My conclusion is I think we are better off and the country is better off in the long run showing that we can act on a prompt basis by passing the House version.

Now, that does not mean we can take the rest of the year off or we don't have to be responsive to other concerns that arise, as I have indicated earlier. If there are other things we need to do, then I think there are other opportunities for us to do them. But I do think it is important early on in the year to demonstrate our commitment to working together to solve America's problems.

I saw a poll the other day that said 98 percent of the respondents were sick and tired of the bickering and the partisanship they see in Congress. I am shocked anybody would have to take a poll to conclude that, and why it wasn't 100 percent rather than 98 percent. But here is a chance for us to act, and I hope we will act in the short term to deal with this economic challenge we face in the markets, but then in the long term to make sure that the prosperity we have enjoyed, thanks to our parents and grandparents, will be handed down to our children and grandchildren.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. BROWN). The Senator from Georgia is recognized.

Mr. ISAKSON. Mr. President, I ask unanimous consent to be recognized for up to 7 minutes as in morning business and to maintain the existing 30 minutes for the majority side.

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

Mr. ISAKSON. Mr. President, I commend Senator CORNYN on his remarks, and I want to add that I too think it is important to address the stimulus package that has come from the House quickly and decisively. I fall in the category of one of those who has some other ideas as well, but I think while the iron is hot and while we do have a surgical and strategic proposal before us, we should act.

Immediate action can make a large difference in when the infusion comes back into the economy, when the tax breaks can be taken advantage of by business in terms of depreciation and expensing, and in particular for the housing market, the increased loan limits for Fannie Mae, Freddie Mac, and FHA loans will be essential in saving some houses in foreclosure and those ultimately facing foreclosure, because they will be purchased by people who will qualify under the new loan limits and who will be able to take that loan and make it a performing asset.

It is to that subject I want to talk for a second. Experience is a great teacher. There is an old saying if a cat sits on a hot stove, it will never sit on a hot stove again. Of course, they never sit on a cold stove; they just get out of the business of sitting on stoves. In my experience in the private sector as a businessman, for years I was in the real estate business in the 1970s, in particular, in the period of time between 1968, as a matter of fact, and 1999. In the mid 1970s, the United States faced a housing crisis almost identical to what is about to happen in this country today. In 1973 and 1974, we had a huge housing boom, with increasing values, where credit got easier, loan limits got higher, and underwriting got lower. What ended up happening was that a lot of bad loans were made. In that particular period of time, many were to homebuilders rather than homeowners. But suffice it to say it was the same underwriting problem and the same deficiency in terms of loans. A plethora of foreclosures took place, new homes went back, and the United States found itself in 1975 in a recession with a 3-year supply of single-family houses on the market, unsold and with no housing market.

The President and the Congress took action. They passed a $6,000 tax credit, where a family could collect $2,000 a year for 3 years if they purchased any standing new home in inventory and occupied it during those 3 years. Within the course of a year, we had reduced as a country a 3-year supply of housing to a 1-year supply of housing. We had reinvigorated the construction trade, the subcontractors, the building suppliers, those who manufactured carpet, washing machines, dryers, and all the components so important in the overall economy that are spurred by a home purchase.

Yesterday, I introduced, along with Senator GREGG, Senator CRAIG, Senator ALLARD, and Senator CHAMBLISS, S. 2566, calling for us to repeat history in this country, to reenergize the housing market that is so sluggish, at a strategic time. We can save houses in pending foreclosure from actually being foreclosed upon and turn them into occupied single-family dwellings. Very simply, S. 2566 would do the following:

It would provide a $15,000 tax credit—$5,000 for 3 years—to any individual, couple, or two people living together filing separately, if they purchased and occupied as their home any single-family dwelling on the market that was: A, a new home permitted for construction before September 1 of 2007 and now vacant; B, a home that has been foreclosed on that was owner occupied and is now in an REO—real estate-owned—category of any lender, bank, or financial institution; and, C, any property pending foreclosure that is owner occupied.

