

the typical operation of the Senate was to provide a "cooling saucer" in our constitutional construct, so that the House of Representatives reacted immediately and responded to the will of the people at the moment. The Senate was designed to be the cooling saucer, where calmer and cooler reflection could permit a further analysis, unlimited debate, with every Senator having the right to amend. Those are the fundamental constructs of this institution. All of that is short-circuited under reconciliation. All of that is out the window, and the Senate becomes a second House of Representatives.

We believe the Bush budget puts this country in the hole because if you start with the projected surplus of \$5.6 trillion and subtract out the trust funds of Medicare and Social Security, that leaves you with an available surplus of \$2.5 trillion. When we look at the cost of the Bush tax cut as partially reestimated, and the alternative minimum tax that will have to be reformed because of the Bush tax cut, which costs another \$300 billion, and the associated interest costs of \$500 billion, and the spending proposals in this budget of \$200 billion, you have a total cost of the Bush plan at \$2.7 trillion. That tells us this President's plan puts us right into the trust fund and puts us in the hole by \$200 billion.

On our side, we will offer an alternative that does the following:

We will protect the Social Security and Medicare trust funds in every year. We will pay down the maximum amount of the publicly held debt. We will provide for an immediate fiscal stimulus of \$60 billion.

I might add, that is what we think we should be doing this week. We think we should be passing on the floor of the Senate an immediate fiscal stimulus. That is what we think should be done.

Fourth, we will provide significant tax relief for all Americans, including rate reduction, marriage penalty relief, and estate tax reform.

Finally, we will reserve resources for the high priority domestic needs, including improving education, a prescription drug benefit, strengthening our national defense, and funding agriculture.

Finally, we will provide \$750 billion to strengthen Social Security and address our long-term debt.

So this is a fundamental debate about the economic future of our country. We look forward to it on our side. We look forward to a healthy and vigorous and polite debate.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. Under the previous order, the motion to proceed is agreed to.

CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR FISCAL YEARS 2001–2011

The ACTING PRESIDENT pro tempore. The clerk will report the concurrent resolution by title.

The assistant legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 83) establishing the congressional budget of the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

AMENDMENT NO. 170

(Purpose: In the nature of a substitute)

Mr. DOMENICI. Mr. President, I send an amendment to the desk.

The ACTING PRESIDENT pro tempore. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI] proposes an amendment numbered 170.

Mr. DOMENICI. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. DOMENICI. Mr. President, we have an agreement and understanding that there will be no amendments offered tonight. Incidentally, for those who wonder what that amendment I sent to the desk is, that amendment is the budget I submitted on Thursday of last week to the other side of the aisle. When my friend got it—maybe he got it the next day. It was there for circulation. It is the same budget.

Senator GRAMM from Texas asked if he could speak tonight. I want it to go out to his office and others that we would like for him to come down. I do not intend to speak until 9 o'clock, considering however long my friend wants to speak. That would be an awful long time for each of us to listen to ourselves, although we both probably have a lot to say. It probably would be fun to listen.

I yield myself, for purposes of making sure we keep ourselves under control, 10 minutes and ask that I be reminded when I have used that time.

I hope we do not spend an awful lot of time talking about whether or not we have sufficient information from the President of the United States to proceed on this budget. I do not want to spend a long time on it, but I remind everyone—those Senators in their offices who are listening, or those who give Senators information about what is happening on the floor.

I spoke earlier of trying to give a new President an opportunity to have his budget considered and his tax proposal considered. I want everyone to know the other side of the aisle, when they had the majority, when they had a brand new President named William Jefferson Clinton—he did not have the luxury of being in office for very long to write up a budget—the other side of the aisle, in its majority status with

their President, proceeded to bring up a budget resolution, and the President of the United States, Bill Clinton, had not sent a budget to the Congress.

In fact, the budget resolution was adopted by the Senate on a party-line vote. The other side of the aisle had the majority. It was adopted, and the President had not sent us a budget in its totality.

