The PRESIDING OFFICER. There is not.

Mr. DURBIN. Mr. President, I ask unanimous consent to be recognized in morning business.

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

THE PRESIDENT'S PROPOSED TAX CUT

Mr. DURBIN. Mr. President, thank you for this opportunity to address the issue of the moment, which is the tax cut. It is an issue many of us have followed closely for a long period of time. Some of us who have served here for a period can recall it wasn't that long ago we were dealing with a terrible deficit on an annual basis that started accumulating a national debt in record numbers. What was the beginning of this national debt? Well, you have to go back to, I guess, President George Washington when we started spending more than we had. Over the years, the debt accumulated.

In the early 1980s, the national debt in America started skyrocketing. We started adding more deficits each year than at any time in our history. In a short period of time—10 or 12 years—we ended up finding the national debt of this country at the highest levels in our history. It caused great alarm, as it should have, not only in Congress, but across the Nation, and a concern among people as to whether or not this would have a negative impact on our economy. Of course, if the Government spends more money than it brings in, it has to borrow the money to spend and then pay interest on the money borrowed. We found ourselves, each year, paying more and more interest on this old debt.

The mortgage on America was getting larger and larger and larger. Today, it is at $5.7 trillion. That is a frightening number which, when I came to Congress 20 years ago, would have been unthinkable. Yet it has happened in that period of time. But the good news to be delivered is that we have finally turned the corner. For the first time over the last several years, we have been generating annual surpluses. Our economy is strong. More people are working and they are building homes and buying cars and buying appliances. Businesses are more profitable. Individuals have done well with investments, and America is a more prosperous Nation. For the last 9 years, we have seen unparalleled economic prosperity. But we have to recall, as we sit here in the year 2001, that this is a recent turn of events. Only a few years ago, 4 years ago, my Republican colleagues came to the floor asking to amend the Constitution of the United States with a balanced budget amendment because they thought it was impossible for Congress to get the deficits under control.

Well, the economy was helped. Congress did the right thing and the economy has moved forward to the betterment of millions of American families.

In this time of prosperity and peace comes a new President, George W. Bush, who suggests we should take the surpluses we anticipate, not this year but for the next 10 years, and spend them. On what would he spend them? Tax cuts—tax cuts in a plan that he has proposed in this campaign and has since proposed after the inauguration which would reduce the tax burden of many Americans—not all, but many Americans.

You will have to excuse me if I suggest that the President needs to reflect that it wasn't that long ago when his father was President that things were a lot different in America, when we were really struggling with an economy that was building up annual deficits and adding to the national debt. It hasn't been that long ago. In fact, go back about 10 years and you will see we appeared to finally be turning the corner.

I wonder if 10 years ago, as President George Bush, the first, finished his term in office, he would have been able to predict what America would look like for his son, President George W. Bush. I don't think so. Even the best economists could not project 10 years ahead what the next President Bush would face.

In fact, as I said on the floor this morning, the best economists looked at our deficit and suggested 5 years ago this year we would be running a $320 billion deficit. That was their best opinion based on the information they had. They were wrong. We are running a $270 billion surplus. They missed it by $590 billion, just 5 years ago.

The point I am trying to make is this: The best economists in America, using the best information available, are often wrong. They come before our committees on a regular basis and make prophesies and predictions that turn out to be just flat wrong. If you think there is something wrong with people talking to agencies of government, or if you happen to be an investor yourself, you know their newsletters give advice every day of every week, and a lot of it is just wrong. They guess wrong about next week, let alone next month or next year.

The reason I bring this up is that President George W. Bush's tax cut proposal is based on projections of what the American economy is going to look like, not next year but literally 10 years from now. The President wants to commit us to a tax cut that will literally spend surpluses which his economists imagine will occur 9 or 10 years from now. That, to me, is not sound public policy.

In addition, keep in mind that the national debt, the national mortgage I talked about earlier, is still there. It is $5.7 trillion. That is a debt which most families in America do not get up in the morning and worry about, nor should they, but it is there.

We as policymakers in Washington have a responsibility to deal with it in a sensible way. We have to remind the families across America that though things are going very well in this country, we literally collect $1 billion a day in taxes from families, individuals, and businesses across our country just to pay interest on old debt—$361 billion a year collected in taxes by the Federal Government, taken from hard-working Americans, not to build a classroom, not to hire someone to be part of our national space program, not to make a stronger national defense or to build a highway, but to pay interest to the bond holders of America's debt.

Excuse me if I do not make this point clear, but if you had a surplus, wouldn't you want to retire the mortgage first before you decided you were going to put another addition on the house or buy a new house or have a big party? That is part of this debate. If we are going to deal with the surplus in America and the good times in America, let us do it in a sensible and sane way, and let us dedicate ourselves to paying down this national debt.

