fund so there would be no loss to Social Security Trust Fund while protecting retirees' benefits. This is one way we could get money into the pockets of people who will spend it in December.

One of the things people are talking about is the expansion of the tax rebates that started in July. The rebate the President suggested is fine, but most people say it is unworkable because you can't get the rebate out until January and there's a good chance it will slow down the processing of returns and mailing of refunds in the upcoming tax filing season. I think everybody realizes that to get a strong economy we need the money in the pockets of the working men and women in America now, not tomorrow. So I would like to see a serious consideration to the December FICA tax holiday that Senator DOMENICI has constructed.

I have several more amendments at the desk. If we are going to be here and have a vote-a-rama on a long list of amendments, you can count me in because I think these things ought to be considered. I believe there is also discussion, on the other hand, by the leadership that if the point of order is sustained, there will be serious negotiations so that a final package will come to the floor. Obviously, that is not in my hands. But I raise these points about small business and the need to stimulate the small business sector of our economy, which would be helped by easier loans, greater expensing, more Government contracts, and which would be helped by the plan that Senator DOMENICI has conceived. I hope when he introduces it, he will add me as a cosponsor.

These things will help. I think they will give the kind of economic stimulus we need right away, and if there is to be a negotiated agreement—House-Senate, Republican-Democrat, and the White House—I hope they will take into account these vitally important provisions for small business, and perhaps avoid the paths that will be best addressed in other legislative action at other times.

I urge the managers of the bill to consider the impact this stimulus package can and must have on small business.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, I am glad to yield to my colleague from New Mexico. He has a brief matter he wants to bring to the Senate's attention.

Mr. DOMENICI. I thank the Senator. I didn't hear the Senator. Did he say a time certain?

Mr. KENNEDY. I understand that the Senator wanted 2, 3 minutes. I am glad to accommodate.

Mr. DOMENICI. Since I was part of the history of this, I wanted to recall it and let everybody know what we are debating here. Again, this point of order was established in the 2000 budget resolution, and then it was made permanent in the 2001 budget resolution. It was designed to specifically address what was said over and over at

that point to be a misuse of the "emergency" designation that had become a popular mechanism for getting around the spending limits established in both law and in our budget resolution.

So in the 2001 budget resolution, we established a very clear set of priorities designating domestic spending as an "emergency." All those criteria had to be met to allow the spending or tax cuts to be placed outside the budget blueprint.

Again, let me read those criteria because that is what we are debating. They were the following five criteria that had to be met: one, the provision must be necessary, essential, and vital; two, the provision must come about suddenly and quickly; three, the provision must be urgent, pressing, and compelling; four, the provision must have been unforeseen, unanticipated, unpredictable; and five, the provision must not be permanent.

Senator PHIL GRAMM raised an appropriate point. The Senate has the authority to waive the issue before us and decide whether the underlying bill and the amendment to the bill meet all of these criteria. I haven't studied both bills, and I essentially looked only at the underlying tax bill that came out of the Finance Committee. I remind everybody that we have declared a huge amount of money as an emergency already. We are at \$70 billion since the budget resolution that we have declared to be emergency because of the disaster that beset our people and the State of New York, Washington, DC, and obviously the crash in Pennsylvania.

I just read the criteria. With reference to the tax bill, I ask rhetorically: Does spending money to buy meat, blueberries, watermelons, cucumbers, and other items, meet the emergency criteria of being urgent and necessary at this time? Do citrus canker tax credits rise to the level of a needed emergency tax cut today? Do payments to rum producers in Puerto Rico and the Virgin Islands qualify as emergency spending? I am just asking the question. Perhaps people think they do. Senator GRAMM was wondering about not only these but whatever other ones he might have had in mind.

Do we think expanding the work opportunity tax credit to provide \$4,800 for every bond trader and stockbroker in Lower Manhattan meets the criteria of essential and necessary? Do we think the \$2 billion pricetag for this provision is what we had in mind when we passed this tax credit for low-income, single-parent mothers?

I submit, if this point of order is not waived, then obviously we will be back thinking about a bill that is bipartisan. I recommend that we not grant the waiver, and then I recommend strongly that we get busy on a bipartisan bill, showing the American people we can create a stimulus for our growth that

includes tax measures and other items, that it can be done in a bipartisan fashion, and we ought to get on with it.

I thank Senator KENNEDY for yielding, and I yield the floor.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I imagine our fellow Americans who have been watching the Senate this afternoon are wondering whether this institution can function effectively in dealing with the problems they are facing every single day, particularly those who have lost their jobs in recent times through no fault of their own.

They are proud men and women who work hard, play by the rules, go to their jobs every day, and have found out in recent times, before and after September 11, that their services are no longer needed. They are 137,000 workers in the transportation industry; 136,000 in the hospitality, tourism, and entertainment industry; 57,000 in the communications and utilities industry; 226,000 in manufacturing; 14,000 in the retail industry; 44,000 more in the service sector industry; and in the finance, insurance, real estate industries, 24,000 more.

There it is in raw figures, but it does not reflect the challenges those families are going through every single day when they are denied, in too many instances, unemployment compensation, even though they have contributed to it, because of the change in the rules, or they find it virtually impossible to find new employment because of the changed economic conditions.

These are our fellow Americans, workers, proud men and women, who have provided for their families and, now, every day go home and have to look into the eyes of their children, and look into the eyes of their loved ones, and say: I was not able to get any employment today, and our savings are going down further and further.

We know there is an emergency. It defies any possible understanding of the use of the word in the English language that there is not an emergency in the United States today. Tell that to the brave men and women behind the lines in Afghanistan. Tell it to their relatives at home.

Tell that to the National Guard troops who have been called up in my State serving in the air wing. Tell it to the reservists who have been called up from Westover, Barnes Air Force Base, the MPs who have been called up, many from the private sector. Tell it to them, we do not have an emergency.

Tell it to the families of the postal workers who died from anthrax that we do not have an emergency.

Tell it to the Attorney General and the President of the United States who said we have to be on a heightened state of alert. When did we hear that in the last years? When did we last hear warnings from an Attorney General

and from a President about how we have to have a heightened state of alert? All Americans have to be on a heightened state of alert.

This is defined as an emergency any way you look at it. We are facing an emergency, and we are facing an emergency in a most profound way in the state of our economy. We have seen it in our States, and if we have not seen it, we have not been paying attention to our constituents. Maybe it has not reached some areas of this country, but I would like those Members to rise up and tell us about how their States have not been affected or impacted, because every indication is we are in an emergency.

We have had the first decline in the GDP in more than 8 years. We have the largest increase in the unemployment rate in 21 years. I will not take the time this afternoon to read into the RECORD when a number of our colleagues, many on the other side of the aisle, said: Use the emergency provisions for incidental factors. There are lists of them. I have lists of them. We are not talking about that. We are talking about the greatest increase in unemployment in 21 years. We are talking about the three-quarters of a million newly unemployed and the plunge in consumer confidence in our economy.

We have heard the words of some economists. We all saw the reports this last weekend. The Nobel laureate, Joseph Stiglitz, talked about this as well, and his statements have been mentioned in this Chamber:

The United States is in the midst of a recession that may well turn out to be the worst in 20 years, and the Republican-backed stimulus will do little to improve the economy; indeed, it may make matters worse.

There it is, Mr. Republican. It is not just Democrats saying it. Families in America understand it is an emergency. Those who are serving in the Armed Forces and are being called up know it is an emergency. Economists understand it is an emergency. And people are asking: Are we in the Congress of the United States going to do something about it?

Evidently, we are going to be denied that opportunity by the use of procedural actions of which the American people are sick and tired.

The American people understand. Why are you not doing what you did in the 1970s or in the 1990s in the unemployment insurance program? We have examples of the unemployment insurance program helping workers. Why are you not doing what you did then? Why aren't Republicans and Democrats working hand in hand to provide assistance to those who are unemployed?

We did it in 1991 by a 91-to-2 vote in the Senate. We provided a more generous package than is being proposed by the Democrats now. Then in 1992, by a 94-to-2 vote, Republicans and Demo-

crats provided extended unemployment compensation. Again in 1992, July of 1992, by a 93-to-3 vote, we provided an extension of unemployment compensation—each time trying to provide additional protection for workers who were being excluded and, we extended unemployment insurance again later on in 1993 by a vote of 79 to 20. That is the history of trying to provide help to these families in a much more extensive way, with a generous kind of commitment. People say, why can they not agree to that this afternoon? Why are roadblocks being put in their way to deal with that this afternoon? Why can we not get about that which will help my friend or my neighbor, somebody who has lost his job? But, no. Instead, we are going to have a procedural vote. We are going to have procedural votes in order to deny us the opportunity to do so.

We have a similar situation in health care. This is one of the most valuable qualities of life for all of our fellow citizens. The central challenge we face is trying to ensure we are going to have adequate health care. I enjoyed being in this Senate when we debated a patients' bill of rights. How often I listened during the course of the day to those voices that said we cannot pass a patients' bill of rights because it is going to increase premiums by 1 percent and we are going to create all of these uninsured.

We have thousands of uninsured who have been losing their coverage, and I am waiting to hear those same voices say, "let us do something about them." I have not heard it yet. Back when we were on the floor debating whether a patient was going to have the best health care based on a decision of the doctor instead of the bottom line of the insurance company, my Republican colleagues gave long speeches saying that we should be focused instead on covering the uninsured. That is what we were battling for—to protect American families.

We are told we cannot go to that radical concept because we are going to see thousands, tens of thousands, hundreds of thousands more people who will lose their health insurance.

We have it now. We are seeing it every single day in increasing numbers. Where are those voices that say, "Let us do something about it?" I do not hear them. They refuse to make the recommendations or suggestions to do it, and the one that they have made is completely indefensible.

I ask, where is their program for health insurance? We provide, under the program that is before us now, assistance for those that have COBRA. We provide assistance for those that are not eligible for COBRA. The reasons for that are the size of the companies and other technical reasons such as whether the workers receive COBRA or they do not. We look out for both.

If one looks at the Republican plan, the total Republican plan they say is a pot of money that can be used for unemployment or it can be used for health insurance or they can use it for some other social services such as child care. They mentioned all of this, but if you just applied it to the premiums of COBRA eligible workers, you get only 2 weeks of coverage.

I hope our colleagues are not going to be saying we are for covering those who have health insurance. I have heard some of those speeches, but I have not heard them say or defend their particular program. Here it is.

We believe in the importance of making sure working families who have been separated from their jobs, through no fault of their own, have health care coverage because we know what happens to them. The average payment on unemployment insurance is \$925, and to maintain their premiums now would take 65 percent of that \$925. That is why about 15 percent of the total workers, without any kind of help, actually utilize COBRA.

I commend Senator BAUCUS and the Finance Committee for their proposals, both on unemployment and on this particular proposal, and Senator BYRD for the strong support he has given to our homeland security proposal. Under the proposal that has been advanced by the Finance Committee, it is down to 16 percent. We have heard as recently as today from a very lovely lady who lost her job in Philadelphia. She had worked in the service industry in Philadelphia for a number of years, and she now finds herself unemployed. She says it is going to be difficult to find the resources to do it, but, by God, she thought she could get herself together because it is so necessary for her family.

We are not as interested in talking about what the other side is against, although we know they are against our proposal. We want the American people to understand what we are for. This is what the Democratic proposal will do. It will guarantee help in paying the COBRA premiums. That would help 7.2 million Americans. We do this. We provide help for displaced workers that are not eligible for the COBRA; 2.5 million fellow Americans, they will be eligible.

We provide State fiscal relief for improving the maximum Federal Medicaid payments, similar to what has been successful in the CHIP program which virtually every State accepted with the increasing match. We do that. That helps maintain coverage for 4 million Medicaid beneficiaries. All across the board we have had these evaluated by CBO and the others who maintain and support the conclusions I have stated. In the Republican plan, there is no guarantee.

If one is interested in providing some assistance to workers, the program that Senator BAUCUS and others have

proposed makes the most sense. It makes the most sense in terms of ensuring that workers and workers' needs are going to be attended to, and it also provides support for health care. So I hope our colleagues will change their mind on this particular issue.

On September 11, America sustained an unprecedented terrorist attack. The risk and the danger of future attacks is very real. The President and leading figures in the administration repeatedly warn the American people of the need for unprecedented vigilance. So we are facing a true national emergency by any reasonable definition.

What the objectors seek to block is the appropriation, as well, of \$15 billion for homeland defense. They object to the expenditure of \$4 billion that would enhance our ability to prevent bioterrorist attacks and protect our citizens should such an attack occur. They object to the expenditure of \$4 billion to strengthen the ability of Federal, State and local law enforcement to combat terrorism. They object to expenses to improve border security, airport security, mass transit security. They even object to funds needed to enhance security at the Nation's nuclear powerplants. If providing the necessary funds so these homeland defense initiatives can begin immediately is not an emergency, then what is?

The point I want to conclude with is, it is ironic the same Members who object so strenuously to spending \$15 billion to strengthen the Nation's capacity to defend ourselves from terrorist attacks are supporting a bill which would retroactively repeal the corporate minimum tax and give the largest corporations \$25 billion in direct payments from the U.S. Treasury.

We do not have the money to look out after the premiums for hard workers. We do not have the money to provide help for unemployment insurance. We do not have the resources to deal with helping the States meet these crises, but we do evidently in that budget that clears OMB, clears Mr. Daniels, have the ability to get \$25 billion in direct payments from the U.S. Treasury, payments to repeal the corporate minimum tax and to return taxes they have paid in past years.

Is giving major corporations hundreds of millions of dollars each based on taxes they paid 10 or 15 years ago a higher priority for America than strengthening homeland defense? Is retroactive repeal of the corporate AMT an emergency? Could we not devote \$15 billion to defending America? It would still need \$10 billion for corporate refunds. Those same Members support accelerating upper income brackets, and if they believe we can afford such an expensive tax cut in the midst of an unprecedented national crisis, how can they claim we cannot afford \$15 billion to better protect America from terrorism?

Those who deny we are facing a national emergency today and would justify—in fact, demand—congressional action to strengthen homeland defense are suffering from the worst case of political myopia I have ever seen. In all my years in the Senate I have never seen a clearer choice for Senators.

Mr. REID. I ask my friend—Senator BYRD spoke earlier today, prior to the point of order having been filed, and I asked: Did I hear, Senator BYRD, they are going to file a point of order that this is not an emergency?

And he answered: Yes, they are. They have filed a point of order that the plan now before the Senate, the Baucus plan, together with the Byrd plan, is not an emergency.

Can the Senator from Massachusetts give me any ideas, any reason, how this could not be an emergency? Does the Senator have any idea how this could not be an emergency? How could anyone in good conscience say this is not an emergency?

Mr. KENNEDY. I have great difficulty in understanding that. I think anyone watching this debate in Nevada or Massachusetts would come to that same conclusion when they see the loss of jobs taking place in your State and mine and all of the 50 States; when they see members of their family being called up for the National Guard, or when they have members of their family who have been activated and sent over the Indian Ocean on aircraft carriers and dropped behind the lines in Afghanistan; when they have listened to a President of the United States call upon all members to be on a heightened sense of alert, and we listened to the Attorney General of the United States say, once again, it is time for us to be on heightened alert; when we have seen the significant economic indicators over the period of these past several months, all going in an adverse direction after a long period of economic growth and price stability; and where we have heard the leading economists say, look, we are facing a challenging time.

It can get a lot worse if we do the Republican plan or no plan. I wonder why we ought to be gambling with the wellbeing of the people of Nevada or Massachusetts. I wonder if the people of Massachusetts truly understand what is happening in the Senate. They are wondering why we aren't acting. You will say because we are having a point of order. They will ask what a point of order is. They will wonder in Massachusetts, perhaps, whether it is a restaurant in Chicopee. They will be asking: There is a point of order and we are not taking action?

Why is one of the great institutions failing to deal with this economic challenge when we have at our best days been willing to do it in a bipartisan way?

Mr. REID. I appreciate the statement of the Senator. The people of Nevada

are wondering how possibly we are not doing anything, No. 1, on airline security. On airline security we are doing nothing.

People on the other side are not willing to talk about this is too much money or maybe they don't like the way we are spending the money. They are saying: We don't want this because we don't believe there is an emergency in this country, and we are going to raise a point of order that this is not emergency spending because there is no emergency.

I have trouble following that reasoning. I wondered if the Senator from Massachusetts had any line of reasoning to amplify the reasoning on the other side. It appears he does not.

Mr. KENNEDY. I think the Senator has made this very clear.

As to airport security, people back in Massachusetts are saying: You Members of Congress have the Federal protection, don't you?

There will be families coming down here to visit who have to show their briefcases. That security isn't auctioned off to the lowest bidder. We have looked out after ourselves in this respect and at the cost of lives. We have had courageous policemen who lost their lives in the line of duty, protecting Members of Congress.

On the other hand, we are told we cannot have that kind of protection for the American people. I don't know whether the Senator saw a letter to the editor—perhaps this is too serious to joke about—that said maybe we ought to have two kinds of security: those which are deemed private, and let the Republicans go through those; and the others who are Federal workers, let the Democrats go through those.

It is really too serious to be joking about and certainly in the wake of the extraordinary tragedy earlier this week where, to all indications, it appears to be a mechanical problem, but at least in people's minds and in families' thoughts they wonder about the security and the fact we have not been able to work this out, to guarantee the best in security.

As pointed out by other Members of the Senate, we don't auction off the Secret Service. We don't auction off who will be out there in the Food and Drug Administration to make sure our drugs are going to be safe and efficacious. We don't auction off the FBI. We don't auction off the Alcohol, Tobacco and Firearms employees. We don't auction those off to the private sector. We want to make sure Americans are protected.

I find it extraordinary that the strong initiative which passed successfully in the Senate that ensures that kind of protection still is unable to be completed through the two bodies.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. I thank the Senator from Massachusetts for his com-

ments. I think historians will record that he is probably one of the most forceful advocates for working families in the history of the Senate.

I have a statement by Joseph Welcome, a mold maker who lost his job. His wife, who was in the travel industry, lost her job.

He said yesterday: My wife and I have worked hard our entire lives. We earned everything we got. Unfortunately, like many thousands of Americans, we have run into hard times. We want to use the system as it was intended to be used to get us back to work as fast as possible with a marketable skill set. Unfortunately, that cannot be done in 6 months in today's economy. That is why we need your help now, not 6 months or a year from now. We need it now or we may very well become a statistic on the welfare roles, putting even more of a tax burden on the American public.

My colleagues on the other side of the aisle will argue this is not an emergency. Last month saw the biggest 1-month increase in unemployment in 21 years. Nearly 7.5 million Americans are now out of work. But, of course, those who are discouraged workers and are not counted as unemployed are not included in the statistics. Those who can only find part-time jobs and cannot really support their families on those jobs are not included in the statistics.

And all of the working poor people who work almost 52 weeks a year, 40 hours a week, and still do not make poverty wages, they are not included either. Analysts warn that another 1 or 2 million workers could lose their jobs over the next 12 months. I think it could be worse than that. The unemployment rate is 5.4 percent, up .5 percent from the previous month, and it is going to continue to go up. Consumer confidence is at the lowest level it has been in 7 years.

All of this combined with lagging consumer confidence can perpetuate a downward spiral. Consumers, fearful about the future, will spend less, which will cause us to sink even deeper into recession.

These are difficult economic times. For many families in Minnesota and in the country, this is also a situation where time is not neutral; time is not on their side. If they do not get an extension of unemployment benefits, if they do not have any health care coverage for themselves and their loved ones, it will be broken dreams and broken lives and broken families. And my colleagues on the other side of the aisle want to cast a vote saying this is not an emergency.

If you were out of work and you didn't know where your next dollar was going to come from and you were going to run out of unemployment benefits and you were terrified that you would not be able to support health care coverage for your wife or your husband or

your loved ones, you sure as heck would consider this to be an emergency. Sometimes we are all too generous with the suffering of others.

Most economists agree on certain things if we are going to have a successful economic stimulus package. This is not just about justice and helping those people who are flat on their back. This is also about how do we get this economy going again? What kind of investments do we need to make? All economists I know say that for an economic stimulus package to be successful, it must be immediate, have an immediate effect; it must be temporary; it must put resources in the hands of those who will spend it to stimulate the economy; and that it will not be harmful to our long-term economic interests.

The Republican proposals by the House and the Senate and supported by this administration fail to meet all of these tests, and the Democratic plan meets all these criteria.

Taxes? The Republican plan provides tax relief for millionaires and profitable corporations, even if those corporations cut jobs. The Democratic plan provides tax cuts for working families and businesses that invest and create jobs.

The Republican plan spends \$121 billion to speed up the tax cut rates in the \$2 trillion tax cut enacted earlier this year. Under the Republican plan, every millionaire in America will receive over \$50,000 in tax cuts over the next 4 years and, by contrast, the Republican plan would put zero into a typical family of four with an annual income of \$50,000 a year, precisely the kind of family, if given help, that is more likely to consume and put resources back into our economy.

