

some are cosmic, others more modest: Our generation greatest spotter of ideas that might make our society somehow better. This is a remarkable talent. But what turns it into a national treasure is a finely attuned antenna for knowing when an idea is ready for the public arena, the skill to be in positions to make his ideas matter, and the flair to make others notice. It is a harnessing of intellectual energy and political smarts that is so rare that when such a person is also blessed with long life, we must create opportunities to celebrate.

(By Seymour Martin Lipset, Hazel Professor of Public Policy, George Mason University)

Why was Moynihan so prescient? I would say because he has known from the start that there is no first cause, not in politics, not in social science.

What Pat teaches is that not only are there no utopias, there are no solutions, not in the state or in the completely uncontrolled market. There are only approximations, only the continuing struggle for decency, for morality, for equality of opportunity and respect.

(By Robert A. Peck, Commissioner, Public Buildings Service)

What did he know and when did he know it? Ask this about Pat Moynihan in the matter of public works and, as in so many other fields of public policy, the answers are: more than everyone else and long before, as well. In public works, as in other arenas, he has transformed the debate. Public architecture he single-handedly disinterred from the grave and resurrected on the political agenda. If you would see his monuments in this field, look about you literally.

On public buildings, urban design, highways, transit, waterways, water supply and even sewers, he has brought to bear his trademark qualities; an eclectic historical memory, a rapier tongue and typewriter, a nose for demography and geography, an inner ear for the data that matter and in immunity to ideological blinking. In this field in particular Moynihan the political vote-counter and Moynihan the passionate New Yorker rival Moynihan the political scientist. Moynihan's achievements are worthy of the great public builders, from Hadrian to Hausmann to Robert Moses, only Moynihan's are humane.

Mr. LEAHY. Mr. President, I thank the forbearance of my good friend, the senior Senator from North Dakota, and I yield the floor.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I want to thank the Senator from Vermont for his observations on the ranking member of the Finance Committee, who is really an American legend.

I also want to just say to my colleague, Senator BUMPERS, who is coming on the floor, that I will be brief so that Senator BUMPERS can have his time. And I look forward to hearing his remarks.

THE BUDGET

Mr. CONRAD. Mr. President, let me just say that Senator DOMENICI, the chairman of the Budget Committee, has come to the floor this afternoon and presented two possible budgets. One is the President's budget, but

without the trigger mechanism the President provided to assure balance even if the Congressional Budget Office projections are the ones that are used.

The President's budget, of course, reaches unified balance by the estimates of the Office of Management and Budget, but it does not reach balance by the estimates of the Congressional Budget Office. And I want to emphasize, "unified balance." All of us need to understand that is not real balance.

Nobody should be fooled anywhere about any of these budgets that talk about balancing on a so-called unified basis, because when they use that big word, what they are talking about is putting all of the trust funds into the pot to claim balance. So I think it is important to understand I do not believe any of these budgets that claim unified balance are really balanced budgets at all.

But, with that said, I think it is also important to understand when you hear these differences between Office of Management and Budget projections and Congressional Budget Office projections, the fact is both of them over the last 4 years have been overly pessimistic. They have overestimated what the deficit would be. And I think that is also important to keep in mind.

As I understand it, the Senator from New Mexico, the chairman of the Budget Committee, offered the President's budget but without his trigger mechanism. Why did the President not balance according to CBO's projections? Well, very simply, when he did his budget he did not have available to him the CBO baseline. He did not have available the CBO projections. Although he asked for them, and asked for them repeatedly, they were not prepared in time.

So in order to fulfill his responsibility to present a budget, he used his Office of Management and Budget projections, which, again, I emphasize have been overly pessimistic, not a rosy scenario, overly pessimistic over the last 4 years in order to present a budget. He provided a trigger mechanism so that if, in fact, CBO's projections were different, were even more pessimistic than his own Office of Management and Budget's, that he could still be in unified balance by the year 2002.

I also understand the Senator from New Mexico has offered a second budget that has no tax cuts or no net tax cuts and also has very deep cuts in domestic discretionary spending. When we use the term "domestic discretionary spending," what we are talking about is that category of spending that includes education, roads, bridges, airports, parks. Those are the categories of spending that are included in so-called domestic discretionary spending.

Mr. President, if I could, the reason I came to the floor this afternoon was to try to put this all in some perspective. Because I think unless people have an idea of what we are talking about in terms of the estimated expenditures of the Federal Government over the next

5 years and the estimated revenues and where the money goes, it is very hard to understand the nuances of these budget discussions.