Many have said what a great gift to give to our children, a tax cut. That is a great gift to give to a child, but isn't it a greater gift for us to retire America's mortgage, to say that this national debt should be taken care of? I think it is.

Secondly, if we do that, it is a sensible commitment of the surplus on an annual basis. If we have the surplus, as we hope we will, we retire the debt with it. If we do not have it or go into a recession or bad times, then clearly we have not made a commitment with which we cannot live. But if we pass a tax cut, change our Tax Code, I can tell you from having served in the House and Senate, it is extremely difficult to change. Once it is in place, we can find ourselves a few years from now facing new deficits, more red ink, and adding to the national debt.

I do not want America to go down that road again. I believe we should support a policy which has a focus on paying down the national debt. I believe, even if we do that, we will still have resources over the next 10 years for a tax cut.

I support a tax cut. I think it makes sense. The question is, how large a tax cut. When we take a look at the proposal from President Bush of a $2.6 trillion tax cut, after we figure out how much of a surplus we are likely to have over the next 10 years, we find that the President is committing 96 percent of this projected surplus to tax cuts.

One can argue as to whether there will be a surplus, but assuming for a moment that every penny of the surplus which we imagine and prophesy today is there, the President wants to take 96 percent of it and put it in a tax cut.

That leaves 4 percent of the surplus—only 4 percent of this projected surplus—for a variety of other things which Americans believe, and I believe, are critically important for our country. Let me go through them so there is no doubt that when we talk about spending in the future, we are talking about investments that most American families understand should be part of our national budget.

I talked about debt reduction. Frankly, $100 billion over 10 years dedicated to debt reduction—long-term debt reduction—is not enough. We need to put enough into it so that national debt is reduced as close to zero as humanly possible.

I thought both parties agreed on a prescription drug benefit for the elderly and disabled in this country, but President Bush's tax cut plan leaves us no resources to do that; in other words, helping people who are senior citizens who need prescription drugs to stay healthy, independent, strong, and out of the hospitals and nursing homes, which everybody in the last campaign said we agree on, when it comes to the President's proposal for a tax cut, and find there is no money left for prescription drugs, and no money left for education.

The President has had some great speeches and great public appearances over the past several weeks talking about new Federal commitments to education. I applaud those remarks. It is sound policy. If America is going to be strong in the 21st century, our schools have to be strong, our kids have to have the best education to compete in a very global, competitive economy.

Let's take a look at what the President leaves from the surplus for education. Hardly anything. When it comes to education, frankly, he is shortchanging kids in the future to provide a tax cut today.

He is talking about increasing spending for defense. The national missile defense is a multi-billion-dollar program to protect America, and yet the President does not leave money from the surplus for that purpose.

Expanding health care, with over 40 million uninsured Americans—it is a national disgrace that so many people do not have the security of a good health insurance plan—the President leaves no money from this surplus to even address that issue.

I had a conversation with my wife over the weekend. We were talking about the problems and perils of people who are trying to move from job to job and wonder if they will have health insurance coverage. In a nation this prosperous, in a nation with such a rich tradition of caring for others, how can we continue to ignore the millions of people who have literally no health insurance protection whatsoever?

Heartbreaking stories are received in my office from my home State of Illinois and across the Nation. Those stories will go unheeded, that problem will go unaddressed, if we devote 96 percent of any projected surplus to a tax cut.

The same thing is true for agriculture. Over the last 3 years, we have had agricultural crises across the Midwest and across the Nation. We have responded to them. The President leaves no money in anticipation of those even occurring over the next 10 years. I pray they will not, but I bet they will. And if they do occur, we had better have the resources so that America's agriculture, its farmers, can sustain a bad year and live to plant again.

Medicare reform, Social Security reform, the President does not provide for these. For him it is the tax cut, 96 percent of all the surplus for the tax cut, to the exclusion, to the detriment, of many other things.

When we take a look at the surplus projections of the Congressional Budget Office, we also realize that we are not going to see most of it until 5 years out, if it is going to cost us $2.6 trillion for the total tax cut. Take a look at when the money starts coming in. It is not until 2007 that we see most of this projected surplus appearing. We are talking 5 or 6 years from now. So all of the guesses about whether we will have $2.6 trillion are grounded on an assumption of the state of America's economy in the years 2007–2011. The economists, as good as they are, and the computers, as fast as they are, are not that good to tell us what this surplus is likely to be.

Sadly, because the President has proposed these massive tax cuts, without the surplus, again, we find that the President is going to be raiding Social Security and Medicare surpluses. He has even proposed this privatization plan for Social Security. If he goes forward with that, it is going to cost us another $1.3 trillion over the next 10 years, taking more money from Social Security.

