

and by reducing the rate of taxation down by 10 percent to 35 percent.

No one should have to be taxed on their assets twice, and no one should have to visit the tax man and the undertaker on the same day. It is the Government's final outrage. But if we can't repeal this tax, then we should at least lower it at a time when Americans are already burdened by shrinking retirement savings.

This budget, in keeping with the administration's plan, seeks to keep the death tax exemption at \$3.5 million and the tax rate at 45 percent. By offering an amendment that would lower the rate and the exemption, Senators KYL and LINCOLN are offering crucial support and protection to small businesses, family ranchers, and farms.

This amendment has wide bipartisan support, including Senators NELSON, PRYOR, and LANDRIEU—all on the Democratic side—and Senators GRASSLEY, ROBERTS, ENZI, and COLLINS on the Republican side. It also has strong support from the small business community, which desperately needs relief at the current moment. It would spur economic growth, which we need, and it makes good overall economic sense since the death tax costs more to comply with than it raises in revenue.

The Lincoln-Kyl amendment is important, it is timely, and I strongly urge its support.

Mr. GRASSLEY. Mr. President, the distinguished majority leader, my friend, Senator REID quoted me by name in his remarks in opposition to the Lincoln-Kyl amendment.

The distinguished leader quoted me as describing death tax relief legislation as "unseemly."

Since that quote was used to argue against Senator LINCOLN's amendment, which I support, I thought it important to respond to the distinguished leader and set the record straight.

The distinguished leader is correct. I did say, at that time shortly after the Katrina hurricane hit, that proceeding to death tax relief would be "unseemly."

It is important for everyone to understand the context of that statement. It was made shortly after the terrible hurricane hit the gulf states. At that time, the Senate was about to reconvene after the August recess. The pending business was a cloture motion on the motion to proceed to a House bill that provided death tax relief.

The majority leader, Senator Frist, had filed the cloture motion before the Senate departed for the August recess. Of course, that procedural action occurred weeks before the hurricane hit. When asked about the Senate schedule, I responded that proceeding to the death tax bill, and, thereby not dealing with the hurricane victims, would be unseemly.

The distinguished leader's comments caused me to recall how the finance Committee, which I chaired at the time, dealt with Katrina.

Senator Frist did the right thing and set the Senate in motion to deal with

the hurricane victims. The Finance Committee acted with lightning speed on a bipartisan basis, and in concert with the House, to deliver relief to hurricane victims. I was quite proud of our efforts to help people in need. That was the first Katrina tax relief bill.

The second Katrina tax relief bill, unfortunately, took a lot longer to do. Some on the other side saw the Katrina bill as a chance to enact a National agenda of greatly enhancing social programs. I did not question their motives at the time and do not now. But, the bottom line was that this attempt to leverage a crisis for a National agenda, significantly delayed our efforts to rebuild the hard-hit gulf zone.

As the distinguished leader will recall, the gulf state Senators, led by Senator Lott, forced the Senate to focus on helping their states rebuild and recover. A similar effort was underway in the House.

Fortunately, the efforts of the bipartisan group of gulf state Senators caused the leadership on the other side to abandon their efforts to leverage the hurricane disaster for a National agenda. No one accused the leadership on the other side of being unseemly.

Senator Frist did the right thing and focused on the hurricane victims. The leadership on the other side did the right thing and focused on bipartisan hurricane relief efforts.

There is a lesson in this history for all of us. Do not try to leverage a crisis for unrelated purposes.

Senator LINCOLN's amendment was not "unseemly." To use my reaction to a question about the Senate schedule to miss the point I was making The Lincoln/Kyl amendment is a reasonable effort to find a bipartisan compromise on a time-sensitive tax issue. It is an effort to enable a solution to a problem that vexes family farmers and small businesses. The amendment's purpose and substance are the opposite of unseemly. The Lincoln/Kyl amendment is "decorous."

The PRESIDING OFFICER. The majority leader is recognized.

Mr. REID. Mr. President, I will use my leader time. This chart says it all. In February, 651,000 Americans lost their jobs. Five million Americans have lost their jobs this past year—5 million. Our unemployment rate currently stands at 8.1 percent. Nevada's unemployment is 10 percent, but Nevada is not the highest. We have some States that are far more than 10 percent unemployed. Three million more children will likely be living in poverty by the end of this year. The net worth of American households dropped by a combined total of \$11 trillion last year—\$11 trillion.

These statistics tell a story—a very clear story—but what is even clearer is the suffering every American sees and feels every day.