This chart shows over the next 5 years what we are anticipating spending from the Federal Government: \$9.3 trillion. The revenue that is forecasted for the Federal Government over the next 5 years is here in this block: \$8.5 trillion.

So it is readily apparent that we are faced with a circumstance that, without change, we are going to be adding \$800 billion to the national debt.

Unfortunately, our friends on the other side of the aisle in Senate bill 2, which means clearly that is one of their highest priorities, says the first thing to do is to cut the revenue anticipated by \$200 billion. So they take this sliver off to start with. They reduce our revenue from \$8.5 trillion down to \$8.3 trillion as the initial step in addressing this gap between expenditure and revenue. It makes no sense to me why you would dig the hole deeper before you start filling it in. That is what our friends on the other side of the aisle have been talking about.

Instead of addressing this \$9.3 trillion worth of expenditures with \$8.5 trillion of revenue, they say cut it to \$8.3 trillion of revenue to begin with. So now we have \$1 trillion that will be added to the national debt.

Mr. President, this chart shows where the money is going to be going over the next 5 years. This is where the money is scheduled to be spent, and I think this is what our friends across the way are struggling with as they struggle to come up with a budget resolution. Where are you going to cut? If we can see we are faced with adding \$1 trillion to the national debt based on scheduled spending and scheduled revenues, and they start out by first taking \$200 billion of revenue away, so you create a \$1 trillion hole to fill in, where are you going to cut?

Here is where the money is scheduled to go: Social Security, \$2.1 trillion of the \$9.3 trillion that we are scheduled to spend over the next 5 years. Interest on the debt, \$1.3 trillion. Clearly you cannot cut interest on the debt. Everybody is against cutting Social Security. Those two alone are 37 percent of the scheduled expenditures. Defense, \$1.4 trillion, another 15 percent. We do not hear much of anybody talking about cutting defense. So you start adding it up, defense is 15 percent, Social Security is 23 percent, which is 38 percent, and interest on the debt is 14 percent. That is 52 percent of the scheduled expenditures which nobody is talking about cutting.

That takes us to Medicare, \$1.3 trillion, or another 14 percent of Federal expenditures. Medicaid, \$600 billion, about 7 percent of Federal expenditures over the next 5 years. Other entitlements. We use that terminology and it refers to things like retirement, nutrition for children, welfare. Those are things that are in the categories of "other entitlements."

Then there is nondefense discretionary spending, which I referred to earlier and which Senator DOMENICI, in the second budget that he laid down here, would cut very deeply. He would cut from an unconstrained baseline \$263 billion out of this category. That is a tremendous amount of money out of defense and nondefense. Those two are called discretionary spending. From the nondefense discretionary side, the budget he just presented would cut \$183 billion out of a total that we are scheduled to spend over the next 5 years of \$1.5 trillion. Again, what we are talking about there is education, roads, bridges, airports, parks, law enforcement.

Do we really want to be cutting those areas in the magnitude of the budget that the chairman of the Budget Committee has laid down? I do not think so. I do not think Senator DOMENICI thinks so. In fact, I am quite confident he does not think so. He is just making a point with the second budget he laid down of what it would take even with no tax cuts to achieve unified balance. Remember, unified balance is not balance at all. That is when you take all the money from all the trust funds and throw those into the pot to claim that you are balancing the budget.

I hope this puts in some perspective what it is that we face this year. This is not going to be easy. That is, hopefully, the message that I have communicated here. When you look at what the scheduled revenue is of the Federal Government—maybe we could show that chart again—\$9.3 trillion are the expenditures, and we are scheduled to have \$8.5 trillion of revenue. If the first thing you do is take \$200 billion out of the revenue column, now you are at \$8.3 trillion, and you have \$9.3 trillion of expenditures, you have \$1 trillion added to the national debt. Is that what we want to do? To have the kind of massive tax cut that some have talked about, you have to borrow it all. Does that make sense? Should we borrow money to have a tax cut? Does that make sense to people? We already have a \$5 trillion national debt. How deep in the hole are we going to go around here before we respond?

Mr. President, these are the major categories of Federal spending. I think one can see that if we are going to be serious about balancing the budget and doing it in an honest way, we have a tall order in front of us. Talking about tax cuts of \$200 billion over the next 5 years, which our friends on the other side of the aisle have put up as their Senate bill No. 2, really makes no sense to me. It especially makes no sense when you look at what happens to that tax cut proposal in the second 5 years. This is not just a matter of reaching some kind of balance in the year 2002. We have to be looking over the horizon here, because the real challenge is, where is this all going? The real challenge is we have the baby boom generation coming along, and they are going to start retiring in the year 2012, and

they will double the number of people almost overnight eligible for our major programs.