It went to conference with the House. They conferred upon it and brought it back and passed a final version of a budget resolution which, incidentally, included not tax cuts but tax increases, tax increases that if you looked at them in today's gross domestic product numbers would be equivalent to almost a trillion dollars in tax increases.

Various committees—10, I think—were instructed to make changes in matters that they could make changes in to effect a budget—some of them up, some of them down. The important point is all of that was done by the other side of the aisle when they had a new President without a final budget document. They had a 100-page document, more or less, called "A Vision for America."

Our new President, who was elected—and even though some want to contest that election, I believe President Bush got a higher percentage of votes than did Bill Clinton because there were three people running. I do not think we ought to be hearkening back as to who had the moral authority to give us a budget. We have a President. He sent us his vision document, and it was used by the Budget Committee, including this Senator and the staff on this side. It was used to develop the budget that I sent to the desk.

Frankly, I repeat, I hope we do not have an argument now from every Senator on the other side of the aisle that we should delay this because we do not have the President's detailed budget. Summarizing, neither did the other side of the aisle, the then-majority, have the budget of the new Democratic President, Bill Clinton, when they produced a budget resolution and the entire finality of a 5-year game plan for America's fiscal policy and tax policy.

If we get the budget next week and this budget resolution is still around, I remind everyone that the details in the President's budget may enlighten some people, but it will not necessarily have an impact on this budget resolution because we do not have the authority to determine small itemized programs. That all goes to the Appropriations Committee, as the Chair now recognizes, and they make the final decisions.

Mr. President, have I used my 10 minutes yet?

The ACTING PRESIDENT pro tempore. The Senator has only used 4 minutes.

Mr. DOMENICI. Mr. President, Senator GRAMM will return after we have used some time, and I welcome that.

I want to speak a little bit and then tomorrow will give more detailed

statements, or tonight, when we have more time.

This budget does not include the dollars in tax receipts that would be forthcoming if we had ANWR in this budget, as prescribed by the President. That would be an expectation of \$1.2 trillion in the third year of this budget. We did not put that in. That does not preclude, nor does it enhance, the passage of ANWR. It just means that in a budget resolution at this point in time, which is very close in votes, we chose not to put it in, and it will be taken up at a later time.

Also, President Bush had a 10-year budget that covers 2002, and it is over a 10-year period. He proposed that a portion of the projected \$5.6 trillion budget surplus be returned to the American taxpayers in tax relief. We still have that in this budget, but we also have prescribed something he did not have, which is that in this year, 2001, there be made available up to \$60 billion of this year's surplus—\$60 billion. Tomorrow we will talk in more detail from where that comes. Essentially, believe it or not, it is a surplus that exists right now in the budget of the United States, and we decided that we ought to give some of it to the tax-writing committee to prescribe this year's stimulus of their prescription. We cannot write a tax bill, so the tax-writing committee will determine how.

I was very thrilled when I presented this budget to the Republicans in a caucus and almost all were there. For the first time, they saw this budget, and they also saw from me a proposal that we ought to use \$60 billion to "stimulate" the economy now. They said, to a man and to a woman: Let's do it.

Nobody should misunderstand. We did not suggest that day, nor are we suggesting today, that we should adopt a \$60 billion stimulus without providing permanent changes in the Tax Code that enhance growth and prosperity.

We have said what our President said. He agrees with us on the \$60 billion stimulus this year, almost the same day we talked about it, but he said, as we said then and as we say today, it would be foolhardy to adopt a current 1-year stimulus package without reforming the Tax Code so as to provide for more prosperity over a longer period of time.

I understand there is a difference between our side and their side on what the tax changes should look like, but I hope even in their proposal on tax reduction, they would cause an improvement in the economy over time by cutting marginal rates; that is, cutting the current point at which you go to the next bracket and pay the next highest amount of the Tax Code.