Families whose incomes have fallen are now concerned that they won't be able to make their next mortgage payment. Students at this time of the year

should be overjoyed with receiving acceptance to go to college, but because of what is happening at home—their dad or mom has lost a job—they can't go to college. Workers who have given decades of loyal service at the office or factory realize now they can't retire because their pensions are gone and their retirement savings have disappeared. Senior citizens on a fixed income used to have to make a decision as to whether it would be medicine or food. Now many seniors don't have the choice for either.

We know what caused this crisis: 8 years of fiscal policies under the previous administration and its allies in Congress who gave away the store at the expense of the rest of America.

President Obama inherited a crisis that no President should have to inherit or fix. Instead of focusing full time on the future, he and we in Congress must first clean up the devastating mistakes of the past. We can only turn the page from the recession to recovery if we watch every single taxpayer dollar the way families watch every dollar in their budget. Every dollar counts.

That is why it is so stunning, so outrageous, that some would choose this hour of national crisis to push an amendment to slash the estate tax for the superwealthy. This isn't for the wealthy; this is for the superwealthy. Yet that is what we see here today.

The proposal now before us would take \$100 billion of American taxpayer money—actually, it is more than that—more than \$100 billion of taxpayer money over the next few years and spend it on slashing taxes on the estates of the wealthiest two-tenths of 1 percent of Americans. So 99.8 percent of Americans would derive no benefit—none. In fact, 99.8 percent of Americans would actually see their tax dollars redirected to the estates of those who are at the very top of the economic food chain.

Here is what one newspaper said today:

The proverbial millionaires next door—the plumbers, contractors, and accountants who amass substantial wealth through hard work and modest living—are not the intended beneficiaries of the proposed cut. The Obama budget already takes care of them. That means 99.8 percent of estates will never, ever pay a penny of estate tax.

Here is what another newspaper said today, entitled "More Tax Cuts for the Rich":

The hypocrisy here is breathtaking. More fundamentally, it is hard to stomach those who argue for more tax cuts—and then bemoan the failure to stanch rising deficits. A vote for this amendment, at this time of so much red ink and so much suffering, would reflect the most skewed of priorities.

This is only a couple of the Americans all over America today trying to understand what is going on in Washington.

In recent years, Congress has already reduced tax rates on the ultrawealthy estates. In fact, the Tax Policy Center calculates that a \$20 million estate

right now—now—will pay an effective tax rate of 23 percent. Nurses pay more than that, schoolteachers pay more than that, and secretaries pay a higher tax rate than that, but we say for an estate of \$20 million, 23 percent is OK. That is what the Tax Policy Center calculates.

But for the proponents of the amendment now before us, that is not good enough. So they propose that we spend \$100 billion on a tax cut for the top two-tenths of 1 percent. Proponents of this legislation say they will find offsets for this \$100 billion giveaway that will make it deficit neutral. Think about that. Deficit neutral. That means you have to get offsets.

Where are we going to get offsets? They have to come from somewhere. They are not coming from the sky. Are we going to take them from Medicare? From Senator INOUE's defense budget? From the Peace Corps? From education?

Even in the best of times, there is no question that we could find a better use for an extra \$100 billion. We could put new textbooks in classrooms. We could build better renewable energy transmission lines. We could provide health care to more working families. If it got out of hand, we could do what we did in the last years of the Clinton administration: Reduce the debt.

I can think of no way to describe this amendment other than stunning hypocrisy.

Many of the very same Republicans who held hands with President Bush as he squandered a record budget surplus and turned it into a record deficit suddenly claim to be "deficit hawks." They tell us we cannot invest in the middle class—the very people their disastrous policies have harmed.

These same Republicans tried to stop us from providing health insurance to millions of children of low-income families, so that these kids could go to a doctor when they are sick or hurt. They fought against President Obama's economic recovery plan, because it had the audacity to invest in creating jobs for victims of the recession Bush created.

Now they are fighting against a budget that cuts taxes for the middle class, puts us on a path toward cutting the Republican deficit in half, and invests in middle-class priorities, such as health care, education, and clean, renewable energy. That is what Chairman CONRAD has done.

After 8 years of creating a record deficit so that they could slash taxes on the ultrawealthy, now they oppose our efforts to help the middle class.

These newly hatched deficit hawks say no to any proposal that invests in the people their policies harmed. But when it comes to giving away another \$100 billion plus of taxpayer money to the top two-tenths of 1 percent—money that could pay down the deficit they claim to care so much about—these same Senators line up in support.

Again, this is stunning hypocrisy. Not only that; it is outrageous hypocrisy.