The Republican plan has numerous tax breaks for multinational corporations. The most egregious is the repeal of the alternative minimum tax. Refunds go all the way back to 1986, 15 years ago; \$22 billion cost over 10 years. As Nobel Prize winner Joseph Stiglitz said:

The GOP plan would put zero, yes zero into the hands of a typical family of 4 with an annual income of \$50,000 a year. Giving tax relief to corporations for past investments and AMT repeal may pad their balance sheets but will not lead to more investment now when we need it. Bailouts for airlines did not stop them from laying off workers and adding to the country's unemployment problem.

The Democratic plan, by contrast, provides immediate tax rebates to 45 million Americans who did not receive rebates last summer, which will spur consumer spending and immediate tax relief to businesses, which will spur investment.

Mr. President, 44 percent of the individual tax cuts in the Republican plan go to the wealthiest 1 percent—it is Robin Hood in reverse—the people who are least likely to spend the savings, while only 18 percent goes to low- and moderate-income families.

Colleagues, get the tax breaks or tax rebates or whatever you want to call it—if you are going to do that—into the hands of people who will go out and buy a washing machine because they need it, and they will spend, and that is what we need for the economy. Don't go forward with Robin-Hood-in-reverse tax cuts and corporation tax breaks for multinational corporations which are already doing fine and are not going to necessarily even spend in the economy.

Even worse, most of the Republican tax cuts take effect after the current economic crisis may very well have ended. By definition, they are not economic stimulus effects.

The last point I make on the tax cut is telling. The Republican plan is not an economic stimulus plan; it is a shamefaced effort to use our current crisis; that is to say, the misery of hard-working men and women who have lost their jobs and health insurance in this economic downturn, as an excuse for lining the pockets of wealthy individuals and multinational corporations. It is the antithesis of sound fiscal policy. It is unfair, and it is ineffective.

Unemployment—my gosh, people are out of work. Our plan says let's add 13 weeks to unemployment insurance. Our plan, under the work of Senator BAUCUS and many other Senators on our side, says let's reform unemployment insurance and let's cover part-time workers. Economists tell you every dollar of unemployment insurance paid to unemployed workers expands the economy by \$2.15. This is a win-win. Can't we help people flat on their backs who, in turn, will consume with that additional assistance?

What happened to people in New York, what happened to people at the Pentagon, what happened to people in Pennsylvania, what has happened in our country has taught all of us that we need each other as never before. There is a great sense of community. People are trying to help one another. I think we understand in a certain profound sense that we all do better when we all do better. Can't some of that community spirit apply to what we are doing in the Senate?

Don't tell all of the men and women who are out of work in Minnesota and all across the country, and their children, it is not an emergency. It is an emergency for them. It is an emergency for their families. And it is an emergency for our country.

The Republican plan says that if you go beyond New York and you go beyond Virginia and you go beyond Pennsylvania, you have to have had a 30-percent increase in unemployment before any of what meager benefits they have even kick in. Minnesota, as I look over past history, in some of the worst recessions did not have a 30-percent increase in unemployment. I am a Senator from Minnesota. I have to fight

for the people in Minnesota. I have to make sure that for people who are in such difficult times through no fault of their own, we are going to have a safety net. The Republican plan will not help these people at all.

Health care coverage in the Republican plan is literally an asterisk. Their plan does not guarantee one dime to laid-off workers to maintain coverage. In fact, Treasury Secretary O'Neill says he would strongly encourage President Bush to veto any economic recovery plan that includes health care coverage for laid-off workers. The administration said last week that if we had too much by way of unemployment insurance and health care coverage, then people would not have an incentive to go back to work. Do you know how insulting that is to hard-working people?

Our plan says we will cover 75 percent of COBRA coverage. Mr. Welcome said yesterday: My God, I can't afford 4, 5, or 6—I can't even remember—hundred dollars of a month. I can't afford that kind of coverage. We help families like the Welcome family.

Then, for those families who work for small businesses, so they are not eligible for COBRA, we expand medical assistance coverage in the States. In addition, we respond to the Governors of our States. And what were the Governors of our States saying? They were saying: Please add on more to the Federal contribution to medical assistance because we are in a recession; we have more people out of work; we no longer have the surpluses. These are hard economic times, and we need some additional help.

The Republican plan does not respond one bit to the economic pain that we hear about from people in the country.

We are being told by this procedural move by my colleague from Texas that this is not an emergency.

I met with some families in Minnesota 2 weeks ago. We were in one of the workers' homes. There were some television cameras. I said: Are you sure you want to do this? They said they did. It was a seminar-type discussion. I hardly talked at all. Tell me what your concerns are. These are people who have long work experience. They had been working most of their adult lives. They are out of work through no fault of their own. I think more than anything else, they talked about health care coverage. They certainly are hoping for unemployment benefits to tide them over. A number of them, interestingly enough, talked about job training.

If I had my way, we would add some provisions, including some money for workforce development. But, most importantly, they talked about their fears that there would be no health care coverage at all for their families.

Senators, again I hate to put it this way, but if it were your family, if you

were out of work, if you were worried that you wouldn't be able to afford COBRA, and there wouldn't be enough to help you if you were eligible for COBRA, and if there were not a specific benefit that would enable you to still be able to provide health care coverage for your families, I guarantee you would consider it an emergency.

It is an emergency for many families in our country. We must respond to this economic pain. In the words of Rabbi Hillel, if not now, when?

Then there is homeland defense, Senator BYRD's proposal on which many of us worked. I have said a lot of times, as I am sure every Senator has—I guess we reached different conclusions—with fire chiefs, first responders, they told me. I sure learned it back then. People are anxious and people are worried. Please get an infrastructure of public safety and, yes, public health.

Dr. Michael Home is from Minnesota. Dr. Home has made their case in a compelling way. Get the money to our communities because people will be safe where they live, where they work, and where their children go to school. We need the resources.

In the homeland defense part of this bill that we brought to the floor, it is an obvious marriage. On the one hand, we get the money to first responders. I have been pushing for public safety, for firefighters, and for public health money so that we have the antibiotics and the vaccines, so people are trained, so that emergency doctors are trained, so that our public health nurses are trained; food safety; border security; airport security. At the same time, Senators, you create jobs.

I don't really know what is going on here. I think there are probably two things.

No. 1, I think too many of my colleagues on the other side, by definition, with their objection, don't quite get this as an emergency.

No. 2, given what they want to do with all of these tax cuts, and repeal corporate taxes going back to 1986, let me assume they are doing this in good faith, because they always do it in good faith, in which case I have to believe they believe in the same trickle-down economics we have been through before, which put us in such desperate shape. We have been through this trickle-down economic strategy, or philosophy, or policy. It left us with double-digit inflation, double-digit interest rates, and an economy in shatters.

Paul Krugman in today's New York Times has an op-ed piece that makes this point. I ask unanimous consent that his full op-ed piece be printed in the RECORD.

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

[From the New York Times, Nov. 14, 2001]

OTHER PEOPLE'S MONEY

(By Paul Krugman)

You may have seen the story about the businessman who allegedly used the attack on the World Trade Center to make off with other people's money. According to his accusers, Andrei Koudachev stole \$105 million that had been invested with his firm, falsely asserting that the sum had been lost in the collapse of the towers. It's not entirely clear whether he is accused of stealing the money before Sept. 11, then using the disaster to cover his tracks, or of taking the money after the fact; maybe both.

It's too bad that so many of our leaders are trying to pull the same trick.

Just before Sept. 11, political debate was dominated by the growing evidence that last spring's tax cut was not, in fact, consistent with George W. Bush's pledge not to raid the projected \$2.7 trillion Social Security surplus. After the attack, everyone dropped the subject. At this point, it seems that nobody will complain as long as the budget as a whole doesn't go into persistent deficit.

But two months into the war on terrorism, we're starting to get a sense of how little this war will actually cost. And it's time to start asking some hard questions.

At the beginning of the week we learned that the war is currently costing around \$1 billion per month. Oddly, this was reported as if it were a lot of money. But it's only about half of 1 percent of the federal budget. In monetary terms, not only doesn't this look like World War II, it looks trivial compared with the gulf war. No mystery there; how hard is it for a superpower to tip the balance in the civil war of a small, poor nation? At this rate, even five years of war on terrorism would cost only \$60 billion.

True, the terrorist attack has also forced increased spending at home. But Mr. Bush has threatened to veto any spending on domestic security beyond the \$40 billion already agreed. And even that sum is in doubt. Half of the \$40 billion was money promised to New York; last week New York's Congressional delegation, Republicans and Democrats alike, demanded that Mr. Bush disburse the full sum, openly voicing doubt about whether he would honor his promise.

So the budgetary cost of the war on terrorism, abroad and at home, looks like fairly small change. Even counting the measures that are likely to pass despite Mr. Bush's threat, I have a hard time coming up with a total cost that exceeds \$200 billion. Compare that with the \$2.7 trillion Social Security surplus. What will happen to the remaining \$2.5 trillion?

Again, no mystery: much of the money was actually gone before Sept. 11, swallowed by last spring's tax cut, which will in the end reduce revenue by around \$1 trillion more than the numbers you usually hear. And the administration's allies in Congress are striving energetically to give away the rest in tax breaks for big corporations and wealthy individuals.

The new round of tax cuts is supposedly intended as post-terror economic stimulus. But recent remarks by Dick Arme give the game away. Defending the bill he and Tom DeLay rammed through the House—the one that gives huge retroactive tax cuts to big corporations—he asserted that it would create 170,000 jobs next year. That would add a whopping 0.13 percent to employment in this country. So thanks to Mr. Arme's efforts next year's unemployment rate might be 6.4 percent instead of 6.5. Aren't you thrilled?

Let's do the math here. This bill has a \$100 billion price tag in its first year, more than

\$200 billion over three years. So even on Mr. Arme's self-justifying estimate, we're talking about giving at least \$600,000 in corporate tax breaks for every job created. That's trickle-down economics without the trickle-down.

Ten weeks ago this bill, or the equally bad bill proposed by Senate Republicans, wouldn't have stood a chance. But now people who want to give the Social Security surplus to campaign donors think they can get away with it, because they can blame Osama bin Laden for future budget shortfalls.

They say every cloud has a silver lining. The dust cloud that rose when the towers fell has certainly helped politicians who don't want you to see what they're up to.

Mr. WELLSTONE. Mr. President, as he said:

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Let's do the math here. This bill has a \$100 billion price tag in its first year, more than \$200 billion over three years. So even on Mr. Arme's self-justifying estimate, we're talking about giving at least \$600,000 in corporate tax breaks for every job created. That's trickle-down economics without the trickle-down.

That is what my colleagues on the other side of the aisle are proposing, trickle-down economics without the trickle down. At the same time, they are now trying to make the case that we don't have an emergency, so we can't get an extension of unemployment benefits to people who are flat on their backs, we can't make sure they have health care coverage for their families or for their children and their loved ones. They are profoundly mistaken.

If these are the differences between Democrats and Republicans, then these are differences that make a difference. I could not be prouder than to stand out here on the floor and get a chance to be 1 of 100 Members who get to speak for what we have proposed as an economic recovery plan. It is not all that I would want—my colleagues know me; I always push for more and more and more—but I think it would make a difference.

I am so profoundly disappointed that we have out here a procedural objection.

My gosh, go to town and talk in the Cafe Wilmer or any number of other coffee shops in Minnesota. People say: Say what? There was a procedural objection that this wasn't an emergency? Say what? But you know that I don't have to explain that. Senators on the other side of the aisle and those who support the Senator from Texas will have to explain that.

I would like to finish with one other point. This is a small point. I see my

colleague from Iowa out here on the floor, and a Senator whom I like so much that I will have to get into this with him as well.

I note that today there is a meeting of the "bankruptcy reform" conference committee. Colleagues and Senator GRASSLEY, a good friend, being out of work is the No. 1 reason that people file for bankruptcy. Medical bills are the No. 2 reason. This is no time to be pushing through this bankruptcy bill, which is too punitive and too harsh and which will make it hard for people to rebuild their lives.

I always thought the credit card companies got way more than they deserved. I never thought it was balanced. But this is no time, colleagues, to push through a harsh bankruptcy bill in these economic times.

There are too many colleagues out here who want to speak. If I continue to go on, it could be for another 3 hours. So I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I thank the Senator from Minnesota for giving me an opportunity to talk about bankruptcy. I haven't had a chance.

Mr. WELLSTONE. I want the floor back.

Mr. GRASSLEY. I haven't had that opportunity for a long time. By the way, I am supposed to be in the conference in 2 minutes. I am not going to be there because I want to respond to the Senator about not only bankruptcy but also about these tax provisions. That is to remind the Senate—particularly the 17 Members of the Senate, or maybe it was only 15 Members of the Senate, including the Senator from Minnesota, who voted against the bankruptcy bill. I hope a vote of 84 to 15, or something like that, tells you what a good piece of legislation we had.

But in regard to bankruptcy, to allay anybody's fears about what bankruptcy legislation does, even at a time when we are in the midst of a war on terrorism, and we have had an economic downturn because of that terrorist activity, anybody who cannot pay their debt will still be able to go into bankruptcy.

What we are trying to do through this bankruptcy reform legislation that is now in conference between the House and the Senate is for those who have the ability to repay—who under present law can go into chapter 7 and get off scot-free—will have to pay.

We are talking about people with the ability to repay their debts and who are gaming the system to get away with financial murder. They are not going to be able to do that anymore.

In regard to the comments of the Senator from Minnesota and other Senators who have talked about the non-concern people on this side of the aisle might have about people who are unemployed because of the terrorist attacks of September 11, the whole purpose of this legislation is to address

economic problems that exist because of the terrorist attacks of September 11.

Where we have separation from people in the other political party is the fact that a lot of people on the other side of the aisle are taking advantage of the September 11 terrorist attacks, and also the economic problems resulting therefrom, to put a lot of legislation on the agenda that would not otherwise be on the agenda.

What we are trying to do is what Chairman Greenspan advises us to do—to do those things that are stimulative and related to the downturn in the economy, directly related to the proposition of September 11.

First of all, I do not think the Senator from Minnesota gives the President any credit for being concerned about low-income people who are hurt as a result of this because in a way of addressing, in a bipartisan way, the stimulus needs of our Nation, the President has already provided for tax payments, rebates, whatever you want to call them, to low-income people to help the demand and consumer side of the ledger. And, obviously, that proposal by our President that is in the Republican proposal as well has somehow not come to the attention of the Senator from Minnesota. So I bring that to his attention, that the President of the United States has already addressed that.

Second, we have followed the advice of Chairman Greenspan, who said there ought to be incentives for investment in manufacturing. As the chart I showed you yesterday—that is not in this Chamber today—indicates, there has been a very steady increase in consumer spending over the last 10 years. Until recently, there was a very steady increase in manufacturing investment. But in the last three or four quarters, there has been a tremendous downturn in investment in manufacturing. Chairman Greenspan believes that by accelerating depreciation, we will be able to create jobs, stimulate the manufacturing economy, and get that segment of the economy back on the road to recovery and create a lot of jobs in the process.

So, again, I do not think Republicans can be accused of not being sympathetic when we are following the advice of Chairman Greenspan on fiscal and tax policies. His point of view ought to be respected in that area the same way a large share of the country respects his view on monetary policy, as now 10 times he has reduced the rate of inflation to help the economy.

The Senator from Minnesota must also not be aware of the fact that our proposal has in it help for those who are going to lose health insurance because of being unemployed. In fact, if you look at the Democrat proposal, again, as I said yesterday, by the time they get their program implemented,

we will be out of a recession. And, we have a plan that will get help to the people who do not have health insurance within 30 days after the bill is signed by the President of the United States.

Their plan creates Federal bureaucracy, a new Federal program, Federal rules and regulations. Just think of the months it is going to take to get all that in place. Plus, there is an unfunded mandate on the States to put a parallel bureaucracy and program in place for the purpose of dispensing help to people who are unemployed but probably 9 to 12 months down the road.

We already have a program in place where we can get help to those people within 1 month after the President signs the bill.

To say that we have no concern about the unemployed, then let me ask the Senator from Minnesota, how come we have provisions in our bill to extend unemployment compensation by 13 weeks, which is not exactly, but is along the same lines of what their party suggests?

So all along there is a division that is being drawn between Republicans and Democrats that is not the tradition of this Senate, surely not the tradition of the Senate Finance Committee that writes tax legislation and unemployment and health-insurance-type legislation. There is no point in having it because this Senate will get nothing done unless it is done in a bipartisan way.

I hope we have set the stage for some votes this afternoon that will show that this Senate is only going to address the stimulative needs of this economy in a bipartisan way. The sooner we get that bipartisan process underway, the better. I think that will happen.

(Mr. JOHNSON assumed the chair.)

Mr. GRASSLEY. But I also want to address some remarks that were made yesterday by Senator BOXER regarding the Republican caucus stimulative proposal. Under normal circumstances, I would just let these types of remarks go unanswered as typical political rhetoric, tinged with inflammatory untruths. But these days are hardly normal circumstances because the Senate is not working in its usual bipartisan way. So I want to respond to those remarks.

The American people have called upon us to act, both in the defense of our country and to restore our economy. Everyone in this Chamber recognizes the impact of the horrific events of September 11 and their impact on the economy.

Republicans and Democrats have different ideas on the best way to stimulate the economy. There is nothing new about this. They merely represent different approaches to the same problem.

For the past month and a half, I have been pleading with Democrats to find

the common ground in our differing approaches. The American people expect us to work together to find common ground for our Nation's common good. Stimulating the economy and winning the war on terrorism is the most immediate. This can and must be done, and it will be done before we adjourn for this year.

But just when we hope that constructive bipartisanship can begin, it is slapped down by the type of accusations that were made yesterday by the Senator from California. I would like to state what has been stated by Senator BOXER.

Senator BOXER said the Republican approach for stimulating the economy was using the events of September 11 to—and I quote—“pay back” its “biggest contributors.”

She called the Republican approach “nothing less than unpatriotic.”

As I said, normally I would dismiss such reckless remarks as typical politics, designed to pit American against American to gain a political edge. But these are not normal times. These are times when Americans expect us to work together.

What is truly shocking, and offensive for that matter, in the Senator's comments is that many items in the Republican Senate caucus proposal are items that were recommended by Chairman Greenspan, former Treasury Secretary Robert Rubin, or are included in Senator BAUCUS's Democratic proposal.

Bonus depreciation, small business expensing, net operating loss carrybacks, cash payments to taxpayers—tax rebates, if you want to call them that—enhanced unemployment benefits, additional health insurance coverage, are all areas that are contained in both a Republican proposal and a Democrat proposal. These are areas of common ground. So to call the Republican approach “unpatriotic” is destructive. It is a distortion.

Most disturbing is the Senator's own admission that her accusations are baseless. When stating that the House economic stimulus bill was a “reward to their biggest contributors,” Senator BOXER said—and I quote—“It is how I feel. It is my opinion. It's not a fact.”

This type of inflammatory rhetoric is useless. It does nothing to further America's economic recovery, and it does nothing to further a bipartisan solution, a solution that is absolutely necessary for the Senate to get to a final product.

I hope, for the sake of the American people, this sort of nonsense will stop. It is time to put dignity back into the debates of the Senate Chamber.

Senator BOXER did have two specific objections to the House bill. It was the House bill she objected to, not the Senate bill. The House bill is not the Republican Senate caucus proposal. They differ significantly, including with regard to two issues to which Senator

BOXER objects. Nonetheless, when a Senator expresses concern about a legislative proposal, the Senator's concerns should be addressed in a responsible and dignified manner. That is what I would like to do.

Senator BOXER objected to accelerating the income tax cuts scheduled to occur in 2004 and 2006. She also objected to alternative minimum tax relief for American businesses. I will explain why the Republican caucus believes those issues are important to economic recovery.

One of the greatest weaknesses of Senator BAUCUS' stimulus package now before the Senate is that not one dime, not one red cent, goes to provide relief for people who go to work every day, pay their bills, and may be clinging to their jobs with their fingertips during this economic downturn. We believe that reducing the Government's take from these people's paychecks will give them more resources to ride out the current economic downturn and will spur increased consumer demand over the next year.

Besides, money spent by individuals in the private sector turns over many times more in the economy and does more economic good than if spent here through the Federal budget. It is really just a matter of common sense, then. People need more of their money during tight economic times. If they have more money available, they feel more financially secure and are more likely to spend.

We only are talking about speeding up a decision that Congress made earlier this year, a bill signed by the President June 7, a product of the bipartisanism of the Senate Finance Committee. Last summer this Senate debated and decided the issue of individual income tax cuts. The Republican caucus proposal would simply accelerate into next year the individual income tax cuts that are currently scheduled to go into effect in the years 2004 and 2006.

If we make them effective next year, they will immediately stimulate the economy. If we wait until 2004 and 2006, the economy does not benefit from those reductions at a time when it must. That time is right now because of the terrorist attacks of September 11 and the downturn in the economy.