We are headed for a circumstance in which, if we fail to change course, we are going to either have an 80 percent tax rate—yes, 80 percent; does anybody believe we will do that?—or a one-third cut in all benefits. Cut Social Security one-third, cut Medicare one-third, cut all veterans benefits one-third. Those are the kind of draconian options that will be presented to this Congress and a future President if we fail to act.

We have a responsibility to respond. I submit that having tax cuts of \$200 billion over the next 5 years that explode to \$500 billion over the next 10 years is not rational, is not responsible, is not the way to begin to fill in the hole. I have never seen anybody that went out to fill in a hole and the first thing they did was dig it deeper. It makes very little sense to me.

I hope that Senator DOMENICI, by presenting these budget options this afternoon, sobers up people on both sides of the aisle here, sobers up those who think that we can have massive tax cuts. That is not in the cards. That is not serious if people are going to be honest with the long-term fiscal imbalances this country faces. That is not facing it head on or squarely. Also, I hope it stands as a message to people on my side of the aisle, some who are opposed, for example, to correcting the Consumer Price Index that we use to adjust for the cost of living. The evidence is overwhelming that we are making an overcorrection for the cost of living by as much as perhaps 1 percent a year. It sounds like a small amount, but it makes a big difference over time. That 1 percent mistake will cost the U.S. Government \$1 trillion over the next 12 years. Some on my side say we cannot touch that.

If we can't touch that, and the other side says we have to have a big tax break, you begin to wonder what can we do around here? Goodness knows, if we can't correct a mistake, which I believe the CPI is in terms of adjusting for the cost of living based on the best evidence that we have, what can we do? If our friends on the other side want to have dessert before we start eating our vegetables in the face of this enormous challenge of these long-term fiscal imbalances, then how serious are they really about addressing the challenges facing America's future?

We have an opportunity here to do something great for America, because this isn't just some dry discussion about making columns of numbers add up. That isn't what this is about. This is not a counting exercise. This is about the future economic strength of America. This is about what kind of jobs are going to be available for our kids. This is about what kind of life future Americans are going to enjoy. This is about the competitive position of America. That is what is at stake. It is not just some dull, lifeless debate about balancing a budget. This discus-

sion is about what we can do to strengthen America for the future and the difference that we can make in the lives of the people of our country by being responsible now, because what we have been told is, if we balance this budget in this window of opportunity we have before the baby boomers start to retire, our economy in the future will be 30 percent larger than if we fail to act.

Some may be listening to this saying, "Wait a minute. I am lost. What is the connection between balancing the budget now and having a bigger economy later?" It is very simple, but it is very real. If we are going to grow the economy, if we are going to make it bigger, if we are going to have more jobs, we need investment. To have investment you have to have savings. The biggest threat to savings in this country is the deficits that the Federal Government runs, because those deficits take money out of the pool of savings of our society.

That is why this debate matters. It is perhaps the single most important debate we will have in this Congress this year. If we all do it seriously and honestly and face our responsibilities squarely, we can do something great for our country.

I thank the Chair. I yield the floor.

Mr. DURBIN addressed the Chair.

The PRESIDING OFFICER (Mr. BENNETT). The Senator from Illinois.

Mr. DURBIN. Thank you, Mr. President.

THE NOMINATION OF PETE PETERSON

Mr. DURBIN. Mr. President, I rise this evening to address an issue which is one that many of us have labored over for decades, the legacy of the Vietnam war.

So many people have said and written that the returning veterans did not receive the credit which they deserved for putting their lives on the line for our Nation. Regardless of the wisdom or popularity of that war, so many of those veterans came home and, frankly, found it difficult to start their lives again in America.

In this Congress of the United States about 12,000 men and women have served in the House of Representatives, and it is my understanding that 1,843 men and women have served in this U.S. Senate.

It was my good fortune to serve in the House before I came to the Senate and my better fortune to meet an extraordinary individual in the House of Representatives, a Vietnam veteran, who had an amazing story to tell. This colleague of mine in the House from the State of Florida, Pete Peterson, was an Air Force pilot in the Vietnam war. Pete served 27 years in the Air Force. He gave most of his adult life in service to his country. But the most amazing part of his service in Vietnam was not in an airplane in the clouds but on the ground. For 6½ years Pete