We all know from reading the paper that foreclosures are going up in geometric proportions. What is about to happen in the first quarter of this year is the largest realm of foreclosures that has taken place in this country in years. What is going to go into the second quarter of this year is those banks being told by regulators they have to get rid of that inventory, that they can't keep it on their books, and banks and lenders are going to do what they have always done. They are going to get rid of them by deeply discounting the prices to try to get people to come and buy those houses.

Now, what that does to Mr. and Mrs. America who live in a house making their payments is it depresses the value of their house, it lowers their home equity line of credit available because the value has gone down, and it stagnates the very consumer the economy has depended on over the last decade for the longest protracted period of growth in our history.

I come to the floor today to ask all the Members of the Senate to take a look at S. 2566, to take a hard look at it, and to make sure they look back at the history of 1975, when we faced almost an identical problem, took the strategic action this bill recommends, and had a result that was absolutely right for the economy and right for the American homeowner.

I understand all kind of incentives, I understand giving money back, I understand trying to send people to do things, but there is nothing better than helping to make the No. 1 investment every American family wants to make. An incentive to do that, at a time that very market is in trouble, is one of the keys to seeing to it that whatever lies ahead for us in our economy is a much lower trough, and maybe even a peak, where we at the right time strategically invest in the American family, in homeownership, and take those houses in ownership by lenders and put them in the ownership of families.

Mr. President, I yield back the remainder of my time, and I suggest the absence of quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. CASEY). Without objection, it is so ordered.

MEASURE PLACED ON THE CALENDAR—H.R. 5140

Mr. BROWN. Mr. President, I understand H.R. 5140 is at the desk and due for a second reading.

The PRESIDING OFFICER. The clerk will report the bill by title for the second time.

The legislative clerk read as follows:

A bill (H.R. 5140) to provide economic stimulus through recovery rebates to individuals, incentives for business investment, and an increase in conforming and FHA loan limits.

Mr. BROWN. Mr. President, I object to any further proceedings at this time.

The PRESIDING OFFICER. Objection is heard. The bill will be placed on the calendar.

Mr. BROWN. 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. BURR. 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. BURR. Mr. President, it is my understanding the Senate is in morning business?

The PRESIDING OFFICER. We are.

Mr. BURR. Mr. President, I ask unanimous consent to speak for 15 minutes.

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

The Senator from North Carolina is recognized.

Mr. BURR. I thank the Chair.

(The remarks of Senator BURR pertaining to the introduction of S. 2573 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mr. BURR. I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SALAZAR). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. TESTER.) Without objection, it is so ordered.

ECONOMIC STIMULUS

Mr. CARPER. Mr. President, it is almost 2 o'clock. This afternoon, as I understand it, the Senate Finance Committee is beginning to convene and to gather to debate the economic stimulus package which has come over to us from the House and to see what changes, if any, we might want to make in the Senate. I wish them good luck and Godspeed.

If you look at the history of stimulus packages in this country—I came to the House in 1982, was here for a while, went off to be Governor of my State, and came back at the beginning of this decade. But the history of stimulus packages is, sometimes we seem to pass them, and we have passed them after some delay. We have passed them actually after we have not only gotten into a recession, but we were actually coming out of a recession. And rather than being helpful as you go into a recession, turning things around, the stimulus package can be inflationary, an after-the-fact thought, and not all that timely, not all that helpful.

When we hear advice from economists and others on putting together a stimulus package, we hear the three Ts. The first of those is ''timely.'' And the House has acted in a very timely way, working with the administration, to put together a package, not a bad package. I commend Speaker PELOSI and Secretary Paulson for the work they have done. It is not a perfect package, but I do not know that any of us could draw up a package that would be.

It is timely. It has come to us expeditiously. It has come to us on a day on which I believe the Federal Reserve is meeting to discuss whether they might want to lower the Federal funds rate by another quarter or half a percent on top of the three-quarters of a point reduction they adopted actually a week and a half ago.