We will talk more about individual income tax cuts later. I turn to Senator BOXER's primary objection—alternative minimum tax relief for American businesses.

I would like to propose a terrible idea. Why don't we enact a provision that increases taxes when companies are struggling to stay afloat and then reduces their taxes when the companies are profitable? I think my colleagues would agree that sounds like a dumb idea. I would offer an amendment on this, but the problem is, we have already enacted it. It is what we call the alternative minimum tax.

Republicans have been vilified by Democrats for including AMT repeal in an economic stimulus package. Let's ask the question: Why do we include corporate AMT in an economic stimulus package? Because corporate AMT worsens an economic downturn when it increases taxes as corporate profits decline.

Explain that again. If that doesn't sound reasonable, it isn't reasonable. But that is what the law is, because AMT, the alternative minimum tax, is imposed only when the AMT tax exceeds the amount of regular corporate income tax. AMT is calculated by starting with regular taxable income and then adding back certain deductions that were taken in computing the regular taxable income. One of the most significant deduction add-backs is depreciation.

Consider this very simple example. If regular taxable income falls to zero, then a depreciation add-back will create alternative minimum tax taxable income which will be taxed at the AMT rate of 20 percent, even though the company owes no regular income tax.

Regular income tax does not have to fall to zero for this to occur. When investment costs and other expenses increase in proportion to a company's taxable income, which occurs during an economic downturn, the company may still owe alternative minimum tax.

Companies that have these higher fixed costs include manufacturing, construction, mining, energy, utilities, wholesale/retail, transportation, agriculture, and other capital intensive industries.

In 1997, a study for the Brookings Institution concluded that manufacturing firms could be subjected to alternative minimum tax when their sales decline by just a mere 5 percent. This was largely because of higher fixed costs. So one can see the profound effect that a small economic downturn has on increasing corporate AMT.

The Joint Committee on Taxation has recommended that the corporate alternative minimum tax be repealed because it is ineffective and inefficient.

With the Joint Committee on Taxation are professional people who work for both Republicans and Democrats. They don't work for the majority. They don't work for the minority. They work for the Congress as a whole. This is their recommendation.

So now you may ask: How would repealing the AMT have a stimulative effect? The answer is simple: The alternative minimum tax is a job killer. The alternative minimum tax creates a strong disincentive for companies to undertake new investments or to keep employees on the payroll. Any activity that reduces a company's regular taxable income, such as keeping employees during an economic downturn, increases the likelihood of it becoming subject to the alternative minimum tax.

This is because as regular income decreases, the AMT add-backs become larger as a percentage of regular income. As I said, when investment costs and other expenses are large relative to a company's taxable income, the company may end up owing alternative minimum tax. This is particularly true for capital investments, which may throw off depreciation deductions. In fact, increased investment expenditures by a company during periods of low profitability can cause a company to switch from the regular tax to the alternative minimum tax. Therefore, companies that try to maintain a constant level of investment and continued employment during an economic downturn are more likely to pay larger amounts of AMT. That is why the alternative minimum tax is a job killer.

We want to create jobs. Particularly we want to create jobs and we have a Government incentive for increasing jobs at a time of economic downturn.

More importantly, the alternative minimum tax increases the tax burden during an economic downturn which may result in deeper and more prolonged economic weakness by reducing business activity.

So here we have a tax policy already in place that is making the economic downturn worse. According to a recent Treasury study, during the economic slowdowns between 1989 and 1991, nearly 50 percent of America's largest corporations were subjected to the alternative minimum tax. We can't afford to repeat that pattern again.

As Chairman Greenspan said: Enhance investment in manufacturing.

That is what accelerated depreciation is about. So that is why we have to do something with a tax policy that is already on the books and already is there exacerbating an already bad situation. So please keep in mind that some alternative minimum tax add-back items, such as depreciation, relate to fixed investment decisions that were made years ago during profitable periods. They didn't anticipate what they might be in right now. But they are going to be penalized for it and penalized in a way that hurts the economy.

It is inconsistent, then, to consider including bonus depreciation provisions in our stimulus packages, which we do, at the same time we punish prior investments through the AMT. I notice that the Democrats' bill exempts bonus depreciation from the alternative minimum tax. So I don't know why a Democrat Senator would blast away at the alternative minimum tax, when even their proposal makes it quite obvious that there is something that doesn't add up here, doesn't meet the test of common sense.

So Democrats recognize the counterproductive effect that the alternative minimum tax has on investment. I also said that the alternative minimum tax

increases taxes when companies are struggling to stay afloat, and then it reduces taxes when companies are profitable. This is because any alternative minimum tax paid to the Government today may offset regular taxes owed in a later year. In effect, the AMT is a prepayment of a taxpayer's future income tax liability—and it operates as a no-interest loan from companies to the Federal Government.

As of today, companies in America have made about \$25 billion in loans to the Federal Government by prepaying their real tax liability through the alternative minimum tax. This is where the controversy kicked up concerning the House bill, and it is the thing to which Senator BOXER most objected.

The House bill—not the Senate Republican bill—paid back in the year 2002 all of the alternative minimum tax prepayments that I just talked about, these interest-free loans that have been extracted from American companies over the years.

The reason for this is to provide instant cash liquidity for companies that are facing the present economic crunch. We would propose something different. Senate Republicans would allow the alternative minimum tax to offset only a percentage of the regular tax as it is incurred. That way a corporation can never completely zero out their tax liability with AMT credits. So I hope she will consider this and that this will address Senator BOXER's concerns.

In addition, we would not accelerate the AMT tax credits or refund them next year. This should address another one of Senator BOXER's concerns. Yes, we would also repeal the alternative minimum tax, and I know that doesn't satisfy some Senators. I hope these other two provisions of our bill would do.

If Senators will stop the shouting and stop talking past each other and stop making false accusations, we can find common ground to address at least part of each other's concerns. It is possible to reach consensus on a bipartisan bill that will stimulate the economy. We must do it soon.

I urge the Senate to do its job and come up with a bipartisan stimulus package—one that can be passed by this Chamber, sent to conference, and signed by the President. The American people are waiting and they are watching.

I yield the floor.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Ms. STABENOW. Mr. President, I agree with our esteemed colleague who just spoke that, in fact, the American people are watching us very closely today to determine whether or not we understand the emergency that so many workers and small businesses and others in our economy are experiencing at this moment. All we have to

do is ask the people who have lost their jobs in the airlines alone. We had an emergency in which we had to act immediately to help the airline industry a few days after September 11. We rallied to do that, with the understanding—at least it was my understanding—that we would come back quickly and make sure that not only the companies were helped to the tune of \$15 billion, but that the workers with the airlines and the airports would be helped.

So all you have to do is ask the people who have been unemployed as a result of September 11, or other economic circumstances, who work for the airlines, the travel agents, the airport vendors, the restaurants, and the travel destination cities that have been hurt. All we have to do in Michigan is ask our auto workers, who have found that because of the slowdown they are facing layoffs, or have been laid off—and also the small businessowners in Michigan, as well as Michigan farmers.

I congratulate the chairman of the Finance Committee for his leadership and work in putting together, with Senator BAUCUS and Senator BYRD, a package that makes sense for Americans, for American business, for American workers, for our communities. But we know that, frankly, there are two different views of the world at work. We have, first of all, one world that brings us all together behind the President to face the current challenges and threats to our country. We are together on that. I support the President and want him to succeed, as we all need to succeed together. But on the economic front, on the homefront, we have two different views of the world that have been expressed, both in this Chamber and between those of us who support the legislation in front of us and the House Republicans on the other side.

Frankly, they are very different kinds of economics. One is supply side economics; give the dollars to those at the top, the largest businesses, the wealthy individuals in the country, and it will trickle down. We say we don't have time for trickle down. We don't even know if it is going to trickle down. I have folks in Michigan still waiting for the 1980s money to trickle down to them. We say put money directly into people's pockets, small businesses, the farmers, the unemployed workers, and the moderate and low-income taxpayers' pockets.

We are backed up by those who say this is the right thing to do economically. I think we have the best of all worlds in this proposal. It is the best thing to do economically and it is the right thing to do for people. Joseph Stiglitz, the cowinner of the 2001 Nobel Prize in economics, stated:

We should extend the duration and magnitude of the benefits we provide to our unemployed. This is not only the fairest pro-

posal, but it is also the most effective. People who become unemployed cut back on their expenditures. Giving them more money will directly increase their expenditures.

Common sense. What is more likely to happen? To give the billions of dollars to the major corporations, which the House does through the alternative minimum tax—and I have a different view of what the alternative minimum tax is about. My understanding is that it was put in place to guarantee that everybody, regardless of how wealthy they are or how many tax credits or deductions they can take, pays some form of contribution—contributions to national defense, to public health and safety, to education, to public services. The alternative minimum tax says that everybody in America ought to make a contribution.

The House Republicans say that not only should some folks not have to make a contribution to our current national defense cost, or bioterrorism cost, or efforts to clean up from terrorist attacks, or education, or roads, or health care, and all of the other public services that we have; we should retroactively pay them for 15 years. There is over \$45 billion involved in the proposal on the House side, and it goes to two major tax cuts, one of which, the AMT, says not only are we going to take away your tax liability in the future, but we do not think you should have paid anything in the past either, and we are going to retroactively, to the tune of billions of dollars, give you back your contributions.

I have a lot of small businesses, a lot of farmers, a lot of auto workers, retailers, service industry folks, waiters, waitresses, all kinds of hard-working folks in Michigan who would love to have someone tell them: We are going to give you back the taxes you paid for the last 15 years.

Nationwide, nearly 7 million people are now unemployed. Unemployment in my State of Michigan now totals over 268,000 people, and those are not even the most current numbers as of November. That is a jump of 74,000 people in the last year and a jump of nearly 30,000 people just since July.

This is an emergency for them. This is an emergency for 268,000 people, many of whom have children for whom they are caring. They want to make sure their children have what they need and that their families can put food on the table, have the health care they need and that their children have the resources to go to school, possibly pay for mom and dad who need some help in their older years. These are people who have worked hard and believe in the American dream and are now counting on us to believe in them and act in a way that shows they are a priority.

Our plan is the best economically, and it is the right thing to do. We help

these families by extending unemployment benefits so they can buy groceries and pay their bills. It will provide health insurance, which has been talked about today, by helping pay for COBRA to continue health insurance, and we expand assistance to States through the Medicaid Program.

Consumer spending represents two-thirds of our gross domestic product. Any stimulus package that ignores this crucial section of our economy is doomed to fail. Every economist about whom I have been reading and talking to has said the same thing: It is consumer spending, stupid. That means we have to put money in people's pockets so they can turn around and spend that on behalf of their daily needs.

It is consumers who are going to buy airline tickets, computers, cars, clothes, and, I might say, coming from the great State of Michigan, we hope they buy a lot of cars. It is consumers who are going to go out to dinner, see a movie, and help get things back to normal, as the President has asked us to do.

Unfortunately, the bill passed by the House and endorsed by the President does little to stimulate the economy or to help the unemployed. It does little to energize the consumer sector of our economy. It does little to help our small businesses that are too often overlooked as tax policy is made and as other policies are determined.

The House-passed bill overwhelmingly and unfairly gives tax cuts to those, frankly, who are not hurting under this economy: the wealthiest Americans who do not have an economic emergency, and tax cuts to the largest multinational companies that we want to be successful but not at the expense of our small businesses or our working men and women.

I congratulate Senator BYRD and my colleagues who have been working to increase our public investments in our homeland security efforts. We all know we have to focus investments on bioterrorism. We have to strengthen our public health system. We need to focus on those areas that will keep us safe at home, as well as supporting our national defense abroad.

I encourage and urge all Senators to come together to look at the facts, to look at what works, look at what the economists are saying as to how best to provide an economic stimulus and recovery, to put the people of our country first as we move forward, and to do so quickly.

This is an emergency. This is an emergency for American families. This is an emergency for Americans, and we need to act quickly to demonstrate that we understand and that we support them.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, for the information of my colleagues, we are

working to have a vote around 5:15 p.m. or 5:30 p.m. If Senators want to speak, they should come to the Chamber. That is the general intention at this time. If anyone objects, they should let us know.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. THOMAS. Mr. President, it is interesting to listen to our friends on the other side of the aisle. It is amazing the message we get. The message is: Let's get a bill; we need to do it right away. Everyone agrees with that. We know what needs to be done to get a bill. I happen to be on the committee that is involved, and we know how the bill got to this point. It passed entirely with a partisan vote, all Democrats, no Republicans. Republicans did not have participation in the bill. So this is a bill that is totally partisan. That bill is not going to pass.

We need to work on a bill together. There is willingness to do that. Talking about passing a bill without recognizing what needs to be done is amazing to me. It is clear what has to be done.

Senators from both sides of the aisle need to join with the administration and, indeed, with the Members of the House to put together a bill which we can pass. This business of continuing to talk about the need and then denying the opportunity to get together is hard to understand.

Everybody here wants to pass a bill. There is no question about that. The question is, How do we do it? And that becomes increasingly clear. There are not going to be enough votes to do it without working together. This constant conversation about we need to do this right away is silly. We all want to do something to help the unemployed. We all want to do something for those who need help with health care.

We all want to provide more incentives to develop jobs.

Talk about an emergency. How much have we spent in the last 2 months? About \$55 billion. The President has said: You do not need to spend more money now. When we need more money for terrorism overseas or terrorism in this country, I will ask for it. And we responded when he asked for the money. Colleagues are now beginning to use that technique for passing all kinds of projects they always wanted. They are very questionable as far as being an emergency.

We need to come together and bring before the Senate a bill that represents the interests of all participating parties and pass it. We can do that. Until that time comes, the chances are we are not going to be successful in moving a bill along.

The substitute, of course, spends about \$67 billion in the year 2002: About \$21 billion on temporary business tax relief and \$46 billion on spending proposals, including Federal payments of

individual tax insurance premiums under COBRA, extended unemployment insurance for displaced workers, expanded Federal support for Amtrak, numerous agricultural products, and other unrelated provisions.

Secretary O'Neill recently said the proposal is heavy on spending but will have little stimulative effect on the economy.

Moreover, some of its provisions would have an adverse effect on employment. An editorial yesterday in the Washington Post made the following observation: The stimulus package that passed through the committee last week includes money for citrus growers and buffalo farmers producing electricity from chicken waste. It includes a tax break in aviation fuel for crop dusters; a wage credit designed to encourage firms to hire welfare recipients was extended to businesses in Lower Manhattan.

So we all want to get this bill passed, and I think we have a technique before us where we can do that. We can come together and we can configure a package that does what all of us want, and that is to assist those people who now need assistance and provide stimulus for the economy so we can get jobs and growth back before us and to do it quickly. Those options are available to us as soon as we are willing to recognize what needs to be done to cause that to happen.

The President has called upon the Congress, specifically the Senate, to adopt an economic package, including these kinds of things in the outline.

Timing: We need to pass it and get it to his desk, the President said, before the end of November. We can do that.

Tax cuts: We make sure our tax relief encourages investment, encourages the flow of capital.

We need to reform the alternative minimum tax in corporate America so corporate America does not have to get penalized during times of declining earnings.

Create jobs: So often I do not think we really look down the road as to what we want to be the outcome. If we can help people, we should, but the real purpose is to create jobs and to create a stronger economy.

Worker assistance: The President said we need to spend money on helping workers who lost their jobs as a result of the attacks on September 11. We need to extend and expand unemployment benefits to those workers, said the President. I know we need to expand what they call national emergency grants which will give the Governors the latitude to take Federal monies and apply the money to special worker needs.

We need an energy plan that encourages conservation, exploration, and production. That probably brings about a kick to the economy more quickly than most anything else we can do.

So these are the issues that have already been talked about, and they are common. We have a bill that is passed by one party without consultation with the other. And we expect to get that passed? It is not going to happen.

We can do something, and we can do something with the House if we can come together and put together a plan where there is some involvement, bring it to the Senate to pass it and pass it quickly so we can move forward to accomplish that which all of us want to accomplish.

I see the minority leader in the Chamber, and I yield the floor.

The PRESIDING OFFICER. The Republican leader.

Mr. LOTT. Mr. President, who has control of the time on this side?

The PRESIDING OFFICER. We are not under a time control situation.

Mr. LOTT. Mr. President, I yield myself such time as I may consume.

I do want to comment on a couple of issues. First of all, I want to talk about the job security stimulus package. Before I do that, I want to talk about the aviation security package that is being considered now in conference.

My point has been all along there is plenty of room for disagreement, but there is also plenty of room for agreement. We need to get this done. We knew we had to get this done before this past Monday when we had the crash, very unfortunately, in New York again. We cannot help but have such sympathy and concern and feeling for the people of New York who have been hit hard again. There are no indications as to exactly what caused that accident, but it did once again cause people to be sensitive and nervous about the safety of flying.

We in the Congress need to put aside our ideological or even regional disagreements because some of it is a little bit regional. In some parts of the country our airports are all small, regional airports, not the super big ones. We have a little different view of the world than they might have in Chicago or New York or Los Angeles. We ought to put that aside and get this job done. I believe I see movement now, that both sides are beginning to say there is a way we can get this package agreed to.

First of all, there is a misperception. We are going to federalize aviation security, period. There is a matter of degrees perhaps, but we are going to require perimeter protection. We are going to require there be a safe and a good screening provision at all of our airports. We are going to require there be an additional check at the gate. We are going to require cockpit safety. We are going to have sky marshals, and the Federal Government is going to require it and provide the money through a fee system that will be paid for by tickets. We are going to say this is what our requirements are, these are

the guidelines, this is the management. We are going to make this happen.

The House added several provisions that were good, and we had some good ones in the Senate, by the way, that are not in the House provisions. We ought to take the good ones from both of those bills. The House added some provisions we did not have only because they acted 3 weeks after we did and they found some additional problems and some additional things that could be done which they included in their package. Let's take those. I believe Senator HOLLINGS, as well as Senator MCCAIN and Senator HUTCHISON, are prepared to do that.

Then it boils down to this question of how do you deal with the screeners themselves. I believe from discussions I have had today with those who are involved, they are beginning to come up with a way that would allow us to move immediately to some changes but give some options, some flexibility, to the administration and to the individual airports. What they want in Billings may be different from what we want in Biloxi and Gulfport, MS. What they want at LaGuardia may surely be different than what they want in Rapid City, SD. Give some options.

In some places, they may want and have the ability to do local law enforcement. The next place maybe a private company has been doing a good job or they have the capability to do a good job. In other areas they may need to go to a federalized system.

I do not know all the parameters of what is being discussed, but in my conversations today with Senator HOLLINGS and Congressman YOUNG, the chairman in the House, Senator MCCAIN and Senator HUTCHISON, I believe they have narrowed it down to where we can get this done. So I would urge our conferees and the leadership of those conferees, in a bipartisan way, in a nonpartisan way, to get an agreement. It is doable today and the Senate could vote tomorrow.

That would be such a tremendous indication to the American people we are serious, that we are continuing our efforts as we have over the past 2 months to get the job done for America. Forget the philosophy, the party, the region, any of that other stuff we quite often get tangled up with. It would be so important to send this bill to the President's desk the weekend before the Thanksgiving holidays.

Will it guarantee there will be immediate safety within the limits of human endeavor? No. But it would be a positive sign that would be well received, and it is the right thing to do.

I think that kind of attitude also applies to this job security or stimulus bill, as it is quite often referred to. On this bill we have kind of fallen back to our old ways. We have the House position. We have the Senate position. We have the Republican position. We have

the Democrat position. We have the spending position. We have lots of wonderful ideas. We have the tax cut provisions.

What we have is such a hodgepodge and such a weighted bill now that it is not going to happen. What we need to do is go back to the beginning. We all agreed there should be a package to stimulate economic growth and job security. The President, Republicans, Democrats, the House, the Senate, we all said, yes, we need to get this done.

Will it be a magic wave of the wand to make sure we have that growth? No. But it could be helpful.

We agreed we wanted it to be a targeted bill, one that would have some immediate positive effect on growth, not 6 months from now, not a year from now, but right now. When we started off, I thought everybody agreed on that provision.

We also said we do not want to do something that is going to be negative in the long term. We do not want to do something that gobbles up a big swath of money, taking us deeper into deficit spending after 3 years of having balanced budgets and surpluses, and cause interest rates in the long term to go back up. We all agreed we did not want to do that, and we all agreed we wanted to do it in a way that would have an immediate stimulative effect. We kind of lost sight of that.

I do not want to be too critical of the House bill, but a lot of what they would do would take effect over a period of years. I like that, personally, but that is not quite exactly what we had talked about when we started.

In the Finance Committee we got carried away with a lot of spending. There are not many people going to be able to convince anybody that it is going to have an immediate stimulative effect. It may be justifiable. It may be something I would be for in the normal course of events. But it does not meet the criteria we started out talking about.

I have never heard so many good ideas in my life. Oh, my goodness, yes, let's do this, let's do that. Every House Member has a different idea of what we could do to help this sector or that sector of the economy. It wouldn't cost too much, it would only be a billion here and a billion there and, as Everett Dirksen would say, soon it adds up to real money. That is what we have come to.