There is also a very serious question as to who will be receiving the President's projected tax cuts, and this is one about which I feel very strongly. I believe we should have a tax cut. It should be fair to all Americans. It should be part of a responsible and honest budget that balances priorities across the spectrum for America's families, and, most of all, it should be a tax cut that strengthens our economy, not weakens it. It should be a tax cut that will allow America's families to succeed.

Yet when we take a look at the kind of tax cuts proposed by President Bush, we find, again, they are lopsided. The President has proposed if we are to have this massive $2.6 trillion tax cut, 42.6 percent of this tax cut should go to people in the top 1 percent of wage earners. Those are people in America with incomes over $300,000 a year. If you are making over $300,000 a year, you are in the top 1 percent, you have an average income of $900,000 a year, and your tax break by President Bush's calculation is about $46,000 a year.

Sadly, for 80 percent of Americans who have incomes below $64,900, only 29 percent of the tax cuts head in that direction. For those making less than $39,000 a year, the President's average tax cut amounts to about $227. They have made this point over and over again: For the top 1 percent, the highest wage earners in America, there is a tax cut large enough to buy a Lexus. For those in the lower 60 percent income in America, there is a tax cut large enough to buy a muffler for a car—probably not a muffler for a Lexus.

Some say, wait, the reason the rich get so much of the tax cut is that they pay so much in taxes so they should receive more in terms of the tax cut. Hold on. Look at this. The total Federal taxes paid by the top 1 percent of wage earners in America account for 21 percent of all the taxes collected. The President gives to that group, those making the top 1 percent income, 43 percent of the tax cut, twice the tax cut for their tax burden. Keep in mind, these are people who are making at least $25,000 a month, if not $75,000 a month. The President says these are the ones most deserving of a tax cut.

I disagree. I know what is going on in my home State and I bet in the State of Kansas and many others. There are people now struggling with heating bills, paying hundreds of dollars a month for natural gas and other sources of heat for their homes. I see them, I run into them when I am back in Illinois. I get letters, e-mails, and telephone calls about the problems they face. I think to myself, if you are going to have a tax cut, for goodness' sake, remember those folks, remember the people who are trying to struggle and pay these bills. They are the ones who need a tax cut much more than someone who is earning $25,000 a month.

If you are making $39,000 a year and your heating bill goes up in your home from $250 to $400 a month, you will notice it. If you were making $25,000 a month, would you even notice it? When we talk about tax cuts, let us focus on helping families who really deserve a helping hand.

Another area that comes to mind immediately is the question of paying for a college education. The cost of a college education continues to skyrocket much faster than the pace of inflation. What we find is that many middle-income families who want to give their sons and daughters the very best cannot afford it. I think we ought to focus on a tax cut that helps those families, that says, for example, you can deduct the cost of a college education up to, say, $10,000 or $12,000 a year from your family's income tax. That makes sense to me. I think it encourages more families to send their sons and daughters off to school.

It comes down to this: On this side of the aisle, on the Democratic side of the aisle, we believe, first, there should be a tax cut after we admit our obligation to pay down the national debt in a responsible way. Whatever surplus we have, I believe, should first be dedicated to paying down that debt so our children do not have to carry that burden. Then the tax cut—if there is to be one, and I believe we can have one—

should be sensible, it should be one that is not dangerous or risky to the economy, and it should focus the tax assistance to the families who need it the most, those who are in the middle-income category, struggling to pay the bills. The wealthiest of the wealthy will do just fine. We have to focus on families struggling to make ends meet and struggling to realize that American dream.

In addition to that, we can never overlook our obligation with this surplus and with each year's budget to Social Security and to Medicare, to health care, and to education. It would be a sad commentary if, after all we have been through over the last 20 years, we found ourselves once again entertaining the thoughts of a tax cut that this Nation cannot afford, at a level which we cannot sustain, based on promises we cannot prove. That is exactly what we are doing now.

The President's tax cut is music to the ears of many voters, but those who step back and take a look at the situation say to most Members of Congress: Of course I want a tax cut. If you are going to give a tax cut, give it to me and my family. We can figure out how to spend it. If you say to them, Is a tax cut more important to you than eliminating and retiring our national debt once and for all, most Americans say: No, put that debt behind us. If this is a chance to do it, get rid of America's national mortgage.

If you give citizens another choice: Would you prefer a tax cut for your family or would you rather see us invest in education in America, to make sure that our schools are modern, the technology is up to date, and your kids are taught by the very best men and women available to teach in America, that is an easy choice for most families: Put it in education first.

What about health care? Should we focus on a prescription drug benefit under Medicare or a tax cut of $46,000 a year for the upper 1 percent of American wage earners? That is an easy call for most families: Put it into a prescription drug benefit that is universal and affordable, under Medicare.

