RECESS

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 2:15 p.m.

Thereupon, the Senate, at 12:32 p.m., recessed until 2:15 p.m. and reassembled when called to order by the Presiding Officer (Mr. CARPER).

The PRESIDING OFFICER. The Senator from New Jersey.

EXTENSION OF MORNING BUSINESS

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that the period for morning business be extended for 2 hours, with the time equally divided.

The PRESIDING OFFICER. Is there objection?

Hearing none, it is so ordered.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that any quorum time be equally divided.

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

Mr. LAUTENBERG. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. HARKIN. Mr. President, I understand we are in a period of morning business.

The PRESIDING OFFICER. Yes, we are, for roughly 2 hours.

STIMULUS PACKAGE

Mr. HARKIN. Mr. President, I thought I would take a few moments to talk about this stimulus package that is sort of maybe making its way through the Congress.

I was in my home State of Iowa this weekend, and a lot of people came up to me, from various walks of life, questioning whether we had lost all our sanity around here in terms of this stimulus bill.

Well, as I probed and asked questions, it seemed everyone thought this idea of just sending a check out to everybody—when we are borrowing the money from our kids and grandkids—to do it did not seem to make much sense, especially if some of that so-called stimulus money is used to buy a flat-screen TV made in China.

So we borrow money from China, we go into more debt to them—which our kids and grandkids and great-grandkids and on and on will have to pay for—so that people here can buy a consumer good made in China, and send the money to China. So whose stimulus is this? Is it for our country or is it for China? So people really rightfully question it.

Now, they have heard that maybe we are going to send a check to everybody regardless of income, that Bill Gates—and God bless him; he is always the foil, I guess, for the wealthiest in our country—and people of that magnitude of income would actually get a check.

I have to believe people are beyond laughing about this now. I have to believe the citizens of this country are scratching their heads and wondering just what are we doing.

What I heard from my constituents in Iowa is that if you really want to do something in terms of the economy, first of all, you take care of those who are hurt the most, those at the bottom, and then you take and you invest money in the economic well-being of this country.

So the more I talked to people about this issue, it became very clear to me that what we should be focusing on in the stimulus package—not what the White House has said and not even what the House said. I was not part of that agreement. I was not invited to those talks or anything else. It was only done by the Speaker of the House, I guess, and the minority leader of the House and the President. Well, there are 100 Senators here, too, and we represent people. It would seem to me we should have some input into what this ''stimulus package'' is.

So it is clear to me that just taking a bunch of money we borrowed from China—which our kids and grandkids have to pay back—and giving it in a check to everyone, just throwing it out there, is just throwing money at the problem. How many times have we heard around here: Don't just throw money at the problem. So if we have an economic slowdown, let's target—let's target—what it is we are going to put our money into.

Now, first, you want to ask the legitimate question of, if you are going to spend a dollar, what gives you the most economic activity? What rolls around the most in the economy? What has the largest multiplier effect? Well, the Economic Research Service, the Moody's have all said that the biggest bang for the buck we could get is in food stamps—either a 1.73 or a 1.84 multiplier effect. It means for every $1 you put in, you are getting $1.84 more in economic activity. That is the highest. It dwarfs everything else. Here is a way we can actually do something about the economy, target money and help those who need help the most.

We have had a constant erosion in food stamps, a 30-year erosion in the asset level. The asset level right now for a person who qualifies for food stamps in this country is $2,000. In other words, if you are a single parent with a couple of kids and you are working—maybe you are in a temporary layoff now with the economic turndown, but let's say while you were working you saved a little bit of money for that rainy day. We are always telling people to save money. It is good for you. It is good for your future. So maybe they saved a little bit of money. Well, if they saved over $2,000, they do not get food stamps. That is the same level it was in 1977. If it had kept pace with inflation, the asset level today would be about $6,000. So we have had that erosion now for 30 years. We have had 11 years of an erosion of the standard deduction, which is, without getting into the nitty-gritty of how it works, just a standard deduction for a family on food stamps, taking into account certain factors that comes out to be a deduction of about $130 a month. That is at the level it was 11 years ago. It hasn't changed. It was frozen at that level in 1996.

The childcare deduction is now capped at $175, and it has been that way for 11 years. There has been no increase in the childcare deduction, even though we know childcare costs more money today than it did 11 years ago. So we have had great erosions. Couple that with the fact that since 2000, the number of people on food stamps in this country has gone from 16 million to 26 million.

So while the economy may have been good for some people over the last 5 or 6 years, it was good for people at the top. But if the economy was so darn good over the last several years, why did we go from 16 million on food stamps to 26 million on food stamps? Because for those at the bottom, the economy was not very good; thus, the widening gap between the rich and the poor in this country.

So it would seem to make sense, if we are going to have some kind of ''stimulus package,'' the first rule would be do no harm, and then target it so that it is effective. Ask the economists. They all say the best bang for the buck is when you put it in food stamps. So here is our opportunity, both to have some multiplier effects and to help stimulate the economy and do what really is morally right, what we should have done a long time ago, and that is to make sure the people at the bottom don't keep falling through the safety nets.

So I say, I don't know what the Finance Committee is going to do. This is not in their jurisdiction. I understand. They can't do anything about food stamps; that is not in their jurisdiction. But when that bill comes up, and when we get it to the floor, I want everyone to be aware that we are going to have an amendment—and I will have an amendment on food stamps—to put a significant amount of money into food stamps, about a 20-percent increase in food stamps for the next year. That gives us 12 months.

Now, why 12 months rather than 6 months or 7 months or 8 months? Well,