We need to go back to the beginning and do specifically what we said we would do. We have to do the human need things. We have to provide more unemployment compensation. We are going to do that. The Democrats need to understand we understand that. We are going to do that. We can argue over exactly how you do it, but it is going to be 13 weeks additional unemployment compensation. The conferees, I am sure, will argue about how that would

apply to the States and what criteria have to be met before that happens, and they will work it out. It is a 15-minute discussion, truthfully.

We are going to make sure people who lost their jobs are going to have health insurance coverage. There are about three different good plans out there to be considered. We do not like creating a new mandatory health program in COBRA. We don't like that because we think, while it might start off well intentioned and small, it will explode to a massive program. But there are some other options suggested by the centrist group, suggested by the President, suggested by CHUCK GRASSLEY, the ranking member of the committee. We can work through that. But the important point is we are going to get that done. We have to get that done.

We are going to have rebates for the low-income workers who did not get the rebate in the earlier round this year. I personally think that is not a good idea. I didn't like it earlier, to tell you the truth, because I doubt the positive impact that it really has in terms of a stimulus in the economy. I think a lot of people will save it, pay down their credit cards. The argument is, maybe the lower income people will need it and spend it at Christmastime and all that. Maybe it will work. But there is no use debating that because that is agreed to. We are going to do that. The President has agreed to that. Democrats want it, Republicans agree to it, so why are we fussing around about it? It is a done deal.

Those are the three things the Democrats say they care about the most. Republicans say we understand and we are going to have to do those three things. We are going to have to allow the tax committee workers to work out the details. But I trust them. Senator DASCHLE and I have talked about this. I have talked to the chairman of the Finance Committee, Senator BAUCUS from Montana, and CHUCK GRASSLEY. I have faith they are going to work this out.

On our side of the aisle, we would argue that while that is the right thing to do, it is the human thing to do, it is not really that stimulative in terms of getting more than a dollar back for a dollar invested. So we need to do that which will have an immediate and dramatic impact on the economy. Yes, we do talk about tax relief. We talk about individual tax rate cuts. We talk about the importance of the accelerated depreciation for companies to write off the cost of their equipment faster.

By the way, I think Democrats agree to that, too. The difference is the Democrats say we want to do it at 10 percent over 2 years. Republicans say we want a 30-percent bonus over 3 years. Is there a middle ground in there anywhere? Does anybody see it? Of course. So if we agree on the basic

principle, then we have to work through the percentages and number of years. We can do that.

I do think—I have always thought—the alternative minimum tax is counterproductive, counterstimulative, and does undermine the capital formation we need to have invested in the economy.

It may not be the perfect answer. Maybe there is another good idea out there. I think Senator DOMENICI has an interesting idea with regard to the December holiday on the payroll tax. I am not saying that should be in there. It is not one that was considered, I don't think, by the committee, but maybe there is another brilliant idea out there somewhere. I think we ought to go for those basics, though, and get this job done and try not to do any damage, try to have some positive effect, and get it done.

Others have suggested we need additional spending, homeland security. A lot of what is in that bill we may eventually do. We may need to do it at some point. It hasn't been requested by the administration and hasn't even been analyzed by the committees of jurisdiction, authorization or appropriations. To come in here and attach that to the stimulus and say this is going to stimulate growth in the economy because it would spend money somewhere down the line doesn't meet the basic principles with which we started. Some of the features to which I was most attracted I understand have even been taken out.

So I think we need to do it.

There has been discussion that Senator DASCHLE legitimately does not want to have to negotiate a package on the floor of the Senate and then go do another one in conference and then maybe do a third one with the administration. Let's skip all that. We are not going to get a result here in the Senate as we are now set up. This is partisan, political. It is not bipartisan. It is not in the spirit in which we have been working in the last 2 months. We need to take a timeout and say, all right, let's skip all these hurdles and let's go right to the end game. Let's get the right people in the room and say: Get this job done.

I trust the people who would be involved. I trust CHARLIE RANGEL. I trust BILL THOMPSON and MAX BAUCUS and CHUCK GRASSLEY. They are the experts. They have done it before. Last year I negotiated on a bill involving the CBI enhancement and the African free trade bill with CHARLIE RANGEL and BILL ARCHER, and we got it done. A lot of people said it would never happen: You will never make that happen; it is impossible. MAX BAUCUS was involved in that effort, and others. We got it done.

So I think the idea we would go ahead and go to this, the conference effort after these two votes this after-

noon, is the right thing to do. The American people, would they be hearing the Senate is deadlocked? No, that is not what they would hear. What they would see and what they would hear is the Congress once again is going to the bottom line to come together on the right thing for America. Yes, they stated their partisan political positions and they were beginning to drift back to their old ways, but then they said no, we pulled back from the brink and brinkmanship and said we are going to go to negotiations that will get us a package.

As we are headed right now, none of this is going to pass. We are stalled out here. We could have 20 or 25 votes by Friday and have nothing but blood all over the place and partisanship to the maximum degree. Is that what the American people want? No.

Do they want us to find a way to come together and get a result? Yes. Is it going to immediately provide this great boost to the economy? I don't know. It may not. But psychologically it would help and substantively I believe it could help.

So when we have these two votes, I hope, and I call on my colleagues, let's not make this an emergency designation. This is a stimulus package. Let's not waive the points of order. Let's go to negotiation. Let's get it started. Let's get it started tonight.

I want to say—and I don't want to get him in trouble—Senator DASCHLE has been very reasonable and I think willing to pursue this type of approach. So have all the other players. That is what we have to have. It is a bold move. It does take leadership.

But why are we here? To stake out positions? To prevail in partisan battle? There will be another day for that. I hope it is a long time off. Let's continue to do business the way we have done in the past, the way we have dealt with each other, the way we have met with each other, the way we have tried to bridge the partisan and the political gap because of the tragedies with which we have had to deal. We have that opportunity here once again. Let's keep it going. I think we can be successful if we use that approach.

I yield the floor.

Mr. BAUCUS. Madam President, I ask unanimous consent that at 5:15 p.m. today the Senate proceed to vote on the Baucus motion to waive the relevant sections of the Budget Act with respect to the emergency designation, without intervening action or debate; provided further that at 4:55 p.m., the following each receive 5 minutes of closing debate, and in the order listed: Senator GRASSLEY, Senator BAUCUS, Senator LOTT, and Senator DASCHLE, or their designees.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The PRESIDING OFFICER. The Senator from New York.

Mr. SCHUMER. Mr. President, I would like to address this legislation of great importance to my State, to my city, and of great importance to America. Before the substance of my remarks, I would particularly like to thank Senator BAUCUS, chairman of the committee, Senator BYRD, Senator DASCHLE, Senator REID—all of the leadership and all our colleagues who have stood up for New York and for America in our hour of need.

I would like to speak to the part of the legislation that affects New York. Then I would like to talk generally about the bill as well.

Before I do, I would like to address the specific vote that we face immediately; that is, the point of order as to whether we are in an emergency or not.

Am I dreaming? Are we debating whether America is in an emergency situation? Are we wondering whether our troops are overseas fighting for what could be if we did nothing the survival of this Nation?

No emergency? Tell that to the people of my city who are recovering from the most devastating attack America has ever faced.

No emergency? Tell that to anyone who goes to an airport and sees the airport mostly empty and to the millions of others who will not fly.

No emergency? Tell that to the people who live near our nuclear powerplants and are worried about what might happen there.

No emergency? It is almost as if we came together after Pearl Harbor and said there is no emergency.

America has been attacked. We are in a brand new situation where every one of us is on the front lines because terrorists can use technology to attack every one of us.

I remember Secretary Rumsfeld saying that in this war more civilians will die than military personnel because of terrorism.

No emergency? Good morning. Am I dreaming? Am I dreaming that we are debating whether there is an emergency and that many will vote for the fact that we are not in an emergency in America? If this is not an emergency, what is?

We have been attacked. Our whole nation is changing. People are afraid. The economy is tied in a knot because people do not want to go out and do the things they took for granted before September 11. I hope we are not going to fiddle while Rome burns.

That seems to be what the other side is saying. They can make a whole lot of arguments about the proposal with which Senator BAUCUS has led the Finance Committee. I will disagree with many of them. I might agree with some of them. But I don't know who on God's Earth thinks we are not in the middle of an emergency. It is just utterly amazing.

I would like each person who votes at 5 o'clock that we are not in an emer-

gency situation to go home and explain it. I would like them to explain it to my constituents in New York City and Rockaway. I would like them to explain it to the millions of Americans who are afraid to walk into tall buildings or go over a bridge or take an airplane ride.

No emergency? Who are we kidding?

If there were ever a time when people in the rest of the country were going to scratch their heads and say there must be something in the water in Washington because if we ask for this vote, it might seem as if the only 100 people, or 51 people in the country who do not think this is an emergency are in this great Senate of the United States.

We are certainly in an emergency. It is a far greater emergency than all the rest of the emergency spending bills that I have voted for in my 21 years in this Congress. When we have a flood, there is emergency spending. When we have a hurricane, there is emergency spending. When we have earthquakes, there is emergency spending. And when terrorists and cowardly people take two airplanes and plunge them into the World Trade Center, and another and plunge it into the Pentagon, and a fourth that we didn't know where it was, and then for weeks there is anthrax and we can't go back to our office buildings and in every corner of America people are afraid to open up the mail, we do not have an emergency?

Good morning. Go talk to your constituents. Go look at the numbers. There is certainly an emergency.

I think it is an ultimate act of political trickery almost—certainly convolution—to say there is not an emergency. Is there a Member of this body who has not voted for emergency spending when there was an emergency?

Sometimes you just stop and think and say: What is happening? Why is there a disconnect between Washington and the rest of America? It is because sometimes perhaps too many get carried away with their own words and their own ideological beliefs, and they end up with the conclusion that is patently ridiculous. It is patently ridiculous to vote on a bill that has been designed to help our country in one of its most troubled times and say there is not an emergency.

Let me talk about two other parts of the bill.

Again, I thank Senator BAUCUS and all the members of the Finance Committee. I thank Senator DASCHLE and Senator REID. I thank all of my colleagues on both sides of the aisle who understand that New York is certainly in an emergency.

Despite our confidence that this nightmare will soon be over, New Yorkers are uncertain about the future. Very few Americans believe our city is off the terrorist list, and this

belief is beginning to take a severe toll on our economy. Yesterday, tragedy—whether it was accident or not—rekindled that anxiety.

With Chairman BYRD and Senator DASCHLE at the helm, and with the broad support from our Senate colleagues and the great job being done by our colleagues in the House, Republicans and Democrats, I am confident that we will ultimately get the disaster aid needed to begin to rebuild our damaged and destroyed infrastructure. I thank all of them for that support. But that is for a later discussion.

What I am here to talk about today is the need for the tax provisions for New York that Chairman BAUCUS has included in his economic stimulus package. These provisions are designed to counter the uncertainty and fear that we believe may lead companies to walk away from us.

Mayor Giuliani, the architect of New York's renaissance in the 1990s, and now the hero in the eyes of so many in this Nation, will tell anyone who will ask that the key to the city's economic revival begins and ends with the safety and the people's confidence that the city is a safe place to live and work.

His great city is now threatened not by petty criminals but by mad men half a world away hiding in caves while murdering innocent men, women, and children. This uncertainty and the fear coupled with the sheer magnitude of logistical problems created by the attack threaten the entire economy of this city, the State of New York, and, I believe, the Nation as well.

Working or living in New York City, or Manhattan right now is not a pretty picture.

Our streets are littered with 37 miles of high-voltage electricity lines that are but one prankster away from shutting off power to our Nation's financial center.

Over 40 percent of Lower Manhattan's subway infrastructure has been destroyed, adding hours to the daily commute of over 375,000 people who work in the city.

All major river crossings—the Brooklyn, Manhattan, Williamsburg, and Queensboro Bridges, and the Midtown, Lincoln, and Holland Tunnels—into and out of Manhattan are subject to nightmarish traffic jams because of security requirements. Yesterday, for instance, they were all shut down because of the flight 587 crash.

Nearly 25 million square feet of commercial office space is destroyed or heavily damaged. The amount destroyed—nearly 20 million square feet—surpasses the entire office space inventory of cities such as Miami and Atlanta.

Over 125,000 jobs have at least temporarily vanished from the area, and the city estimates that at least 30,000 are gone for good.

Noxious fumes continue to emanate from the hole at the World Trade Center site creating great concern among

workers and residents for their personal health.

There is a possibility that the Hudson River will bust through a retaining wall and flood the area as the debris is removed.

Insurance companies are demanding 100 percent increases from companies doing business in New York—simply because they are located in a confirmed terrorist target zone. Some insurance companies refuse to provide insurance at any cost.

Mayor Giuliani had to cut \$1 billion from the city budget just to prevent an immediate fiscal meltdown at a time when the need for city services is at an all-time high.

The city of New York is staring at a \$3 billion deficit next year as a direct result of this crisis. The State's revenue loss is projected to be \$9 to \$12 billion.

The Comptroller of New York City places the economic loss to the city of New York and its businesses at \$105 billion in the next 2 years.

The incident has caused the first decline in city gross product in over 9 years.

In short, we have taken a hit for the Nation. When the terrorists attacked New York, they were attacking our financial center, they were attacking America, and they were attacking the free world. None of the problems I described above was of our making. None of these problems was the result of a single thing we had or had not done. And none of the assistance that we have requested on either the appropriations or tax side exceeds what we need to simply stay afloat as we begin this daunting rebuilding effort.

The assistance that Senator BAUCUS included for New York in the stimulus package is designed to send a message that the Federal Government will not walk away and allow terrorists to destroy New York City's economy. I believe people from all over America believe that. It boils down to specifically three complementary provisions, where Senator CLINTON and I, working with the business community, the labor community, the small business community, nonprofits, and Mayor Giuliani and Governor Pataki could come to the conclusion they are our highest priorities. Frankly, we submitted a larger list. The Finance Committee pared it down. But this is about our bare needs:

A \$4,800 per employee tax credit to companies that retain jobs—and do not abandon New York—in the area immediately around ground zero; the creation of a special kind of private activity bond to lower the cost of rebuilding New York; and finally, a provision that would permit companies that replace equipment destroyed in the World Trade Center bombing to take a special deduction if they replace that property in New York.

Not a single aspect of these proposals is designed to take businesses from another part of the country or to accomplish job creation goals we could not obtain before September 11, 2001. We have been fully supported by our colleague on the Senate Finance Committee, Senator TORRICELLI of New Jersey, as well as Senator CORZINE of New Jersey and Senators DODD and LIEBERMAN of Connecticut, all of whom have stood by and understand that New York's problem is a metropolitan area problem.

These provisions are simply designed to help us overcome some of the enormous obstacles that Osama bin Laden placed in New York City's way.

So I, once again, thank Chairman BAUCUS and the members of the Finance Committee. I see my colleague from New Jersey has come into the Chamber. I thank him for his steadfast dedication and his treating our area as one.

You have all done the right thing, not only by the people of New York, who are suffering right now, but by the people of America. I believe the Nation, with this stimulus bill, will be much the better.

I thank all of you on the Finance Committee who have supported us for your hard work. And I pledge my complete and total support for this package.

On another point—and that is about this package—we have put together a package that is designed to put money in the hands of people, A, who need it most, and, B, who will spend it the quickest.

When I looked at the House bill, I was amazed; such a high percentage of the benefits do not even come into effect in 2003, 2004, 2005. Without debating the merits of those provisions, it was obvious someone put their ideological wishes ahead of a need to stimulate the economy.

When I even look at the alternative Senate bill, we all know that many of the larger companies that will get these benefits, especially the ones in the bill of my good friend from Iowa, will not spend them immediately. Many of these companies have enough capital to spend on their own. When they see a business investment, they will spend it. They will when they see an opportunity. Right now they do not see an opportunity because average people do not have the money to buy the products that they might create.

I have talked to large numbers of businesspeople in finance and manufacturing and services. Most of them are afraid to state this publicly, but when they talk to you privately, they say they don't understand the House bill, they don't really even understand the Senate bill that came from the other side, even though it might benefit their companies. Their greatest worry is that the economy is hurdling south,

and that recession becomes deep recession, and deep recession becomes deeper recession, and God knows what after that.

To sit here and say that we do not have an emergency, and to sit here and say we are going to give money to people who are not going to spend it immediately, when this is supposed to be a stimulus bill, makes no sense.

So I fully support the Finance Committee package put forward by Senator BAUCUS, not only because it helps New York, which is extremely important to me and is *sine qua non*, but because if you want to stimulate the economy and you can ask 100 objective people, non-Democrat, non-Republican, not coming from a business or labor perspective, eliminate the ideologues from the left or the right, almost every one of them would choose the package of the Democratic Finance Committee.

In conclusion, Madam President, No. 1, we have an emergency, if we ever had one, and we ought to move this bill forward.

No. 2, New York needs help, not just to benefit New York but to help America get an important part of our economy on its feet, and this bill does it.

And No. 3, if there was ever a question about the need to stimulate the economy now, by giving average folks the money they need to buy the things that will get the economy going again, this is the time and this bill does it.

Madam President, I yield back my time.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. VOINOVICH. Madam President, before the tragic events of September 11, one of most pressing issues facing this Nation was what to do about the economy. From the spring of 2000 until September 10 of this year, all the indicators pointed to an economic slowdown, if not a mild recession, for fiscal year 2002.

Since September 11, the economy has far worsened. Hundreds of thousands of people have been laid off. Businesses and industry are in dire financial shape, and consumer confidence has plummeted. Several friends of mine in the retail industry have predicted a nuclear winter for the retail industry this holiday season, and many Ohio manufacturers I have talked to have told me they have never seen things as bad.

Given the challenges these turbulent times present, I say to my colleagues in the Senate—and to the American people as well—we need to focus on those measures that will stabilize and grow the U.S. economy. The need for fiscal discipline is more important today than ever before.

I am worried that Congress, in its haste to enact measures to eliminate the scourge of terrorism at home and abroad and counter our recession, is overlooking the Nation's long-term fiscal integrity. Earlier in this calendar

year, the Congressional Budget Office indicated that the United States would have a fiscal year 2002 on-budget surplus of \$125 billion and a Social Security surplus of \$156 billion. However, given the worsening economic condition of our Nation over the past year, the most recent calculations of the Senate Budget Committee show that the Federal Government is on track to have a unified or combined surplus of \$52 billion in the current fiscal year.

In essence, the Budget Committee is saying that the on-budget surplus CBO estimated for fiscal year 2002 has been totally wiped out, gone. Two-thirds of the \$156 billion in Social Security surplus no longer exists.

What is more, the stimulus package the Senate is considering will cost approximately \$75 to \$100 billion. To pay for that package, the \$52 billion in Social Security surplus will be gobbled up, and the Federal Government is going to have to issue somewhere between \$23 and \$50 billion of new debt this fiscal year.

In addition, the Federal Government likely will end up a lot further in the financial hole because Congress will pass additional supplemental spending measures as the fiscal year progresses and disasters and other emergency issues inevitably arise. The President said he may be coming back to Congress later this fiscal year for more money as he finds the need to respond to some of the issues that some of my colleagues have been talking about.

My point in going through these numbers is to highlight the fact that each and every additional dollar this Congress appropriates in fiscal year 2002 is going to require the U.S. Treasury to issue new debt. We are right back to where we were in 1997, the last year the Federal Government had to issue new debt. As we debate the economic stimulus package, efforts to fight terrorism or anything else to do for that matter, we must constantly ask ourselves a vital question: Do these new spending initiatives or tax cuts warrant issuing new debt to pay for them? The question I am asking the various constituencies who visit me asking for more money from the Government is whether or not their request is worthy enough to borrow money from our fellow Americans to pay for it? That is the question. Again, the circumstances warrant borrowing money to fight terrorism and to boost the economy. I supported the \$40 billion emergency supplemental that we passed following the September 11th attacks, and much of that supplemental is going to respond to the needs we have heard about this afternoon.

Extraordinary times require Congress to take extraordinary actions. We will spend what it takes to defend this Nation from our enemies and to respond to the needs of our country. The fact that the Federal Government will,

once again, have to issue new debt to fund any new spending highlights how critical it is that we appropriate these funds wisely.

Earlier this year I supported the budget resolution and the tax cut. I saw a plan whereby increased spending increases would be limited and we would use the Social Security surplus to pay down debt. It wasn't too many weeks ago we were talking about this in the Senate. Unfortunately, this is not what has happened. Even before the events of September 11, Congress was on track to increase overall discretionary spending by 8 percent. That follows a 14.5-percent increase in non-defense discretionary spending the year before and another 8.6-percent increase in spending the year before that.

This pace of spending increases is just unsustainable. I support the need for a stimulus package. I have been working with members of the Centrist Coalition to craft a balanced bill that will help spark our economy by getting businesses to boost investment and which helps raise consumer confidence and gets the American people spending again and responds to the financial and health care needs of the unemployed.