A second piece of advice we have always gotten from economists and policy wonks on recession stimulus packages is, not only should it be timely, but it should be targeted; that is, the money should go to those places where the money will not simply be taken by whoever receives the benefit of a stimulus package and save more money, but would actually take the money and put it back into the economy to help get the economy moving.

I heard earlier today some discussions going on in the Budget Committee. One of the witnesses was saying he was rather skeptical and dubious of a stimulus package and said it is like the Federal Government borrowing money and taking that money out of one pocket and putting it in the other.

If we simply take the money from a stimulus package that the Federal Government might try to infuse into the economy, we give it to people who put it into their pockets who are just going to save the money, I do not know that we do a whole lot of good in stimulating the economy. That is not to say we do not need to save more money in this country of ours; we do. But I am not sure in the near term that is going to help move the economy. So the idea behind this stimulus package is, it ought to go to folks who need the money, who will spend the money. In some cases people are desperate for the money, people who might be desperate to feed their families, desperate to pay their heating bills in the winter. But they are going to take that money, whatever it might be, and infuse it, put it back into the economy quickly.

The third T that we have heard a whole lot about is the T for ''temporary,'' the notion here being that we face a significant budget deficit. We do not want to prolong that or make it worse long term. We do not want to dig an even deeper hole than we are in as a result. We want the stimulus package to be of a temporary nature, to help us avoid a dip, avoid a recession if we can. And if we are going to have one, to make it shorter than would otherwise be the case.

The package that has come to us from the House has a good deal recommended. I have never been wild about tax rebates, but I think I supported one back in the earlier part of this decade about 3, 4, 5 years ago. But the package that we have on tax rebates from the House actually is pretty well targeted.

As I recall, there is maybe a $1,200 rebate that would go to folks, to a family, if you have two bread winners in the family. For an individual, it would be $600. There is a cap if your income is above a certain level, maybe $150,000 for a family, about half that or so for an individual. If your income is above those levels, you don't receive the rebate. We can quarrel whether $150,000 is too high or too low. It is what it is. It is better than having no cap at all. There are some who believe we should simply send out a rebate to everybody, $1,200 for a family and $600 for an individual. The problem with doing that is, it is little bit akin to taking money from the Federal Government out of one pocket and putting it into the pocket of another family who is not going to spend the money. They are not going to put the money back into the economy. They may save it. That is all well and good, but it is not going to do much to stimulate the economy.

My hope is the Finance Committee will decide we will have a rebate and make sure it is targeted to those folks who are the most in need of some financial help and that any tax rebate we do reflects that. We had economists in recent weeks who have said to us, in testimony and other public forums, we can actually gauge what bang for the buck we get out of Federal stimulus dollars. We are told that if we actually put money into extending unemployment benefits, we get about a buck 75 for every dollar of stimulus we provide. If we put that money toward folks to increase slightly their food stamps, it is about the same. For every dollar we put into that, we get about a buck 75. We don't get quite that kind of return on a tax rebate, particularly if there is no cap. If there is a cap and the money is directed toward lower income folks, it is a better bang for the buck than would otherwise be the case.

My hope is that as the Finance Committee considers what kind of package to put together, they will make sure there is some kind of reasonable cap on any tax rebate we send out.

With respect to unemployment benefits, it makes a lot of sense to extend unemployment benefits, but I would target them. I would especially target them to States where levels of unemployment are high. I think about Ohio. My heart is still with the Buckeyes. They are going through a tough time. As to the folks up in Michigan, I am a huge Detroit Tigers fan, but I also care about the people there and other places where unemployment rates are 8, 10 percent and where people are in some desperate straits. I hope we would target the unemployment benefits that we will extend, whether it is 13 weeks or 26 weeks, to particular places such as those States. For States that are enjoying economic good times, where the rate of unemployment might be 2 or 3 or 4 percent, we ought to be careful about extending unemployment benefits. Certainly, 26 weeks doesn't make a lot of sense to me in those cases. Under current law, people are already eligible for 26 weeks of benefits, and in places