When the estate tax issue was debated back in 2005, in the aftermath of Hurricane Katrina, the then-chairman of the Finance Committee, Senator GRASSLEY, said this—remember, at that time there was a defined group of people who were suffering in the gulf, but now it is the whole country. Today, it was announced on the radio that, for the first time since the Great Depression, all 50 States, without exception, have a downturn in their economy. Here is what Senator GRASSLEY said then, after Hurricane Katrina:

It's a little unseemly to be talking about doing away with or enhancing the estate tax at a time when people are suffering.

If Katrina, which was a disaster for this country, was a reason not to do the estate tax, why now when all 300 million Americans are suffering? People are suffering now in every city, State, and town in America.

I urge my colleagues to oppose this amendment. It amounts to nothing but a giveaway to the wealthiest two-tenths of 1 percent of Americans, at the expense of the other 99.8 percent of Americans.

Especially in this time of economic crisis, this is the wrong priority for our country. I ask everybody to vote "no" on this amendment.

The PRESIDING OFFICER. The question is on agreeing to the Lincoln amendment No. 873.

Mr. KYL. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The clerk will call the roll.

The assistant legislative clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 51, nays 48, as follows:

[Rollcall Vote No. 146 Leg.]

YEAS—51

Alexander	DeMint	McConnell
Barrasso	Ensign	Murkowski
Baucus	Enzi	Murray
Bayh	Graham	Nelson (FL)
Bennett	Grassley	Nelson (NE)
Bond	Gregg	Pryor
Brownback	Hatch	Risch
Bunning	Hutchison	Roberts
Burr	Inhofe	Sessions
Cantwell	Isakson	Shelby
Chambliss	Johanns	Snowe
Coburn	Kyl	Specter
Cochran	Landrieu	Tester
Collins	Lincoln	Thune
Corker	Lugar	Vitter
Cornyn	Martinez	Voinovich
Crapo	McCain	Wicker

NAYS—48

Akaka	Casey	Inouye
Begich	Conrad	Johnson
Bennet	Dodd	Kaufman
Bingaman	Dorgan	Kennedy
Boxer	Durbin	Kerry
Brown	Feingold	Klobuchar
Burr	Feinstein	Kohl
Byrd	Gillibrand	Lautenberg
Cardin	Hagan	Leahy
Carper	Harkin	Levin

Lieberman	Reid	Udall (CO)
McCaskill	Rockefeller	Udall (NM)
Menendez	Sanders	Warner
Merkley	Schumer	Webb
Mikulski	Shaheen	Whitehouse
Reed	Stabenow	Wyden

The amendment (No. 873) was agreed to.

Mr. MCCONNELL. Mr. President, I move to reconsider the vote.

Mr. GREGG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENTS NOS. 913, AS MODIFIED, AND 875, AS MODIFIED

Mr. CONRAD. Mr. President, I ask unanimous consent that notwithstanding the adoption of amendments Nos. 913 and 875, the amendments be modified with the changes at the desk.

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

The amendments, as modified, are as follows:

AMENDMENT NO. 913, AS MODIFIED

(Purpose: To provide for enhanced oversight of the Board of Governors of the Federal Reserve System concerning the use of emergency economic assistance)

On page 48, line 21, strike "banks" and all that follows through "2008," on line 24 and insert the following "banks, to include (1) an evaluation of the appropriate number and the associated costs of Federal reserve banks; (2) publication on its website, with respect to all lending and financial assistance facilities created by the Board to address the financial crisis, of (A) the nature and amounts of the collateral that the central bank is accepting on behalf of American taxpayers in the various lending programs, on no less than a monthly basis; (B) the extent to which changes in valuation of credit extensions to various special purpose vehicles, such as Maiden Lane I, Maiden Lane II, and Maiden Lane III, are a result of losses on collateral which will not be recovered; (C) the number of borrowers that participate in each of the lending programs and details of the credit extended, including the extent to which the credit is concentrated in one or more institutions; and (D) information on the extent to which the central bank is contracting for services of private sector firms for the design, pricing, management, and accounting for the various lending programs and the terms and nature of such contracts and bidding processes,".

AMENDMENT NO. 875, AS MODIFIED

(Purpose: To require information from the Board of Governors of the Federal Reserve System about the use of emergency economic assistance)

In Sec. 215, following "contracts and bidding processes," add the following: ";and (3) including the identity of each entity to which the Board has provided "all loans and other financial assistance since March 24, 2005, the value or amount of that financial assistance, and what that entity is doing with such financial assistance," after "2008,".

Mr. CONRAD. Mr. President, I ask unanimous consent that the list I send to the desk be the only amendments remaining in order to the budget resolution and managers' amendments which have been cleared by the managers and leaders and that a side by side be in order to any of the amendments on the list at the discretion of the managers and leaders; that the order in which