Sadly, though, the bill reported out of the Finance Committee last week appears as if Christmas has come a month early. In fact, some of the provisions of the majority stimulus measure as well as the measure that was passed by the House, are nothing more than handouts for any number of special interest groups.

For example, under the majority stimulus bill, Amtrak would receive \$4.4 billion in tax breaks and \$3.5 billion to subsidize farm products, including up to \$10 million for bison farmers for the Midwest.

For each employee they have, Wall Street investment bankers would receive a \$4,800 tax credit, a credit originally designed for use in training individuals moving from welfare to work.

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

The PRESIDING OFFICER. Will the Senator from Ohio yield?

Mr. VOINOVICH. I will yield for a question.

Mr. TORRICELLI. The Senator cited \$4.4 billion worth of tax breaks for Amtrak. What provision would that be? I am the author of the Amtrak provisions. I am unaware of any tax breaks for Amtrak. Amtrak, being a public corporation, doesn't pay taxes. So it would be hard to give them a break. Nevertheless, the Senator made a statement about a provision of which I don't know. For purposes of the institution, my colleagues would like to know what tax breaks Amtrak has as a special interest?

Mr. VOINOVICH. According to the information I have, under the majority stimulus package, they would end up getting a \$4.4 billion benefit. And if I

stand corrected, I am more than happy to check that.

Mr. TORRICELLI. The Senator is very kind to yield. For that, I am very grateful. I would like the record to be correct. Amtrak doesn't pay taxes so it can't get a tax break. The provision is that the States can issue bonds to build high-speed rail lines, and the Federal Government will pay the interest on it. So the Federal Government, in fact, is helping the States. The tax breaks go to the States that we represent, not Amtrak, not any projects, not any special interests, the States of the Union. I include in that the State of Ohio. I thank the Senator for yielding to me.

Mr. VOINOVICH. I thank the Senator for refreshing my memory.

The fact is, tax breaks would be given to individuals who purchase State issued bonds. However, in effect, the U.S. Treasury ends up paying \$4.4 billion in interest for Amtrak on those bonds by giving up tax revenue from individuals who purchase such bonds. That is the point I was making.

The movie industry would receive expedited depreciation for their capital assets. Chicken farmers would get a tax credit extension for converting chicken waste to energy. The list goes on and on.

Over in the House, one of the biggest items in their stimulus package would repeal the corporate minimum tax and repay more than \$20 billion retroactive to 1986 and give some of the major corporations in this country a big tax bonus.

As reported in the November 11 edition of the Washington Post, 16 companies in particular, many in the energy field, would receive more than \$7 billion in immediate tax refunds. While a number of the specific proposals in either package might give a boost to certain areas of the economy, we need a bill that will give us what truly are the best stimulus proposals, the ones that will give us the biggest bang for the buck for both the economy and our unemployed workers.

Another important factor we should consider is whether these provisions stimulate the economy in the short run without causing a fiscal hangover that lasts many years. In brief, they need to be temporary.

One such provision I support as part of the stimulus package is a temporary extension of unemployment benefits for up to 13 additional weeks for those who have been hit hardest by the recession. In addition, I believe families who through no fault of their own find themselves relying on unemployment benefits should not have these benefits reduced further through taxation. Therefore, I propose, as part of the package, an interim suspension of the taxation of unemployment benefits. We should do that.

Several weeks ago I met with Federal Reserve Chairman Alan Greenspan to

discuss the state of the economy and the need for a stimulus package. Perhaps the most important point he made to me was that the Congress should consider the net effect of any stimulus package, not just the gross amount of the dollars involved. In other words, don't just focus on the size of the tax cuts or the dollars spent but look at the net effect on the economy when all is said and done.

If the stimulus package that Congress adopts leads to chronic budget deficits, either through increased spending or revenue reductions, it is going to drive up interest rates. Make no mistake about it, the financial markets are watching us.

The Senate lays claim to the title "world's most deliberative body." As George Washington said, "We pour legislation into the senatorial saucer to cool it."

At this time in our history, it is critical that the Senate takes on its role and thinks carefully about the long-term fiscal consequences of its actions. Intellectually, this means Congress must hold the line on spending and that any increased spending should be limited to measures that truly raise domestic and international security and efforts that truly stimulate our economy.

I also remind my colleagues that the events of the past couple of months, momentous as they have been, do not change the fact that the baby boomers are aging and approaching retirement. When 2011 rolls around, the baby boomers will start to retire by the tens of millions.

Unavoidably, the cost of a host of Federal social programs also will increase significantly. Chiefly, I am talking about Medicare. A few years latter, the Social Security Program will begin to pay out more money in benefits than it will collect in payroll taxes. The difference between those inflows and outflows is going to have to come out of general revenues, or more borrowing. What we are doing today will have a large impact down the road.

In order for this Nation to deal with these looming responsibilities, it is critical that we have our fiscal house in order and have a robust economy. The first obvious step to ensuring that we can meet these obligations is to get spending under control and return to reducing the national debt, as we did the last 3 years.

I am heartened that our President said he will veto an emergency supplemental spending measure being developed by some of my colleagues. I stand squarely behind the President, and so do 36 signatories of a letter Senator BUNNING and I circulated several months ago. This letter reinforced the fact that we would uphold a Presidential veto of excessive spending.

The fact that the Treasury will once again be issuing new debt to finance

the operations of the Federal Government makes it that much more important that Congress work together—work together—on a bipartisan basis to make the hard choices and prioritize our spending.

As I have traveled across my State over the past 2 months, I have seen the anxiety on the faces of my constituents. The thing that is giving them a great deal of comfort is the fact that they believe the President is doing a good job, that he is 100 percent focused on protecting the Nation's interests and he has put those interests ahead of partisan politics.

The American people also believe Congress is doing the same thing, and we must not let them down. One of the things we need to do is understand that we are facing a much different ball game than we have ever faced before. This is not 5 years ago, 10 years ago, 15 years ago; this is a new ball game for all of us. The people have anxiety; they are fearful and angry. They are looking at us, and they are wondering: Are you going to work together for our interests, or are you going to go back to partisan politics again and put your particular party's interests above those of the people?

Madam President, we can work together, and we must if we expect to get a bill to the President by the end of the month. The eyes of America are upon us to see if we have learned that this Nation's interests are bigger than our own partisan interests.

I pray that the Holy Spirit enlightens this body to understand the enormous impact our decision will have on the future of our Nation and on the quality of life of its citizens.

I yield the floor.

Mr. LEAHY. Mr. President, I rise today to commend Senators BAUCUS and BYRD for crafting a reasonable and appropriate economic stimulus bill. The package they have brought forward balances tax relief, assistance for unemployed workers, and spending for homeland security and economic recovery. With the United States economy in recession for the first time in over a decade, now is the time for Congress to act to help hard working Americans. The Baucus-Byrd legislation will strengthen consumer confidence as well as public safety.

An already struggling economy was dealt a crippling blow by the September 11th terrorist attacks. In order to best jumpstart the economy, each part in the stimulus package has a substantial effect in the short-term, the greatest impact for the money spent, and no great cost in later years. I believe that the Baucus-Byrd stimulus package is directed toward boosting business and consumer confidence in the future.

America's workers need assistance now. Today, with more than 7 million Americans out of work, the Nation is

suffering through its highest level of unemployment in 20 years. More than half of unemployed people do not qualify for unemployment, and the vast majority cannot afford health coverage under our current system. As of mid-September, there were 10,888 unemployed people in Vermont, a seasonally-adjusted unemployment rate of 3.2 percent. Approximately 27,200 Vermonters will claim unemployment insurance in the next year, according to estimates from the Department of Labor's National Employment Law Project. Of those, 3,536 will exhaust their unemployment benefits during that time.

The Senate's economic recovery plan addresses these problems by providing unemployment insurance and health coverage for laid-off workers, tax rebates for middle and low-income people who need immediate relief, and tax incentives for small businesses to encourage immediate investment in new plants and equipment.

One of my primary goals in the wake of the September 11th attacks has been to increase the security of our border with Canada. Over the past decade or more, the northern border has continually been shortchanged. While the number of Border Patrol agents along the southern border has increased over the last few years to over 8,000, the number at the northern border has remained the same as a decade ago at 300. Even as the northern border was increasingly discussed as an attractive route of entry into the United States for terrorists, Congress failed to rectify this imbalance.

We began to make up for this pattern of neglect with passage of the USA PATRIOT Act last month. That law authorized a tripling of the number of Border Patrol officers, INS Inspectors, and Customs agents in the States that share a border with Canada. It also authorized \$50 million each to the INS and Customs to improve the technology used in monitoring the border and to purchase additional equipment. This law provides the basis for improving our security, but we must now ensure that these proposals are funded. This stimulus bill provides the first step.

Senator BYRD proposes an additional \$327 million for U.S. Customs—\$31 million to be used for new staffing which could result in as many as 350 new agents. Coupled with the 285 new agents for the northern border funded in the Treasury Postal Appropriations bill earlier this year, we are on the way to addressing the shortfalls felt by the Customs Service in the north.

This bill also appropriates over \$700 million for INS to improve INS facilities and border infrastructure to help better secure our country. While I had hoped more money and attention would have been dedicated to the staffing

shortfalls, I am confident we can expand these initiatives in the supplemental appropriations bill scheduled to move after the Thanksgiving holiday. We will need to show continued vigilance on this issue. For too long, we have ignored the needs of the northern border and been complacent about our security. We no longer can afford such complacency.

The proposal would also include \$600 million for additional FEMA firefighting grants. This money would allow state and local communities to expand and improve their firefighting programs. Over 50 percent of the funding would go to volunteer fire departments in rural communities.

Again, I thank the Chairman of the Finance Committee and the Chairman of the Appropriations Committee, for bringing forward this important legislation. America's national security must not be left behind as Congress considers an economic stimulus package.

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

Mr. TORRICELLI. Madam President, in the legislation before the Senate on economic recovery, we are, of course, focused on those who have lost their jobs, those businesses and unions that are in distress, and our various communities.

But there are some American families for whom September 11 is not a memory; it is a crisis in their lives that they wake up with every morning. I am speaking about the families of those who perished—the 5,000 husbands and wives and thousands of children for whom September 11 will be a day they will live with for the rest of their lives.

Nearly 600 of the dead were from my State of New Jersey. Senator CORZINE and I have begun meeting with the husbands and wives of those deceased. It is an experience I wish every Senator could share. It becomes so common to speculate on whether September 11 has changed America forever. I don't know. But I know that when I meet with these widows and widowers, America has forever changed for them.

We debate the economic consequences for our country. I want you to consider the economic consequences for them, what the morning was like, not of September 11 but of September 12, when a husband or a wife was gone. It could have been a young family in a new home, with a new baby. Families wanted to mourn, but there wasn't a lot of time because in 2 weeks a mortgage payment was due, in 3 months a tuition payment was due, that weekend there were groceries to buy, and there were no more paychecks. For them, it is a crisis that never goes away.

In the legislation before the Senate, there may be things Senators like and there may be things they do not like. There may be points of controversy. I trust there is one thing upon which we

can all agree. I am very grateful that, on a unanimous and bipartisan basis, Members of the Senate accepted, under Senator BAUCUS's leadership, an amendment I offered that will change the tax status of families who lost a family member on September 11 at the World Trade Center, the Pentagon, or through the anthrax attacks in recent weeks.

The amendment I offered is based on an aspect of current American law. If, under the statutes of our country, a member of the military is lost in an engagement abroad, or a civilian employee is killed by a terrorist act abroad, they will incur no tax liability to the U.S. Government for that year. When that provision was written, I have no doubt it did not occur to Members of the Congress that victims would not be people in the service abroad but would be civilians at home; that the front lines would not be in Latin America, Africa, or Asia but in New York, New Jersey, or Virginia. But that is the world in which we live. The laws must be changed accordingly.

The Finance Committee, therefore, has put before the Senate a provision that changes the tax laws to relieve the liability of these tragic families.

First, income tax liability for this year and last year is waived. No further payments will be paid and refunds will be received when appropriate.

Second, we recognize that many of those who worked at the World Trade Center or even in the Pentagon were not salaried employees of considerable means but may have been performing janitorial services or were service employees or worked in the restaurant at the World Trade Center. With modest means, their families face great obligations to plan their futures. They may not have paid Federal income tax. Therefore, the second provision waives FICA taxes or payroll taxes that were paid and may be owing for these families.

Third, many of the families of the deceased are now in the process of examining the wills of the dead that say what is available for children, wives, or husbands. Under the Finance Committee legislation, there is estate tax relief for the first \$3 million in assets from Federal and State estate taxes. There is \$8.5 million of Federal estate tax relief.

It is generous, but it is appropriate. Whatever money is to be left for many of these families is all the income they will know for the rest of their lives. It is theirs. That is what the deceased husbands or wives would have wanted. It is for their children and for their futures, not the Government.

Fourth, the bill provides help for those who were fortunate enough to survive the attacks, but for those thousands who had injuries current law excludes disability benefits from income if a U.S. employee is injured in a ter-

rorist attack outside the United States. This legislation will extend the same benefit to those citizens of the United States injured in a terrorist attack and receiving disability benefits.

Fifth, there is no better statement about America than the hundreds of millions of dollars donated to private charities since September 11, but there is the question of the tax liability of families who receive some of this assistance from employers, friends, family, or charities. Under the provision of the bill, we have made it far easier for charitable organizations to make payments to victims and their families and for companies to establish private foundations to help the survivors with short- and long-term needs.

Indeed, any payment from an employer to a victim or family for personal, living, family, or funeral expenses will be tax exempt.

It clarifies that payments made by airlines, as well as Federal, State, and local governments as a result of the attacks are also not to be taxed.

The Senate may debate much of this legislation. As one Senator who represents hundreds of these victims and their families, much may be negotiable. Some things may be excluded, but one thing must stand. When this year is concluded, no American who found a member of their family on the front line of the war against terrorism should be held liable for taxation of the U.S. Government for charitable, governmental, family, or other assistance. What last dollars these family members may have earned for their wives or husbands or children surely by justice must be their own. On this provision, we should all insist.

Madam President, I yield the floor.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. Madam President, I inquire of the time remaining. I understand there are several of us who want to speak.

The PRESIDING OFFICER. There is 12 minutes remaining before controlled time begins.

Mr. MURKOWSKI. I wonder if I may speak for 3½ minutes.

The PRESIDING OFFICER. The Senator from Louisiana.

Ms. LANDRIEU. Madam President, I inquire, under the agreement, how much time was I allocated?

The PRESIDING OFFICER. There is no allocation of time for the Senator from Louisiana.

Ms. LANDRIEU. I ask unanimous consent that the Senator from Alaska have 3 minutes, that I have 7 minutes of the remaining time, and I see the Senator from Delaware. How about 5, 5, and 5?

The PRESIDING OFFICER. That will exceed available time.

Mr. MURKOWSKI. I correct the Senator from Louisiana; I asked for 3½ minutes.

Ms. LANDRIEU. I ask unanimous consent for 3½ minutes for the Senator from Alaska, 4½ minutes for myself, and the remaining time for the Senator from Delaware.

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

The Senator from Alaska.

Mr. MURKOWSKI. Madam President, I thank my colleague for her cooperation. I will be brief. We are talking about a stimulus package, and I want to address a specific stimulus package that I think is most appropriate relative to the business at hand before this body.

As we all know, the question of stimulus means different things to different people. Senator CRAIG of Idaho offered an amendment, H.R. 4, on the stimulus bill today. I intend to pursue that and bring that matter up.

It is important to understand just what H.R. 4 does. It is the legislative portion of the President's comprehensive energy program that aims to secure America's energy future with new national energy strategies that reduce energy demand, increase energy supply, and enhance our energy infrastructure and our energy security. It is truly a stimulus bill.

It is supported by an extraordinary group of Americans: the veterans groups, the American Legion, Veterans of Foreign Wars, Vietnam Veterans. I could go on and on. It is supported by the Hispanic groups. It is supported by those over 60, America's labor community, senior citizens, small business, on and on.

Why is it so significant inasmuch as it is and should be a part of this bill? I challenge each Member of this body to identify a greater stimulus associated with the House bill, H.R. 4, which is now part of the stimulus package, in stimulating the economy with at least 250,000 direct jobs associated with the building and opening of ANWR. Furthermore, the revenue of about \$3.6 billion going into the Federal Treasury from lease sales would go directly to offset some of the cost of our war on terrorism.

What would it cost the taxpayers? Not one red cent. As we look at the stimulus package objectively, let us recognize what it is. It is a spending package, but this portion is not. This would be funded by the private sector. The oil industry would bid on these leases in my State of Alaska, the revenue would flow to the Federal Government, and the employment would stimulate the economy and jobs.

There would be at least six new tankers built in U.S. shipyards that would be operated by U.S. crews, and it would fly under the American flag. This is hundreds of millions of dollars of expenditures that would be stimulated by opening up this area. Can we do it safely? Certainly.

The arguments against opening ANWR are the same that prevailed 27

years ago against opening Prudhoe Bay. We have the technology to do it. The American labor community supports it. It is the right thing to do to stimulate the economy, and we should not wait any longer. It is truly a stimulus. It belongs as part of this bill.

I hope my colleagues will reflect on a better stimulus they can identify that meets that criteria: It does not cost the taxpayer one red cent; 250,000 direct jobs; generation of about \$3.6 billion directly into the revenue stream of this Nation.

My time is up. I thank my colleagues. I ask for their consideration. We will have a vote on this amendment.

The PRESIDING OFFICER. The Senator from Louisiana.

Ms. LANDRIEU. Madam President, I am proud to support the Baucus-Byrd stimulus and economic recovery package and believe that it is exactly the right package at this time to defend, protect, and make our Nation stronger.

The preamble to our Constitution states that the purpose of our Federal Government is "in Order. . .to provide for the common defence, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity."

The Framers of our Constitution, Madam President, as you know, were very deliberate; they were very exact; they were very careful in the wording of these documents that helped to create and sustain our Nation. For that reason, it strikes me as very important that the first priority of our Government is to provide for the common defense. I believe the Baucus-Byrd stimulus economic recovery package does exactly that. Let me explain.

We fund a military operation whose sole purpose is to protect American lives, our property, and our well-being. Our lives, our property, and our well-being are at risk because of the attack we are under.

This is a two-pronged war in which we are engaged: We are engaged in Afghanistan on the ground trying to find the people and groups responsible for the attack on the United States and our allies, and we on the homefront are trying to keep our Nation standing up under this attack.

I ask my colleagues: What would it matter or what difference would it make to a businessperson if his or her business were destroyed by a terrorist in a direct attack or if his or her business were destroyed due to the impact of a terrorist attack?

The business is lost just the same. We can come to this Chamber in a bipartisan spirit and support our military, and I do. The military is to protect our interest, our lives and our livelihood. There are thousands of families who have been directly hit by a terrorist on our shores. There have been thousands of businesses and mil-

lions of people in jeopardy because of that attack.

This Government, under the Constitution, and all that we know about our Government, has a responsibility to those individuals to help provide economic recovery. That simply is what this package does. This is not an entitlement. This is not a special interest. Our country exists to help us protect and defend ourselves, and that is what workers and businesses are trying to do. They have been attacked, and Government has a right to respond and respond in this way.

The package before us provides some very important help to keep these businesses open, to help people continue to receive a paycheck so they can pay down their mortgages. Think about this: Our Army, our Navy, our Air Force and Marines are assembled all over the world to keep Americans or keep foreign armies from taking homes away. Whether they come on to our shore and take our homes away by confiscating the building or whether homes are taken away because the homeowners inside cannot pay their mortgage, what difference does it make? The home is gone.

Senator BAUCUS has been working morning, noon, and night to come up with a package to help Americans pay their mortgage. We can ask Americans who live in Louisiana or Montana, what difference does it make if they do not have their house? So let us craft a stimulus package that helps businesses stay open, workers pay their mortgage, people be able to use their benefits.

This package that has been put together by Senator BAUCUS, Senator DASCHLE, Senator REID, and the Democrats recognizes the responsibility for common defense. It also recognizes it does not really make a difference how a person loses their home. The loss is the same, and let us fashion a package that helps them.

Give 75 percent of COBRA premiums for displaced workers. In Louisiana, these premiums cost \$7,000. That represents 75 percent of the unemployment check. So if we do not provide health care, it is as if a foreign army came and took over a hospital and stood at the door with a machine gun and said, no, we know that you are dying and need surgery, but you are not going to have access to this hospital. If we do not give COBRA payments, it is the exact same. People cannot use the hospital. It is the same thing for unemployment.

So I want to strongly urge this package for Louisiana, for our Nation, and to say that for the nonproliferation issues it is a direct risk to our Nation if we do not invest in ridding this world of weapons of mass destruction.

I yield back my time.