When you bring it down to the real choices we face, not just a tax cut or nothing, but a tax cut that is sensible and one that accommodates retiring the national debt, investing in America's families, making sure they can continue to succeed, I think the choice is going to be clear.

We made a mistake in 1980 with the new President Reagan supply side economics, the aptly named Laffer curve. All of the things suggested—if you just kept cutting taxes, America would prosper—didn't work. As a consequence of that bad decision and the beginning of that Presidency with all the euphoria of the Reagan years, we started a chain of deficits which literally crippled America.

Finally, we are out from under that burden. On a bipartisan basis we should learn a lesson. The lesson is this: The people of this country understand priorities very well. They understand the lyric call of a tax cut may make great music on the nightly news, but there is a lot more to governing America than just being popular and saying popular things.

You have to speak straight to the American people, be sensible with them, tell them that the tax cut President Bush has proposed is, frankly, not good for this country in the long term. We cannot base this tax cut on projections of what America will look like 5, 6, 7, 8, 9, 10 years from now, and be wrong, and find ourself back in deficits. We cannot push a tax cut which inordinately rewards the wealthiest in this country and ignores some 23 million Americans who receive literally no tax benefit from the President's tax cut proposal. We can't be backing a tax cut that is so large that it raids the Social Security trust fund and endangers the future of Medicare. And we certainly cannot back a tax cut that ends up making certain that we in America are spending more and more money to provide tax relief to the wealthiest among us and ignoring these important priorities such as education, defense, health care coverage, Medicare reform, and Social Security reform.

Alan Greenspan is a man I respect very much. He came to the Hill last week and made a statement about the future of this economy. He has made some good predictions in the past. He suggested we should consider a tax cut. I think he is right. But he also said, if you read his statement very carefully: Don't get carried away; do it in a sensible fashion; do it in a way that will keep America moving forward.

It is now up to this Chamber, and the 99 other men and women who will gather here and debate over the next several weeks, to be honest with the American people. Perhaps not the most popular statements but the most sensible statements will tell us that a tax cut is not the be all and end all, not the goal for everything in America. What is most important is that we create an economy where American families can succeed. I think we have that opportunity. I hope we don't lose it.

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

The PRESIDING OFFICER (Mr. SMITH of Oregon). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

NATURAL GAS PRICES

Mrs. CARNAHAN. Mr. President, I rise today to speak about an issue that I know is a critical concern for all of my constituents the significant rise in natural gas prices in Missouri. As we are all aware, recent brutal temperatures and energy shortages have contributed to a dramatic rise in home heating bills.

In Missouri, regulators recently approved a 44 percent rate increase for natural gas purchased from one Missouri utility. The increase, from $6.81 to $9.82 for a thousand cubic feet of natural gas, is expected to continue into the summer and has posed serious problems for consumers.

Imagine your gas bill doubling almost overnight. People tell me that they are putting off needed purchases because they don't have any extra money—it's all going to pay the gas bill. I am especially worried about the impact of high heating bills on our retirees who already have tight budgets.

My phone lines have been barraged with distraught constituents who don't know how to make ends meet this winter. Just yesterday I heard from James Baldwin, an Army veteran and retired autoworker from Independence, MO. Mr. Baldwin, father of four and grandfather of five, worked at the Ford Assembly Plant in Kansas City for almost 36 years. Like most constituents, Mr. Baldwin has tried to cut down on energy usage by dressing warmer and weatherproofing his home, as he is on a fixed income and doesn't have much room in his budget to accommodate large increases. Mr. Baldwin paid $99 for his gas bill in December 1999. He was shocked, however, when, one year later, he received his bill and realized that his heating costs had almost tripled to $269. The skyrocketing increases continued last month as well. He doesn't know what he will do if increases of this size continue. Mr. Baldwin called my office to let me know about the hundreds of neighbors and autoworker retirees he hears from every day about this problem. He worries that many will fall through the cracks.

The Mid-America Assistance Coalition, an agency that coordinates emergency assistance for the Kansas City metro area, where Mr. Baldwin lives, has reported getting 100 to 200 calls per day. Many of the calls are from single moms, the elderly and the ''working poor,'' or those who earn too much to qualify for standard energy assistance but cannot afford to pay their bills. According to the Coalition, this is the first time most of the callers have ever had to ask for assistance with their utility bills.

Another constituent, Mrs. Doris Hill from Albany, Missouri, recently wrote to share her plight. Mrs. Hill is a low-income, 83-year-old widow. She wrote that she cannot afford to call even her own family long-distance. She lives on $460 a month from Social Security and a small interest income from savings. She struggles month-to-month and cannot afford large increases in her utility bills.

This problem is not just limited to certain geographic areas or segments of our population. One letter I received was from Jeremy Lynn, a Boy Scout