

bracket at 10 percent; keeps the highest bracket 35 percent; preserves relief from the marriage penalty—as well as the \$1,000 per child tax credit; blocks higher taxes on capital gains and dividends; protects at least 21 million families from the alternative minimum tax; and reduces the “death tax” by 20 percent from what it would have been on January 1.

Some of my fellow conservatives have reservations about this bill, and I share them. This bill certainly falls far short of what I think we would see if Republicans controlled both Chambers of Congress and the White House. I think we would see a permanent extension of all the 2001 and 2003 tax relief; a much lower estate tax; and zero new spending or tax breaks for special interests.

But given that President Obama will hold the veto pen for at least 2 more years—and given all the class-warfare rhetoric that the President and the majority have indulged in over the last few years—I consider an extension of tax relief for every American taxpayer to be a remarkable legislative achievement for Republicans. One pundit summed up the agreement this way: “If someone had told me, the day after Election Day 2008, that tax rates on income and capital would not increase for the next four years, I would have laughed at them. Now it’s about to come true, and Presidents Obama and Clinton are helping make it happen.”

The only thing I would add to that statement is that several of my colleagues deserve credit for making this agreement happen—especially Senator MCCONNELL, Senator KYL, and Senator GRASSLEY.

Some of my colleagues on the other side of the aisle have also raised objections to this legislation—and I would like to respond to just one of those objections: the claim that it is hypocritical to say you are concerned about the deficit but then vote to keep taxes low on American families and small businesses.

Let me set the record straight on what actually happened to the deficit once the tax relief Congress originally passed in 2001 and 2003 began to kick in to our economy. As our colleagues remind us constantly, deficits did go up during the first years of the Bush administration—in part due to the collapse of the dot-com bubble, the recession, and 9/11. In fact, by fiscal year 2004, the deficit was up to \$413 billion, or 3.5 percent of GDP.

But then, just as the 2001 and 2003 tax relief started to kick in, a strange thing happened to the deficit: It went down to \$318 billion in fiscal year 2005, then down again to \$248 billion in fiscal year 2006, and then down to \$161 billion in fiscal year 2007. By then our deficit was only 1.2 percent of GDP.

Now why did the deficit go down in those years? One big reason is that tax relief helped grow the economy; got about 8 million more people on the payroll between 2003 and 2007; and therefore generated more tax revenue.

I think the person who said it best was Austin Goolsbee, the chairman of the President’s Council of Economic Advisers. On “Meet the Press” Sunday, he had this to say: “You cannot reduce the deficit if the economy is not growing, period.” I agree.

Now I also agree that preventing a massive tax increase is not the only thing we must do to get our national debt under control. We must cut government spending—and that means killing the \$1.3 trillion omnibus spending bill the majority introduced yesterday. We must study the proposals of the President’s Debt Commission—and take action to prevent the looming fiscal catastrophe that they described. We must address head-on the need for reform in our entitlement programs like Social Security and Medicare—and put them on a sustainable path. And we must pass a balanced budget amendment to the U.S. Constitution.

We can begin addressing all of these tough decisions in just a few weeks—once the new Congress elected by the American people is sworn in. Today, our urgent decision is whether we want taxes to go up on January 1, or rather extend the tax relief and remove a huge element of uncertainty among our job creators.

I believe the choice is clear, and so do the American people. 69 percent of the American people support this legislation, according to a poll released yesterday by the Washington Post and ABC News.

As usual, the American people have got it right.

#### RECOGNIZING THE FBI

Ms. MIKULSKI. Mr. President, I rise to congratulate the men and women of the FBI’s Baltimore field office who have prevented yet another catastrophic terrorist attack on our Nation. Similar to the plot to bomb the tree lighting ceremony in Portland, OR, over the recent Thanksgiving holiday weekend, the outstanding work of the men and women of the FBI’s Baltimore field office was successful in infiltrating and thwarting the planned bombing of a military recruitment center in Catonsville, MD. This deplorable scheme was meant to harm the young men and women who sacrifice so much for our country by serving in the Armed Forces. That is why I am grateful for the FBI’s months of careful, covert and skillful investigations and operations to disrupt this plot, put the terrorist behind bars, and keep Marylanders safe.

This is the second time in as many weeks that the FBI has stopped a terrorist plot to harm Americans here at home, reminding us they are on the job 24 hours a day 7 days a week keeping the United States safe. Whether they are catching sexual predators who exploit children on the Internet, targeting scammers who prey on hard-working, middle-class families with mortgage fraud schemes, stopping

cyber crooks from hacking into U.S. networks, or preventing terrorists bent on murder and destruction from acquiring weapons of mass destruction, the FBI is committed to protecting our communities with fidelity, bravery and integrity. This job is not easy and most of the time the good work done by FBI employees does not make headlines, but they remain committed to their mission of fighting to protect 300 million Americans nonetheless.

A tremendous amount of detective work was carried out by the FBI and their Federal, State and local law enforcement and homeland security partners to prevent this attack and save lives. The takedown went exactly as planned, and that can be attributed to professionalism and diligence displayed by the many agencies involved. Leading the charge was the Joint Terrorism Task Force, which was integral in coordinating a multiagency team that investigated the threat thoroughly and ensured the safety of Marylanders. In addition, I want to praise the critical contributions to the investigation by the Baltimore City Police Department, Baltimore County Police Department, Maryland State Police, Naval Criminal Investigative Service, Army Recruiting Command, Air Force Recruitment Command, Air Force Office of Special Investigations, Army 902d Military Intelligence Group, Defense Criminal Investigative Services (DCIS) and other DOD components, U.S. Marshals Service, and Immigration and Customs Enforcement.

As chairwoman of the Appropriations Subcommittee on Commerce, Justice, and Science, I know firsthand the importance of the national security responsibilities shouldered by the FBI as they protect us from both homegrown and international terrorism. In a time when many Americans eye the Federal institutions with wariness and disapproval, the FBI continues getting the job done and restoring confidence in our government’s ability to keep us safe. Again, I congratulate the FBI’s brave men and women for their tireless efforts in protecting our communities, and say to them, “Keep up the fight!”

#### ARGENTINA DEBT DEFAULT

Mr. WICKER. Mr. President, I rise today to discuss the debt default of the Republic of Argentina. Since it defaulted on its debt 9 years ago, the nation has ignored the judgments of American courts even though Argentina committed to honor such judgments when the debt was originally issued.

In 2001, Argentina defaulted on over \$81 billion in sovereign debt, the largest default in modern history. American creditors were heavily exposed to the losses that resulted from that default and Argentina’s debt restructuring. Despite paying off certain creditors in full, Argentina still owes U.S. bondholders over \$3 billion while holding nearly \$54 billion in reserves.