The PRESIDING OFFICER. The Senator's time has expired.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. CARPER. My colleagues have heard me say a number of times, reflecting back on the last 8 years when I served as Governor of Delaware, that we always had in place a litmus test that we applied when we considered proposed tax cuts. The litmus test was that those proposed tax cuts should be fair. They should stimulate the economy and create jobs. They should simplify the Tax Code. And they should be consistent with a balanced budget. We need a similar set of guiding principles as we debate the stimulus package that is before us, and as it turns out there is such a set of guiding principles.

The process of working out a bipartisan economic stimulus package began shortly after the attacks of September 11. The White House and congressional leaders from both parties met jointly and, in consultation with Chairman Greenspan and former Treasury Secretary Robert Rubin, they agreed upon a bipartisan set of principles for an affective and responsible package. Those principles were agreed to jointly by the bipartisan leadership of the House and Senate budget committees, as well as by the Centrist Coalition here in the Senate.

I stated at the outset of this process that I would use these bipartisan principles as my guide as we considered economic stimulus legislation here in the Senate. I have conveyed that message to all of my constituents who have written me on this subject or who have talked to me about the issue at town hall meetings. I also conveyed the same message very early on to Chairman BAUCUS and both leaders.

Since this debate has, unfortunately, become much more partisan of late than it was in the beginning, it's helpful to look back at those bipartisan principles that we started with. Chairman BAUCUS deserves great credit for sticking to the spirit as well as the letter of those principles from beginning to end, even as he has come under great pressure from all sides.

First, the bipartisan principles stated that a stimulus package should accomplish three objectives: restore consumer demand; increase business investment; and help those most vulnerable in an economic downturn.

On the consumer side, the Baucus package provides, as the President has requested, rebate checks to the 45 million taxpayers who either did not get checks this fall or only got partial checks this fall.

On the business side, the Baucus package provides specific tax incentives to encourage businesses to invest again in America and to do so immediately. In particular, the Baucus package includes a provision the President requested to allow businesses, large and small, to recover immediately a greater portion of their investment costs.

In terms of assistance to those most affected by the current downturn, the

Baucus plan provides help to those workers who have been laid off since September 11, in the way of an extension of unemployment insurance and an added hand in maintaining health coverage for themselves and their families. Additionally, the Baucus package provides assistance to the City of New York to help with that city's heroic efforts to recover and rebuild from the devastating events of September 11.

Second, the bipartisan budget committee principles stated that a stimulus package should equal approximately one percent of GDP, including the fiscal impact of all of the various actions taken by Congress since September 11. The size of the Baucus package, at \$70 billion over the next 12 months, is slightly less than the \$75 billion requested by the President. On the other hand, when combined with the other measures passed since September 11, it is slightly more than the one percent of GDP proposed by Chairman Greenspan and Secretary Rubin and agreed to by the bipartisan leadership of the budget committees.

Third, the bipartisan budget committee principles stated that measures included in a stimulus package should be limited in time, so as not to push up long-term interest rates and so as not to make permanent our recent reliance on the Social Security trust fund to make up for renewed on-budget deficits. The recommendation of the bipartisan leadership of the two budget committees was that all measures should sunset within one year. The sunsets in the Baucus package conform with that recommendation.

Fourth and finally, the bipartisan budget committee principles stated that to keep the nation on track to pay off the national debt over the next decade, outyear offsets should make up over time for the cost of near-term economic stimulus. And this is really where Chairman BAUCUS deserves great credit. The cost of his plan over the next decade—the effect it will have on long-term interest rates and on our ability to finance the retirement of the baby boom generation—is one-third less than the stimulative impact of his plan over the next 12 months.

This combination of significant short-term stimulus with relatively little long-term cost is precisely what the bipartisan leadership of the budget committees called for at the outset of this process, but it is easier said than done. Just consider that the package passed by our counterparts in the House is 60 percent more costly over the next decade than it is stimulative over the next 12 months, or that the alternative our friends on the other side of the aisle are offering here in the Senate is nearly 50 percent more costly over the next decade than it is stimulative over the next 12 months.

I regret that this process has become as partisan as it has. I have been very

heartened since September 11 to see the President and Members of Congress from both parties working together in a bipartisan, bicameral fashion to craft commonsense solutions to the uncommon challenges facing our country. I believe deeply that the very best thing we could do right now to restore the confidence of consumers, investors, and business leaders alike would be to work together to pass a bipartisan economic stimulus package.

I believe there is still an opportunity to come together across party lines and between the two chambers to achieve a reasonable compromise that will serve the best interests of the country and extend the spirit of bipartisan cooperation here in the Congress. The only way we can hope to reach agreement on the fine details at the end of the day, however, is if we remain true throughout the process to the broad principles that we agreed to at the outset.

I believe that Chairman BAUCUS has kept faith with the bipartisan principles that were proposed by Chairman Greenspan and Secretary Rubin and were agreed to by the bipartisan leadership of the budget committees and by the Centrist Coalition. I believe that he has negotiated in good faith. For that reason, Chairman BAUCUS has my support. I hope he will have the support of all centrists here in the Senate, whether Democrat, Republican, or Independent.

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

Under the previous order, the Senator from Iowa is recognized.

Mr. GRASSLEY. Madam President, I believe I am recognized for 5 minutes?

The PRESIDING OFFICER. The Senator is correct.

Mr. GRASSLEY. Our leader also would have 5 minutes. I have talked to Senator LOTT, and he said since he spoke this afternoon perhaps Senator NICKLES would like to speak. So I hope Senator NICKLES or somebody else from our leadership can come and speak. If they do not, I will be glad to do it for them, but right now I will take 5 minutes.

Madam President, over the last several days, we have heard about how this process of getting to a stimulus package started with a set of principles that presumably both Republicans and Democrats on the budget process, as well as the finance process, have agreed to.

Democratic Senators have particularly been reminding us of this process of having a stimulus package agreed to with a whole set of principles. They have been reminding us of this, and they have particularly been reminding us as they criticize the House bill on the stimulus. They also used it to criticize a proposal I released a few weeks ago that represented the thinking of the Republican caucus.

As is often the case, not every principle fits everything they want to talk about, and so what one of the principal proponents of the bill that is before the Senate—and that is the Democratic caucus bill—has failed to mention is that none of the stimulus provisions should be industry specific.

It seems that adhering to principle is in the eye of the beholder because the bill that came out of the Finance Committee and is before us now as modified is laden with industry-specific provisions, contrary to one of the principles that has been talked about in the stimulus package that is agreed to.

We have specific measures in this bill before us targeted to Amtrak, to broad band, as well as specific agricultural crops and even bison, if one can believe it. We have an incredible expansion of the work opportunity tax credit. I have supported this tax credit which was meant to help welfare recipients find work, but in the Finance Committee bill before us this credit has been grotesquely distorted to give this tax credit to companies in New York investment firms and banks who hire millionaire stockbrokers and lawyers.

Can you believe that? Tax credits for millionaires; that is what the Democrat bill stands for.

Another principle Democrats have emphasized is these measures should be temporary, and they insist any tax measures cannot be more than 1 year long, but we have all kinds of spending measures in this mix that will have long-term impact. We also have a bond provision in the Democrat plan that the taxpayers will be paying for not 1 year but over 30 years. If that does not establish a double standard, I do not know what does.

We have a Washington Post editorial that is on a chart behind me. I am not going to go into detail about reading the whole article, but the headline is "Meet Patriotic Pork." The editorial argues that Members are cloaking their underlying agenda under the name of patriotism and in the fight against terrorism. The editorial criticizes the House bill, which I also agree goes too far, but the editorial goes on to say that "the Senators who larded this bill in committee ought to be ashamed of themselves."

Madam President, that kind of says it in a nutshell. My objective is to work to make this bill a product of which we will not be ashamed; we will have a product of which neither Democrats nor Republicans will be ashamed. I know we will have a product of which the chairman of the committee, Senator BAUCUS, will not be ashamed. And I will be for it.

We need to get that process going. We need to do whatever it takes to make sure this bill will accomplish our goals, then, of helping the economy and the American people. Right now, it is obvious it does neither and our coun-

try deserves better. So this partisan, pork-ridden, lobbyist-written bill needs to be stopped, and we will stop it. Once this happens, then as things go in the Senate, reasonable heads will prevail, and we can sit down and work out a bipartisan compromise that meets the greatest needs of the Senators and we can vote for it.

I ask unanimous consent to have printed in the RECORD a statement of position of administration policy.

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

EXECUTIVE OFFICE OF THE
PRESIDENT,

OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, November 14, 2001.

Statement of Administration Policy

H.R. 3090—Economic Recovery and Assistance for American Workers Act of 2001

The Administration opposes passage of H.R. 3090 as reported by the Senate Finance Committee. The Administration believes that it is crucial for Congress to quickly pass a stimulus bill that will help get the economy going again following the terrorist attacks of September 11th. This bill in its present form will not accomplish this goal.

Instead of providing broad-based tax relief to restore economic growth, this bill is an assembly of provisions that do not provide immediate economic stimulus and are not appropriate to this bill. For instance, \$5 billion is set aside for agricultural programs, including payments for bison meat, and more than \$4 billion is directed to tax credit bonds for Amtrak.

Furthermore, some of the proposals in H.R. 3090 as reported by the Senate Finance Committee would require at least six months to one year to take effect due to their unprecedented nature, the need for new Federal regulations, and the requirement for new health insurance authorizations from State legislatures. Proposals that effectively start next summer and purportedly end next winter will neither provide immediate assistance for displaced workers nor rapid stimulus for the economy. Indeed, economic growth could suffer substantially as a result of these provisions. In contrast to the President's proposal to give prompt aid to displaced workers and provide broad-based tax relief that will speed their reemployment, this bill's unprecedented expansion of unemployment insurance and the new health care entitlements would likely increase unemployment by hundreds of thousands of workers next year.

These provisions have one feature in common however: each is likely to permanently expand the size and scope of the Federal government and its control over programs, such as unemployment insurance, that have always been under State purview.

The Administration also notes that the proposed expansion of the work opportunity tax credit is duplicative since the Administration has decided it will direct \$700 million in Community Development Block Grant (CDBG) funds to New York to aid businesses affected by the terrorist attacks. The Administration's decision was the result of consultations with both New York State and city officials.

The Administration is opposed to efforts to attach additional discretionary spending to the bill. The Administration and Congress agreed to limit discretionary spending to \$686 billion and to provide \$40 billion for the

emergency response to the terrorist attacks. These funds are more than adequate to meet foreseeable needs. This agreement should be upheld.

The Administration urges the Senate to work together across party lines to pass a responsible economic stimulus package that will provide an immediate boost to the economy. The President believes that the best way to retain and create jobs is through tax relief that improves incentives to work and invest while restoring consumer and business confidence. The President has set out the following four principles for achieving these goals:

Accelerating marginal income tax rate reductions to provide more money for consumers to spend and for entrepreneurs and small businesses to retain and create more jobs;

Giving relief to low and moderate income workers to put more money back in their pockets;

Providing partial expensing to encourage businesses to invest and make new purchases; and

Eliminating the corporate alternative minimum tax, which, if unchecked, imposes job-killing higher taxes during an economic downturn.

The President has also called for swift action to help dislocated workers, through extensions of unemployment benefits and health care assistance programs that can be implemented without delay.

Unlike the version of H.R. 3090 reported by the Senate Finance Committee, the President's framework would boost the economy, help displaced workers get back to work quickly, and create several hundred thousand more jobs. Accordingly, the Administration urges the Senate to reject the Finance Committee approach and instead to work in a bipartisan manner to craft an economic stimulus package that reflects the President's principles and encompasses provisions that will provide an immediate and effective stimulus to the Nation's economy.

PAY-AS-YOU-GO SCORING

Any law that would reduce receipts or increase direct spending is subject to the pay-as-you-go requirements of the Balanced Budget and Emergency Deficit Control Act. Accordingly, H.R. 3090, or any substitute amendment in lieu thereof that would reduce revenues or increase direct spending, will be subject to the pay-as-you-go requirements. OMB's scoring estimates are under development. The Administration will work with Congress to ensure that any unintended sequester of spending does not occur under current law or the enactment of any other proposals that meet the President's objectives.

Mr. GRASSLEY. Madam President, this so called stimulus package includes a lot of money for agriculture. Since I am the only working family farmer in the Senate, I think it's important that I point out the biggest problems with the agriculture spending we are considering.

The first problem that I see involves the section on commodity purchases. This section has been described by the chairman as a list of agriculture commodities which have experienced low prices in the 2000 or 2001 crop year. Due to what has been described as an "economic shortfall" experienced by these commodities the chairman would like to institute a short-term purchase program.

In the past, when I sat on the Agriculture Committee, we did provide short-term relief for specific commodities. But before we provided that relief and spent tax dollars we justified that spending by reviewing economic data which defined the problems specific commodities were experiencing.

I know that the Agriculture Subcommittee on Appropriations has also worked on similar assistance packages, and I would bet my farm on the fact that they also justify the cost by reviewing the loss.

My point is that if we are going to spend hundreds of millions of dollars on these commodities, doesn't the other side need to at least show us the data that led them to include these commodities? I am the ranking member on the committee, and I have not heard from one farmer in America that this is needed. Let us start this discussion as any committee with jurisdiction over this issue would. Show us the average price of these commodities and what percentage of loss they have experienced. At least show us when and where the loss occurred.

While we are talking about where, where are these commodities located? Specifically, which regions of the country benefit from this section. We would have asked this question in the Agriculture Committee, why is no one asking it now? Where are these commodities being produced?

For instance, where is the majority of bison slaughtered? I did a little research and found that one cooperative in North Dakota processes over 60 percent of America's bison meat. In fact, this facility, is the world's first processing plant devoted exclusively to bison meat.

I am not trying to tell everyone that there might not be a need for us to purchase bison meat. Who knows, maybe the Senators from North Dakota can show us that there is a real need for bison to receive some sort of assistance. But, under this bill, even billionaires who dabble in bison ranching will get taxpayer assistance.

What I am trying to demonstrate is that this isn't the committee of jurisdiction for USDA programs and if the Democrats want to give the Finance Committee jurisdiction over USDA because the Agriculture Committee cannot handle its own workload, we should review this as the Agriculture Committee should, or as any committee should review an issue before spending American tax dollars.

The second problem I see is the re-establishment of the Natural Disaster Program. Under this program, producers are compensated if their crop losses are more than 35 percent of historic yields. We enacted this program last year to help farmers deal while we were getting the Agriculture Risk Protection Act up to speed. For those of you who do not remember, the Agri-

culture Risk Protection Act was the crop insurance bill we spent \$8 billion taxpayer dollars on to avoid this specific scenario.

Congress allocated \$3 billion dedicated to getting the government out of the disaster business by making crop insurance more affordable. The chairman would like to reinstitute a program that compensates producers if their yields fall off. Sounds a lot like crop insurance to me.

Why are we trying to provide payments to producers who have chosen not to buy insurance? I can see why we did this in the past, but now that the law is in place the U.S. government is subsidizing the cost of insurance on wheat at about 55 percent for the family farmer.

The message we will be sending is, "there is no need to take care of your own risk, Uncle Sam will help you cover your losses. And in turn you punish the family farmers who bought insurance to manage their own risk."

I know that under this program there is a small premium for producers who carry insurance, but this program does not allow more than the worth of the crop. So, if the farmer has insurance that covers his loss, he does not get much out of this program.

It looks like to me we are questioning the policy established in the crop insurance law that the majority of us supported. Isn't this really a question that should be debated at length? Shouldn't the long-term ramifications of this decision at least be considered?

How do we tell farmers to follow the direction established in the crop insurance law and manage their own risk by purchasing affordable insurance tools while we are rewarding those that have chosen to save their money and take on more risk by not purchasing crop insurance?

If the Finance Committee is now the committee of jurisdiction for crop insurance, I think these questions should be addressed.

The third point I want to bring up is the \$3 billion to clear the "backlog" of Rural Development loan and grant applications at USDA. I realize that this is now being deleted from the chairman's bill, but the Senate was subjected to this awful policy during the markup and up until today, so I think it is worth mentioning.

When I read that provision for the first time my first thought was, "How important is it to clear the backlog at Rural Development quickly?"

The reason I ask this question is due to the fact that the legislation required funds be made available only after the next fiscal year 2002 Ag. Appropriation funds had been exhausted.

Don't we usually provide enough funds based on the need and ability of USDA to process the applications during the next fiscal year?

Under the chairman's proposal, we would have had to first spend the fiscal

year 2002 allocation before we used this new money. How many new jobs would this money have created in six months? Not many if we didn't run out of fiscal year 2002 funds until August or September.

It is sad that the press had to inform the other side how poor this idea was instead of the Republicans and Democrats working together because I guarantee you, if anyone on the Democratic side of the aisle had asked me I would have pointed this out immediately. This was terrible policy.

Just to let everyone know, I contacted USDA about the provision the Democrats pulled and they told me that if those funds had been made available USDA would have needed an extra \$100 million in salaries and expenses to get all of the possible loans and grants out the door within a year.

My final point is that if this amendment had been successful we would have been asking a mission area of USDA to engage in the single largest expansion of any mission in years, and to do so without an undersecretary.

In summary, the Senate Agriculture Committee seems to be unable to manage its own business so I guess it is trying to "pass the buck" to the Finance Committee. These are not light-hearted issues and the impact of these provisions will affect both short and long term policy considerations and precedents.

Madam President, I'd like to take a few minutes to respond to remarks made earlier today by our distinguished majority leader. The majority leader criticized three of the four proposals in the Senate Republican Caucus' stimulus proposal.

The three proposals the majority leader criticized are: one, the acceleration of the marginal tax rate cuts from the bipartisan tax relief package enacted earlier this year; two, the repeal of the corporate alternative minimum tax; and three, the 30 percent bonus depreciation.

I would like to address his general criticisms of the proposals. Senator DASCHLE made the following points: one, the proposals were the same old "leftover" tax cut proposals; two, that Senate Republicans were using the September 11 events to push "ideological" measures; and three, that these proposals had been "unanimously" rejected by economists, editors, governors, and others.

I will respond to these general criticisms one by one.

On the first one, the "leftover" argument, I would like to point out that, with the exception of the marginal rate acceleration, none of these proposals were included in any tax cut bill considered by the House or Senate for this year or last year for that matter. As a matter of fact, bonus depreciation has not been on the table for nearly a decade. These proposals arose subsequent

to September 11 as a response to the major economic problem of declining business investment. So let us not characterize these proposals as left-overs.

Let us go to the “ideological” point. Again, with the exception of the marginal rate acceleration, these proposals were not Republican agenda items. I ask: Does anyone recall signs at the Republican Convention with “bonus depreciation” or corporate AMT relief?

This charge was coupled with an allegation that Republican Senators were using the events of September 11 to advance these so-called ideological proposals. Of course, these proposals were specifically designed to respond to the economic downturn. Indeed, in a gesture of bipartisanship that has not been reciprocated, Republicans, led by the President, put on the table a proposal that certainly cannot be called a Republican priority, a supplemental rebate. In another gesture of bipartisanship, again with no reciprocation by the Democratic Leadership, Republicans, led by President Bush, took off the table, an arguably stimulative proposal, capital gains tax cuts.

Actions speak louder than words.

I agree with one part of the majority leader's statement. That is, neither side should use the events of September 11 to advance ideological objectives.

I have pointed out two significant examples of Republicans acting in anti-ideological manner. Where in the Democratic caucus proposal, or Democratic leadership's actions, have we seen similar anti-ideological behavior?

Indeed, it appears that the events of September 11 are being used as another “salami slice” tactic to get to a Democratic ideological objective. That objective is a Government-run universal health care system. Just take a look at the new COBRA entitlement, labeled as temporary here.

Now, I would like to address the majority leader's third general criticism. That criticism is that economists and editors have unanimously rejected the Senate Republican caucus stimulus proposal.

I guess if you only include some economists that have served in Democratic administrations or some editors that identify themselves with the Democratic agenda, then I would agree with the majority leader. For instance, much is made of Joseph Stiglitz's criticisms. There is a lot of talk about his Nobel Prize, but you do not hear that he chaired the Council of Economic Advisors in the Clinton Administration. I guarantee there are Nobel Prize winners who worked in Republican administrations who would not agree with Joseph Stiglitz. In fact, they would have problems with the Democratic package.

As an example of the diversity of opinion, you only have to review the

statements of Glen Hubbard, the current chair of the President's Council of Economic Advisors.

The charge that economists have “unanimously” rejected the Senate Republican caucus stimulus package is not borne out by the facts.

With respect to the charge that editors and opinion writers have “unanimously” rejected, I would like to print in the RECORD a couple of articles. One is an article by Kevin Hassett, who was a witness before the Senate Budget Committee. Another is an article from National Review. These are only two of many articles that show that there is support for elements of the Republican caucus position. In addition, even the Governors' letter cited by the majority leader does not reject the Senate Republican caucus stimulus package. I also ask unanimous consent to print in the RECORD an editorial from the *Washington Post*, that is highly critical of the Finance Committee's stimulus bill, by pointing out that high-priced lobbyists help put the Democratic bill together.

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

[From the Asian Wall Street Journal, Nov. 7, 2001]

A SILVER LINING

(By Kevin A. Hassett)

The U.S. Federal Reserve's 50-basis-point rate cut Tuesday came in response to a flurry of extremely negative economic reports and increasingly widespread pessimism about the American economy. As the federal funds rate nears zero, many observers believe that there is little room for further significant interest rate reductions. With the economy still declining and the Fed out of ammunition, additional government stimulus must now be of the fiscal variety.

Corporate tax cuts are a natural fiscal stimulus candidate. The corporate sector has dropped the sharpest this year, and business investment has historically responded impressively to tax cuts. Yet U.S. Senate Democrats have staunchly opposed Republican efforts to provide corporate tax relief. “I'm not even enamored any longer with the word stimulus,” said Senate Majority Leader Tom Daschle last week, preferring instead to launch a giant government spending spree. Such measures reflect the emerging Democratic view that the “Bush economy” is nearing depression, and only a New Deal can save it.

But if you look closely, things aren't that bad. Marginal tax-rate cuts might well have difficulty stimulating business activity if there is significant excess capacity. But the data don't support such a negative view. Indeed, despite rumors to the contrary, the American economy was most likely not in a recession on Sept. 10. The monetary and fiscal stimulus adopted earlier in the year appears to have done its job quite well.

That positive news emerged last week when the U.S. Commerce Department reported that the gross domestic product declined 0.4 percent in the third quarter. Negative GDP growth is a strong sign of a recession, but analysis of the background data suggests that the number would have been comfortably positive absent the attack. First, before the attack, chain-store sales in-

dicated that consumer spending in September was at about the same healthy level posted in August. Second, border closings created turmoil in the auto sector, where just-in-time inventory techniques led to significant production interruptions.

It is a simple adding-up exercise to correct for these two factors, and doing so leads to a surprising conclusion. If September consumption had continued at the pace registered at the start of the month and auto production had not jammed up, the economy would have dodged recession in the third quarter. GDP would have been more than a percentage point higher—safely nestled in positive territory.

Although that did not happen, it does put to rest the view that the terrorist attacks pushed an already devastated Bush economy into a steep downward spiral. The economy was doing better than expected, and this was likely because of well-timed economic policy. Consumer spending has been particularly strong in interest-sensitive sectors.

Another bit of positive news lurking in the third-quarter data confirms the view that business tax cuts in particular could be effective now. The government data available do not explicitly report third-quarter productivity, but it is possible to figure this out by using techniques that are also relied upon by Fed economists (and undoubtedly reported to board members Tuesday).

These calculations are striking. Even with the sharp declines in output that occurred at the end of the third quarter, productivity increased by more than two percentage points. As economic data watching goes, that remarkable observation is as good as it gets.

Historically, productivity has almost always declined sharply just before a recession and softened further during a recession. This “procyclical productivity” pattern is so reliable that an entire literature exists exploring its cause. The current consensus appears to be that productivity drops near recessions because firms are reluctant to lay off idle workers when demand shrinks, and the proportion of workers that are not productive increases sharply. Perhaps that describes the past, but it has not happened this time. High-tech investments have allowed firms to adjust on the fly and continue to squeeze more output out of fewer inputs.

In February, Fed Chairman Alan Greenspan marveled at the strong productivity numbers posted in late 2000 when the economy was softening. The increase was, he remarked in a Senate Banking Committee hearing, “at a pace sufficiently impressive to provide strong support for the view that the rate of growth of structural productivity remains well above its pace of a decade ago.” It's important to note that this high rate of productivity has continued over the past few quarters, even as the economy has softened.

Why is this so important? If productivity were declining, then firms would be faced with many more painful decisions in coming months. Capital investments that were intended to improve the bottom line would have failed. Should plants then be closed? As it is, it looks like the inventory and investment corrections that occurred in the 12 months before Sept. 11 had achieved their desired effects. The “overhangs” that presage sharp economic disruptions were not apparent in the data, and a healthy response to marginal tax-rate reductions is quite plausible.

But, of course, other factors are present. And they help to explain why, despite the good news, economic activity has dropped so sharply.

After years of highly mathematical research in dusty journals, many economists now believe that the root cause lies in the distinction between risk and ambiguity that was first described by University of Chicago economist Frank Knight in the 1920s. Knight argued that there is a difference between a circumstance with known probabilities—like a coin flip—and a situation with high ambiguity, where the probabilities of different outcomes are not known. Subsequently, researchers have confirmed Knight's observation both in theory and with observation.

There are profound differences in behavior when people face the two different types of uncertainty. Most important, when ambiguity is high, consumers and firms often act as if the worst possible outcome will occur for sure. Thus, after the terrorists attacked, the U.S. entered an ambiguous world with many horrible possibilities and no probabilities. Predictably, businesses and consumers assumed that a deep recession would occur with certainty. Their extremely cautious response to the assumption helped make the recession more likely.

So the core fundamentals of the economy remain surprisingly strong. If there is a recession, it will have been caused by the terrorist attacks. Therein lies both the hope and the challenge to policy makers. Absent a rapid and clearly visible victory in the war on terrorism, consumers and firms will only gradually return to normal, and a long and deep recession is possible. Yet the underlying strengths suggest that there is ample opportunity, and that corporate tax cuts could ignite further productivity enhancing investments. The stimulus bill that passed the U.S. House of Representatives took a step in that direction. It's time that the Senate stop bickering and do the House one better.

[From the NRO Financial, Nov. 8, 2001]

THE NEW DANCE OF THE CRACKPOTS

(By John Hood)

In this indispensable guide to the New Deal, *The Roosevelt Myth*, journalist John T. Flynn wrote about the pivotal couple of years leading up to the 1936 presidential election. Roosevelt's early efforts had failed to bring the country out of depression, and so a bewildering array of left-wing politicians and journalists offered their own strategies for getting the economy moving again. It was, in Flynn's picturesque words, "*The Dance of the Crackpots.*"

Its main result was to shove FDR further to the left. His administration created new credit and spending programs to steal the thunder of Huey Long and other radicals, and to induce an artificial inflationary spurt in activity just before the election—a winning political strategy that nonetheless resulted in another painful recession in 1937-'38.

As American battles international terrorism and a slowing economy, we are now witnessing a new *Dance of the Crackpots*. Denigrating President Bush's \$1.3 trillion tax cut enacted by Congress earlier this year, critics are coming out of the woodwork to offer increasingly silly and outdated proposals to "stimulate demand" and "escape the liquidity trap." While draped in New Economy language, these ideas are basically the same old Keynesian claptrap that the crackpots of the 1930s indulged in—although, unlike present-day advocates, the 1930s crackpots had the excuse that most of their pet ideas had yet to be proven false through experience.

One prominent exponent of the new (old) philosophy is Robert Rubin, Clinton's former

Treasury Secretary. Advising the Congress on how to fashion a "bipartisan" stimulus package, Rubin recommended a focus on spending programs and tax credits directed to poor Americans. "People at the bottom of the income scale spend all the money they earn," he reportedly told congressional leaders. "If you give it to them, they're going to spend it. If you give it to me, it's not going to affect my spending patterns."

Newsweek columnist Jonathan Alter made a similar point in a column criticizing supply-side tax cuts suggested by House Majority Leader Dick Army of Texas. Army "claims to be an economist," Alter sneered. "But he obviously never learned about a little concept familiar to every college freshman called 'supply and demand.' Our supply—or capacity—is just fine right now; in fact, we've got too much of it. The problem is consumer demand. It's dangerously flat."

According to Rubin and his journalistic echo chamber, government stimulus is needed because Americans aren't spending enough. This statement is absurd. To say that Americans aren't spending "enough" is to presuppose that there is some level of spending that is correct, and that government officials can know such a level. Furthermore, such a singular focus on broad abstractions like "supply" and "demand" leaves these hapless pump-primers without a connection to the real economy of individual goods and services exchanged by individual human beings.

It is simply nonsensical to talk about the economy in only aggregate terms. For example, there was a great deal of excess capacity in America's buggy-whip manufacturing sector in the early 20th century. Was that a sign of inadequate consumer spending? Of course not. It was a sign that Americans were changing their consumer patterns in response to changes in technology. When households reduce their spending on consumer goods, opting instead to pay down debt or accumulate savings, they aren't failing to buy "enough" stuff to keep the economy afloat. They are simply changing their preferences in favor of future consumption (perhaps of more expensive, more capital-intensive durable goods) and away from some goods currently being produced.

Contrary to the crackpot theories of Rubin, Alter, New York Times columnist Paul Krugman, and other neo-Keynesians, recessions don't signify "too much supply and not enough demand." Recessions aren't creatures of human irrationality. They signify a mismatch between what companies are making and what their customer actually want at the time. Moreover, they often signify a mismatch of time preferences, as consumers signal (through more savings) that they are willing to finance new investment today in order to buy something they value more in the future. As long as capital markets are free to coordinate the interests of producers and consumers, the latter's increased savings will increase the pool of loanable funds and thus encourage entrepreneurs (with lower interest rates) to pursue new investments to satisfy consumer demands.

In other words, it is perfectly rational in a time of recession for the government to focus its fiscal policy on removing barriers to investment. These barriers include large inflationary or deflationary changes in money (because these destroy the ability of interest rates to communicate time preferences accurately to entrepreneurs) and excessive taxes on investment activities. The U.S. tax code retains a strong and counter-

productive bias against savings and investment, so proposals to accelerate depreciation, reduce marginal tax rates on capital gains, and reduce double-taxation of corporate dividends are exactly the right medicine if the goal is to speed the recovery of the American economy.

The answer to "excess capacity" in buggy-whip manufacturing was not for the government to stimulate demand for buggy whips. It was to allow industry to make needed investments in automobile production. Similarly, American consumers are signaling that the current mix of investment is not generating what they want. So financial, physical, and human capital must be redirected to new uses. This necessary adjustment will happen more rapidly, and more successfully, if Washington will ignore the new *Dance of the Crackpots* and gets its fiscal act together.

[From The Washington Post, Nov. 13, 2001]

MEET PATRIOTIC PORK

In normal times, pork-barrel spending is offensive. When the nation is at war, it's considerably worse. But the patriotism felt by most citizens since the terrorist attacks has done nothing to restrain lobbyists' habit of putting special interests ahead of national interests. Indeed, some apparently can't tell the difference. Kenneth Kies of PricewaterhouseCoopers, who has been pushing tax breaks that would profit clients such as GE and IBM Corp., told The Post it would have been "irresponsible" and even unpatriotic for him to behave otherwise.

The provision that Mr. Kies advances would reduce taxes on corporations' overseas investment income. It's hard to see how this measure, which would encourage firms to keep money outside the country, would do anything to stimulate the American economy. Yet, Mr. Kies has sought to include it in the stimulus package being prepared in the Senate. Meanwhile, other lobbyists have pressed for equally egregious giveaways. The stimulus bill that passed through committee last week includes money for citrus growers and buffalo farmers and producing electricity from chicken waste. It includes a tax break on aviation fuel for crop-dusters. A wage credit designed to encourage firms to hire welfare recipients has been extended to businesses in lower Manhattan that hire anyone.

As it fights a war on terrorism, the United States also faces the threat of a global recession that could be the worst in years. Thousands of ordinary workers have already lost their jobs, and many thousands more may do so. The economic stimulus will succeed only if it pumps money into the bits of the economy where it will stimulate demand effectively. That means targeting it at business investment and at less well-off consumers, not tossing cash at random supplicants.

The senators who larded the bill in committee ought to feel ashamed of themselves, but they're not the only ones. It seems to us that lobbyists such as Mr. Kies and clients such as General Electric and IBM also bear some responsibility. Normally in Washington we assume that such corporations will grasp for whatever they can get; it's up to those in Congress to resist their more egregious grasplings. But do the chairmen of GE and IBM really want to pursue their narrow self-interest at a time when everyone else is being asked to think of the common good—at a time of war? Imagine the stir it would cause, and the impact it could have, if just one of them said, "Better spend the money on the troops. We'll be back when the

war is over." It's not too late for them to show what patriotism might really mean.

Mr. GRASSLEY. Madam President, let us be accurate when we describe each side's proposals. Upon careful consideration, it is clear:

First, the Senate Republican Caucus stimulus proposal is not made up of "leftover" tax cuts;

Second, the Senate Republicans are not using September 11 as a device to advance "ideological" proposals; and

Third, the proposals in the Senate Republican Caucus stimulus package have not been "unanimously" rejected by economists, editors, and opinion makers.

Madam President, I wish to discuss what I consider to be a crucial component of this economic stimulus package: health insurance assistance for dislocated workers.

We all know about the high cost of health insurance. For dislocated workers, its even higher. That's because worker continuation or "COBRA" coverage is extremely expensive: coverage for a family can cost as much as \$500 or \$600 per month.

And workers who do not qualify for COBRA coverage—because they worked for State or local governments or in small businesses that are exempt—also face high health care costs.

So when it comes to providing health insurance assistance to dislocated workers, both sides in this debate are in agreement: People need help, and they need it now.

Where we disagree is on how we get there. I have endorsed a program that is already up and running, that has been tried and tested and tailored for the very purpose of providing ready help—not red tape—in emergencies like this.

The Democrats, on the other hand, have endorsed the creation of a new Federal bureaucracy, consumed by red tape, that would take many months to get up and running.

First, let's talk about structure. For any program to work efficiently, it needs a backbone. The National Emergency Grant program has been in place since 1998. The Labor Department has been getting funds to States quickly and seamlessly for several years.

In fact, since September 11th, 3 States have already received funds totaling \$37 million, 3 more States are on the verge of approval, and 13 additional State applications are expected. Clearly these numbers indicate the success the National Emergency Grant program has already achieved.

By comparison, the new COBRA subsidy program that the Democrats favor has no backbone at all. There is no structure currently in place at the Labor Department or any other Federal agency to administer this new benefit.

Next, let's take a look at process.

At the Federal level, the National Emergency Grant program requires

nothing more than a new set of grant criteria allowing States to use funds for health insurance. The criteria is being drafted under the Labor Department's existing authority, and can be made effective immediately.

In contrast, the new COBRA subsidy program proposed by the Democrats requires the deployment of an entirely new Federal program, requiring Congressional authorization and a formal regulatory process under the Administrative Procedures Act before any benefits could be delivered.

Moreover, communications and oversight mechanisms would have to be established, and agencies would have to redirect resources to meet program goals.

At the State level, the National Emergency Grant program is familiar to governors and other State officials. The program relies on an existing, streamlined process that has been in place since 1998. All States have mechanisms in place to apply for grants and deliver benefits.

By comparison, the Democrat-endorsed new Federal subsidy program would impose new and costly mandates on States, which would have to authorize and set-up new systems and departments to comply with the program's rules before workers could start receiving benefits. In many instances, action at the State level would be frozen until State legislatures acted to authorize and fund the new mandates.

Finally, let's address the most important question, the one that this whole debate should turn on.

How long will this all take? How do the two approaches compare when it comes to getting workers health care assistance quickly?

The National Emergency Grant program can guarantee payments to States within 15 days of an application's approval. That speed is simply unsurpassed, and it's the chief reason I support using the grant program today.

The new Federal subsidy program, by contrast, would tie up funds in red tape until next summer. Under almost any scenario, financial assistance would not be available until federal regulations are issued, finalized and made effective, a process that could take 6 months, at a minimum.

The bottom line is the Democrats' proposal would not be able to get benefits to workers until it's too late. In addition to a lengthy process at the Federal level, States are faced with undue burdens of setting up new systems to coordinate with the Federal Government and finding new resources to do so.

The Democratic approach, while well-intentioned, reinvents the wheel. The National Emergency Grant program, by comparison, needs no re-invention. It is ready to go.

And so I urge my colleagues to opt for a system that's ready to go and to

support the speedy delivery of funds to our dislocated workers through the National Emergency Grant program.

Mr. GRASSLEY. Madam President, I also wish to discuss a Medicaid provision in the Democrats' economic stimulus package that would provide for an expansion of the Medicaid program to a new group of individuals.

In order to fully evaluate the potential effectiveness of this proposal, it is important to take a look at State fiscal health.

The economic slow-down coupled with increased demands on health care safety net programs is creating major strains on State budgets.

Just this year, 44 States have revenues below original forecasts; 28 States have implemented or considered Medicaid cuts; 7 States have convened special legislative sessions to address budget shortfalls; and 11 States have determined a need for supplemental appropriations for Medicaid.

Today, Medicaid expenditures are 7.5 percent higher than they were in 1999, and on average account for 19.5 percent of State spending. Therefore, Medicaid is a primary target for State budget cutbacks during economic downturns.

States have reported a current cumulative revenue shortfall of \$10 billion, and predict this number to continue to grow. Moreover, new and unprecedented State responsibilities for homeland security are exacerbating serious fiscal conditions.

Therefore, any new State Medicaid option, no matter how generous the Federal match, is not an attractive proposal to States.

States simply do not have the resources to take up a new option under the Medicaid program because States cannot absorb the State share of new Medicaid enrollees.

In fact, a spokesperson for the National Governor's Association recently stated that any proposal, including a Medicaid expansion, that requires State funding would have "zero take-up."

Aside from the budget constraints that prevent a Medicaid expansion from being a viable health care proposal for dislocated workers, Medicaid expansions are not a timely response to addressing emergencies.

In order to develop a new Medicaid eligibility category, States would have to develop a State plan amendment. This entails a planning period that includes: setting income levels and time frames; creating outreach materials and caseworker training; and obtaining approval from the legislature—assuming the legislature is still in session and many aren't—and finally, getting approval from CMS.

By the time this process runs its course, the 12 month window would likely be over. Even if the 12 month period isn't over, it wouldn't be an immediate benefit either to health coverage or as a fiscal stimulus.

A more immediate and expeditious approach to making health care coverage available to displaced workers would be through the National Emergency Grant program.

This program should be expanded to allow States the opportunity to cover health care premiums, including COBRA premiums, for displaced workers and their dependents.

The National Conference of State Legislatures agrees that flexible Federal funds would be the best approach to empowering States to effectively address State-specific needs of dislocated workers.

There are a number of ways that States could use National Emergency Grant funds to provide immediate health care access to dislocated workers and their families including using State employee health systems to unemployed individuals, utilizing community health centers, or contracting with insurers.

The National Emergency Grant program requires nothing more than a new set of grant criteria allowing States to use funds for health insurance. The NEG proposal is an expedient means of making health coverage available to dislocated workers and their families.

Mr. AKAKA. Madam President, I rise in support of the economic stimulus package reported by the Committee on Finance.

Following the terrorist attacks on September 11, the slowdown in our Nation's economy has been a matter of increasing concern. The ripple effect of the tragic events on September 11 has affected millions of Americans who are dealing with the economic repercussions. Hundreds of thousands of workers have lost their jobs, and consumer and business confidence has eroded during this time of uncertainty. The decrease in economic activity is affecting companies ranging from small businesses to corporations, not to mention entire industries such as the airline and tourism industries.

There is no doubt that an economic stimulus package would help to boost our Nation's weak economy. While the prospects for long-term growth remain strong, the terrorist attacks exacerbated weaknesses in many business sectors and diminished hopes for a quick revival of an already faltering economy and it now appears that the country will experience a period of economic weakness and rising unemployment before returning to a period of strong growth. A stimulus package that is well-defined and specifically targeted for maximum effectiveness can play an important role in promoting a rapid economic recovery.

As we all know, there are contrasting views among the members of Congress as to what components should be included in a stimulus package to maximize the stimulative effect on the economy. I believe that the economic

stimulus package should encourage increased spending as soon as possible to rejuvenate the economy, assist people who are most vulnerable during the economic slowdown, and restore business and consumer confidence. However, it is important that fiscal discipline over the long-term be maintained in order to ensure economic growth in the future. As such, legislation to stimulate the economy should only be on a short-term basis so that the budget can return to surplus as the economy recovers.

Given the importance of taking prompt action to stimulate the economy which is on the brink of a recession, I commend the Senator from Montana for his efforts in reporting an economic stimulus package out of the Finance Committee that can be considered on the Senate floor. I support components of the legislation, including provisions aimed at addressing the needs of America's newly-unemployed workers. In addition to losing their health benefits, the unemployed have no income to pay out-of-pocket for their health care needs. Under the Consolidated Omnibus Budget Reconciliation Act of 1985, COBRA, employers with 20 or more employees must offer continued health insurance coverage to qualified employees and their families who lose health coverage when they lose their jobs. Unemployed workers are required to pay up to 102 percent of the full premium, which averages about \$220 per month for an individual and \$558 per month for a family. Only about 20 percent of eligible workers use their COBRA option because premiums are so expensive. The bill drafted by the distinguished Chairman of the Finance Committee will assist workers who are COBRA-eligible by providing a 75 percent COBRA subsidy for up to twelve months. This subsidy will help to ensure that many of the workers and their families who could not previously afford COBRA coverage will be able to retain their health insurance. States would be allowed to cover the remaining 25 percent of the COBRA premium for low-income COBRA-eligible individuals and their families.

While the subsidy for COBRA will help a number of Americans, many of the workers who will lose their jobs in the coming year will not be eligible for COBRA coverage. These workers face an even greater barrier to health care access and include individuals who worked for small businesses, were in the individual health insurance market, worked in companies that have gone bankrupt, and those who could not afford health insurance before they were laid off. The bill by the Senator from Montana would help these workers who are not COBRA-eligible by giving states the option to add a new eligibility category to Medicaid. This new category would allow states to cover laid-off workers who are not COBRA-eligible for up to 12 months.

Another critical component of the stimulus legislation is the temporary increase in the Federal Medical Assistance Percentage, FMAP, rate for States. The Federal Government currently pays between 50 percent and 83 percent of the cost of Medicaid in each state, depending on the state's per capita income in the three calendar years that are most recently available. On average, the Federal Government pays 57 percent. Medicaid matching rates for fiscal year 2002 are based on state per capita income data from 1997, 1998, and 1999—years in which the national economy was strong. Consequently, matching rates are slated to be reduced for 29 states in 2002. The reduction in FMAP rates has worsened an already bleak fiscal outlook for many states. In August, the Congressional Budget Office projected that Medicaid expenditures in 2002 would be nine percent higher in 2002 than in 2001, while states projected that their revenues would rise just 2.4 percent. Rising Medicaid expenditures have long been a serious concern to states. The repercussions of the terrorist attacks on September 11 are leading most analysts to expect even higher state Medicaid costs because the economic downturn will make more people eligible for Medicaid and lower state revenues. It is during difficult financial times that the Medicaid program becomes a primary target of State budget cuts. Yet, people need Medicaid during these times more than ever.

The FMAP increase proposed by the Finance Committee has three main components. First, States that would have received a lower FMAP rate would be "held harmless" and retain their fiscal year 2001 matching rate. Second, all States would receive a rate increase of 1.5 percent. Finally, States with higher than average unemployment rates over the previous three months would receive an additional 1.5 percent rate increase. To receive these FMAP increases, States would be required to maintain current eligibility levels. The temporary increase in the FMAP is an important component of our Nation's economic stimulus policy. Medicaid is the largest Federal grant-in-aid to states. Temporarily increasing the Federal matching rate could have broad positive ramifications for State budgets, the impact of which would be rapid and would not require additional Federal or State bureaucracy. These changes would provide much needed health care to people in need by providing states the resources to do so.

While Congress has taken certain actions to address the aftershocks of the terrorist attacks, we must also restore consumer confidence which has steadily declined since the attacks. In Hawaii, where we were just beginning to recover from our economic recession of 9 years, we find ourselves once again

facing an economic downturn. The State Department of Labor is currently working on the unemployment rates for October 2001 and has indicated that the number of people filing unemployment claims will be substantially higher than those filing in September. This is disconcerting to me because in September 2001, tourism was down by 40 percent and more than 11,000 people who work in the industry were unemployed. More specifically, 8,803 people in Hawaii filed claims for partial or full unemployment benefits in the 15-day period from September 17, the Monday following the attacks, to Monday, October 1. On that Monday, the State Department of Labor estimated that 1,012 workers filed claims statewide for unemployment. Before the attacks, the state of Hawaii received on the average 1,400 claims a week. These statistics do not show what the cost has been to families in Hawaii where both parents are, or in many cases were, working in the travel or tourism-related industries. These families are finding that they do not have the money to pay for their mortgage, health insurance for themselves and their children, and basic necessities.

The economic stimulus legislation reported by the Finance Committee will help the people of Hawaii and the nation pay their mortgages, provide healthcare to their children, and put food on the table. It will provide 13 additional weeks of benefits to workers whose regular unemployment compensation has expired, require states to use the most recent earnings data to determine eligibility and benefits, provide coverage to part-time workers, and supplement the amount of benefits.

Some of my colleagues have argued that extending unemployment benefits and providing a health care subsidy will not stimulate the economy, I must strongly disagree. I believe, as many of my colleagues have stated during this debate, that this is exactly what our economy and the American people need to revitalize consumer confidence. As recent research has shown, the Unemployment Insurance system is eight times as effective as the entire tax system in mitigating the impact of a recession. In addition, the Unemployment Insurance system is able to target the very sector of society that needs the most economic stimulus. I remind everyone that in every recession during the past 30 years, including the 1990–1991 recession under President George Bush, unemployment insurance benefits were extended.

It is clear that an economic stimulus package is needed to support our economy during these uncertain times and to promote a rapid recovery. We have seen the Federal Reserve Board cut interest rates ten times this year with limited economic effect. Congress has also taken actions to provide some of that stimulus through emergency

spending for recovery efforts and to assist the airline industry. It is critical that Congress promptly pass an economic stimulus package that will rejuvenate our faltering economy while assisting households who have been especially hard hit by the downturn in the economy. An economic stimulus package that promotes economic activity and includes components to extend unemployment insurance benefits and health care subsidies will greatly assist in getting our country's economy moving again.

The PRESIDING OFFICER (Mr. DAYTON). Under the previous order, the Senator from Montana is recognized.

Mr. BAUCUS. Madam President, I thank my good friend from Iowa, Senator GRASSLEY, for his help on this bill.

The choice in the vote before us, about to occur in 15 minutes, is very simple. Do we want to proceed to help provide the stimulus to the American economy? Do we want to help provide health insurance benefits to people who have lost their health insurance because of their lost jobs? Do we want to provide an extension of unemployment benefits? Do we want to help New York City, which has been wrecked and devastated by the tragedy of September 11? Do we want to give disaster assistance to farmers and ranchers whose incomes are lower year by year.

Do we want to do these things or not? That is the sole question before us. That is all it comes down to.

I am astounded that we hear these arguments that this is not an emergency. I have been in this body for 20-some years, and we have voted for many items designated as emergencies that were far less of an emergency than what has happened to our country since September 11.

What were they? Let me tell you. First of all, the stand-alone bills we have passed in this body: Unemployment insurance, in 1993, \$5.7 billion. That was designated an emergency, so we passed it.

IRS reform, if you can believe, \$130 million—emergency. I don't know what the emergency was, but that is what Congress decided.

The airline bill this year, \$17 billion over 10 years.

What were some other emergencies? We have had Hurricane Andrew. We had floods in various States, and we have designated those all as emergencies, this Senate did, and they were emergencies.

And there have been more emergency designations. The Los Angeles riots in 1992 was designated an emergency. We provided additional dollars to help Los Angeles recover from the riots in 1992. The terrorist bombing in Oklahoma City—we designated that as an emergency to help Oklahoma City, as we should have.

Peacekeeping in Bosnia—we designated additional dollars for our mili-

tary, our Defense Department, because that was an emergency, fighting in Bosnia. That was designated an emergency, as well it should have been.

Other natural disasters, hurricanes and floods.

I, for the life of me, cannot understand this argument that we hear from the other side that what has happened to this country since September 11 is not an emergency, particularly in comparison to past events that were designated emergencies. There is a provision in the Budget Act which says if we go over the technical spending limits, it has to be an emergency to avoid a budget point of order. That is entirely up to the discretion of the Senate. In fact, the Congressional Budget Office, in this document, says:

Emergency spending is generally whatever the Congress and the President deem it to be.

It is up to us to decide whether this is an emergency or not. We all know what has happened to New York City, what has happened to our economy—900,000 people out of work since this spring. That is the entire population of my State of Montana—900,000 people out of work. Most people who lose their health insurance do so because they have lost their jobs.

This is a super-emergency compared with the other events that this body has designated emergencies. Why is this not an emergency, too? Where are we? What are we thinking of? Hello? Wake up, Senate. Wake up and see what is happening to the country. Wake up and see what is happening in New York City.

If all of us in the Senate were to go to Ground Zero, we would know that is an emergency. Some have and some have not. All should.

The same occurs all across the country. Homes lost, people tossed out of work, farms and ranches going down the tubes because either they don't have crops, it is a disaster, a drought or a flood, or they are not getting their income. What is going on here? Of course it is an emergency.

Meanwhile, we have heard, and I am disappointed to have to say this, characterizations and mischaracterizations, representations and misrepresentations, of what is in the Senate bill. Senators, some of them, have taken easy shots, not getting to the heart of the matter. That is regrettable.

I will sum up in 10 seconds. This is clearly an emergency, and I urge Senators to vote to waive the point of order, stop the roadblock. Let's roll. Let's help America.

The PRESIDING OFFICER (Mr. DAYTON). The assistant Republican leader.

Mr. NICKLES. Mr. President, it is with regret I urge my colleagues to not support our friends and colleagues on the other side. I will just take issue with a few things that have been stated.

First, I compliment Senator GRASSLEY and Senator BAUCUS because they worked together earlier this year in a bipartisan way and we passed tax relief. It was done by a bipartisan vote in the Finance Committee, done by a bipartisan vote in the Senate, and by and large that bill became law. Senator BAUCUS and others alluded to the fact that we have already passed emergency legislation providing \$40 billion to assist in the aftermath of the September 11 events. That was done in a bipartisan fashion.

When we provided airline relief, that was done in a bipartisan fashion. Unfortunately, the bill we have before us, the so-called stimulus bill, has not been done in a bipartisan fashion. The makeup of the Senate is so balanced that it cannot happen. Democrats cannot pass a Democrat-only bill. The Republicans cannot pass a Republican-only bill. So we are going to have to work together.

Regrettably, that has not yet happened. The result is in the bill that passed out of the Finance Committee, now modified by Senator BYRD's amendment, and modified by additional amendments made by the chairman or the Democratic leader, we have a bill that not only will not stimulate I think but may depress the economy. We have a bill that is not supported by both sides. We have a bill that obviously will not become law.

We have a statement by the administration that says:

The administration opposes passage of H.R. 3990 as reported by the Senate Finance Committee.

The President said he doesn't like it. It is strongly opposed for lots of reasons. That is in direct contrast to the bipartisan work that many of us as leaders did, meeting with the President several times after the September 11 events to say let's work together. President Bush agreed to the \$40 billion. We haven't even spent the \$40 billion. I am looking at the list that has \$15 billion of new spending. That is in direct contradiction of the agreement we made with the President, that we have in writing from the President, the agreement that said \$686 billion and, oh, yes, we will do \$40 billion of the emergency spending. We have not spent that \$40 billion. Then they say we want another \$15 billion.

I do not doubt many of those provisions requested in the \$15 billion will be in the second \$20 billion that is yet to be appropriated, yet to be allocated, in some cases yet to be requested.

The administration hasn't requested those. They are receiving input and requests from a lot of different agencies. But they haven't requested it yet. Yet we are trying to say that is the deal from last month. Now we are coming up with a new deal. Last year's spending grew by over 14 percent. This year, we are going to spend about 8 percent.

Now we have added \$40 billion. Some people say, let us add \$15 billion on top of it. We may well support those attempts.

But I wouldn't be a bit surprised if we could not put those in the \$20 billion additional upon which we have already agreed.

Looking at the substance of this legislation, there is nothing in this legislation to really stimulate the economy. I was a businessman prior to coming to the Senate. I guess spending \$35,000, which might be 1 percent of this bill, or maybe a smaller amount, might be useful; or 10 percent to appreciate for 1 year might move spending up a little bit. That is almost nothing.

Looking at all the other provisions in here, I was kind of shocked. Some of this is similar.

What is it about having a new sugar beet program? Sugar beet disaster program? What does that have to do with anything? What is stimulative about having the Federal Government buying apples, apricots, asparagus, bell peppers, bison meat, cranberries, dried plums, lemons, peaches, and onions? What is stimulative about that? Are we going to spend up to \$3 billion doing that?

Then I look and I see other items. I see the Amtrak program that the Congressional Budget Office says is a crummy way to do it. We are going to do it through allowing a tax credit, and so on.

The Congressional Budget Office did an analysis in September of this year and said, in other words, that the tax credit funding mechanism would essentially be a new and more expensive way for the Federal Government to assist Amtrak. They say it would be a lot more expensive. We could just write them a check or allow them to use tax-exempt bonds. No. We came in with a whole new game that is a lot more expensive.

This bill is not stimulative. It won't help the economy. It is not bipartisan. We need to defeat this package and go back to work—Democrats and Republicans together—and pass a package that can be supported by Members on both sides of the aisle.

The PRESIDING OFFICER. Under the previous order, the majority leader is recognized.

Mr. DASCHLE. Mr. President, let me just pick up where my colleagues from Oklahoma left off.

We have been ready for weeks to work in a bipartisan fashion. No one has worked harder at reaching out to our Republican colleagues than the man sitting at my right, Senator BAUCUS, the manager of this bill. He has tried on several occasions not only with the Republican colleagues in the Senate but with those in the House, and every time he was told, no, we can't do that because we have to offer our own package.

Don't talk to us about bipartisan until you are ready to do it.

I must say this is a facade—this notion that somehow the only way to deal with whatever concerns the Senator from Oklahoma may have with regard to this bill is to raise a point of order on this bill. If they do like a particular provision, let them do what we do in the Senate. Let them offer an amendment. If you do not like a particular provision, offer an amendment.

Let there be no doubt that the vote we are about to take on this point of order which refuses to allow an emergency designation is a vote to kill homeland security for the remainder of this year. It is a vote to say no to our effort to protect our country from bioterrorism. It is a vote to say no to important security for airports, ports, highways, and tunnels. It is a vote to say no to additional help for law enforcement as we consider the vast array of issues we have to confront. It is a vote to say no adequate unemployment compensation for 7½ million unemployed workers. It is a vote to say no to helping these families keep their health insurance. It is a vote to say no to those 34 million workers out there who didn't get a nickel in a rebate last summer.

There is a lot riding on this bill. This isn't just a point of order and some parliamentary vote you can hide behind, this is a real vote. This is all we have to protect, for the remainder of this year, our opportunities to ensure that a meaningful economic recovery and homeland security package can be passed. That is it—this vote. I hope everybody understands that there isn't a second or a third chance here.

I don't know what will happen if we fail a pass this particular test. But I know this: it delays for a long period of time the help we can provide for all of those who are saying we don't have time any longer. We have to get on with protecting this country and the vast array of new challenges we face as a country. We have to provide this unemployment insurance for people whose benefits are running out and for those part-time workers are receiving no benefits at all.

I hope our Republican colleagues will understand that. I hope they will join all 51 members of this caucus who are prepared to say, yes, this is an emergency; yes, we need to move on; yes. We need to work together in a bipartisan way; yes, let's do it tonight.

I yield the floor.

The PRESIDING OFFICER. Under the previous order, the question is on agreeing to the motion to waive section 205 of House Concurrent Resolution 290. The yeas and nays have been ordered, and the clerk will call the roll. The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Texas (Mr. GRAMM) and the Senator from Arizona (Mr. MCCAIN) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 51, nays 47, as follows:

[Rollcall Vote No. 337 Leg.]

YEAS—51

Akaka	Dodd	Levin
Baucus	Dorgan	Lieberman
Bayh	Durbin	Lincoln
Biden	Edwards	Mikulski
Bingaman	Feingold	Miller
Boxer	Feinstein	Murray
Breaux	Graham	Nelson (FL)
Byrd	Harkin	Nelson (NE)
Cantwell	Hollings	Reed
Carnahan	Inouye	Reid
Carper	Jeffords	Rockefeller
Cleland	Johnson	Sarbanes
Clinton	Kennedy	Schumer
Conrad	Kerry	Stabenow
Corzine	Kohl	Torricelli
Daschle	Landrieu	Wellstone
Dayton	Leahy	Wyden

NAYS—47

Allard	Enzi	Nickles
Allen	Fitzgerald	Roberts
Bennett	Frist	Santorum
Bond	Grassley	Sessions
Brownback	Gregg	Shelby
Bunning	Hagel	Smith (NH)
Burns	Hatch	Smith (OR)
Campbell	Helms	Snowe
Chafee	Hutchinson	Specter
Cochran	Hutchinson	Stevens
Collins	Inhofe	Thomas
Craig	Kyl	Thompson
Crapo	Lott	Thompson
DeWine	Lugar	Thurmond
Domenici	McConnell	Voinovich
Ensign	Murkowski	Warner

NOT VOTING—2

Gramm McCain

The PRESIDING OFFICER. On this vote the yeas are 51, the nays are 47.

Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained and section 909 of the amendment containing the emergency designation is stricken.

Mr. HATCH. Mr. President, I move to reconsider the vote.

Mr. CRAIG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, the pending amendment No. 2125 would cause the aggregate level of revenues to fall below the level set out in the most recent agreed-to concurrent resolution of the budget. I raise a point of order under section 311(a)(2) of the Congressional Budget Act of 1974.

Mr. BAUCUS. Mr. President, pursuant to section 904 of the Congressional Budget Act of 1974, I move to waive the applicable sections of that act for the purposes of the pending amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is this a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. BAUCUS. Mr. President, very briefly, for the information of my colleagues, this second point of order challenges the amendment for going below the revenue floor and for going

above the spending ceilings of the budget resolution.

The amendment does, in fact, violate the revenue floor and spending ceiling. That is true. It is also true that the House bill, which will then come up, also violates the Budget Act for the same reasons, as does the bill offered by my good friend from Iowa, as does the White House proposal. They all do.

The reason is because we have an emergency here. There are problems with which we have to deal. That is why. I wish this waiver would pass, but I know it won't.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I yield the floor. Let's vote.

The PRESIDING OFFICER. The question is on agreeing to the motion. The yeas and nays are ordered and the clerk will call the roll.

Mr. NICKLES. I announce that the Senator from Texas (Mr. GRAMM) and the Senator from Arizona (Mr. MCCAIN) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 51, nays 47, as follows:

[Rollcall Vote No. 338 Leg.]

YEAS—51

Akaka	Dodd	Levin
Baucus	Dorgan	Lieberman
Bayh	Durbin	Lincoln
Biden	Edwards	Mikulski
Bingaman	Feingold	Miller
Boxer	Feinstein	Murray
Breaux	Graham	Nelson (FL)
Byrd	Harkin	Nelson (NE)
Cantwell	Hollings	Reed
Carnahan	Inouye	Reid
Carper	Jeffords	Rockefeller
Cleland	Johnson	Sarbanes
Clinton	Kennedy	Schumer
Conrad	Kerry	Stabenow
Corzine	Kohl	Torricelli
Daschle	Landrieu	Wellstone
Dayton	Leahy	Wyden

NAYS—47

Allard	Enzi	Nickles
Allen	Fitzgerald	Roberts
Bennett	Frist	Santorum
Bond	Grassley	Sessions
Brownback	Gregg	Shelby
Bunning	Hagel	Smith (NH)
Burns	Hatch	Smith (OR)
Campbell	Helms	Snowe
Chafee	Hutchinson	Specter
Cochran	Hutchinson	Stevens
Collins	Inhofe	Thomas
Craig	Kyl	Thompson
Crapo	Lott	Thompson
DeWine	Lugar	Thurmond
Domenici	McConnell	Voinovich
Ensign	Murkowski	Warner

NOT VOTING—2

Gramm McCain

The PRESIDING OFFICER. On this vote, the yeas are 51, the nays are 47.

Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained and the amendment falls.

Mr. REID. I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. FEINGOLD. Mr. President, I supported a motion to waive the Budget Act with respect to a point of order raised against the substitute amendment to H.R. 3090, even though there are a number of provisions in that amendment that are troubling.

Just a few weeks ago, this body voted to provide emergency funding to the nation's airlines. We recognize the special situation caused by the terrorist attacks of September 11, and understood that if we failed to act, the consequences for those firms, and for the economy as a whole, could well have been devastating.

At the time of that vote, I noted that we also needed to address the problems facing the workers in those firms. This legislation will do that, in part, and it will also provide assistance to other families who have been thrown out of work by the economic slowdown, and should provide the weakened economy with a boost.

Unfortunately, a number of special interests have taken advantage of this human and economic adversity to advance their own agenda. The measure that passed the other body is teeming with special interest tax breaks that do little or nothing for the economy as a whole in the short term, and seriously jeopardize our long term budget position. The substitute amendment before us is vastly superior in this respect. It provides far more benefit for our economy in the short term, while minimizing the long term impact.

Nevertheless, there are a number of special interest spending and tax provisions in the amendment that raise serious questions, such as provisions that provide money for citrus growers and buffalo farmers and tax breaks for electricity produced from chicken waste and aviation fuel for crop-dusters. A provision common to both the substitute amendment and the House-passed bill would reduce taxes on corporations' overseas investment income. As the Washington Post noted in a recent editorial: "It's hard to see how this measure, which would encourage firms to keep money outside the country, would do anything to stimulate the American economy."

The substitute amendment before us, even with its flaws, is far more fiscally responsible than the House bill, but as this legislation proceeds there is a real risk that it will continue to pick up still more special interest provisions. Indeed, the House version is largely a lobbyist's wish list. Unless this body is able to restrain itself, and resist efforts to advance special interest spending and tax breaks, the costs of a fiscal stimulus measure will outweigh any benefit it provides to our economy.