We propose that every bracket, every margin, be given a cut. When the time comes to debate that more fully, we can talk about who is right about what it ought to look like. For now, it does not matter too much what we think be-

cause the tax-writing committee is going to end up determining that.

I could get up here and tell the taxpayers: Here is a list of the things we want out of the budget resolution, but I want everybody to know, on the tax side, if we said that, all that is binding on the committees of the Congress is the total, \$1.6 trillion and the \$60 billion surplus for stimulus. They can provide what kind of stimulus.

The other side of the aisle will talk about what they like. We will talk about what we like. That is just debate because the Finance Committee, under Senator GRASSLEY's chairmanship in the Senate, will decide what kind of stimulus. They will also decide what kind of tax changes are going to accrue, what can the American taxpayers really get by way of a return of their money. Essentially, that is where we are.

I will spend a few minutes on a very interesting word. The word is "reconciliation." My friend, Senator BYRD, is not on the floor. He pronounces it differently. It doesn't matter whether we pronounce it reconciliation as the Senator from New Mexico does or as the Senator from West Virginia does; it is the same animal.

So everybody will understand, we decided 25 years ago to change the procedures of the Senate. What do I mean? When we adopted the Budget Act, with the help of a lot of experts, including the best Parliamentarians they could muster to help write it, that Budget Act said if you are going to do a reconciliation instruction, by definition, here is what it means. It means if you do that, you have held that the Senate no longer is bound by a filibuster rule on that bill that comes from reconciliation. You cannot filibuster it.

That is a dramatic change in the rules of the Senate. For those who complain about it, when we get a chance to vote on it, what we say to them is, go back and amend the bill that created it. It is already 25 years old. Anybody who wanted to amend it, to take out this authority could have, but it is there. It is there to be used by Republicans and Democrats.

How efficient is it and does it work? Yes, indeed. The other side of the aisle adopted the entire Clinton plan on taxes and budget changes in a reconciliation bill to the committees.

What else does it do about Senate rules? The Senate rules are very important to this Senator. I understand the institution. It is cherished that we can amend to our heart's content. There is no real limit on amendments—except under the Budget Act. And 25 years ago, we agreed if you have a budget that orders reconciliation, and a bill that comes forth from that, it is not amendable in the ordinary manner. As a matter of fact, it is very narrowly amended. It has been used to increase taxes, obviously. President Clinton increased taxes. It has been used to reduce taxes. In 1997, there was a tax decrease, tax cuts. We used this now famous process of "reconciliation."

It is a very important change in the rules of the Senate. It says those reconciliation bills no longer are treated as other bills in the Senate. Just remember, this isn't the first time. We have been using it for 25 years. It changed forever until we repeal that act.

We think it is appropriate here. We will have at least an hour's debate on whether it is or is not.

I yield the floor.

The PRESIDING OFFICER (Mr. HUTCHINSON). The Senator from North Dakota.

Mr. CONRAD. Mr. President, the Senator from New Mexico has talked further about reconciliation. Let me make it clear this will be one of the most consequential votes in the Senate in any of our memories. If this precedent is adopted that says you can totally take away the safeguards of the Senate, change the constitutional structure of this body by using that methodology for a \$1.6 trillion tax cut, then the door is wide open for every kind of abuse.

The Senator from New Mexico says reconciliation can be used by either side. That is true. It is also true it can be abused by either side.

I remember very well in 1993 and 1994 when we had massive health care legislation being considered and a group of Senators were approached and asked if we would support the use of reconciliation that short-circuits Senators' rights to debate and amend, to pass that legislation. A group of Senators said, no; that would be an abuse of the process to pass a \$138 billion spending initiative based on limited debate and limited amendment. That is not what the Senate was designed for; that is not what the Founding Fathers intended for this body.

The Founding Fathers intended for this body to be, as I described before, the cooling saucer, where we could have extended debate and unlimited amendment to determine the outcome to protect the American people, to protect the rights of a minority.

We are on the brink of sweeping all of that aside in the name of a tax cut, to take away those protections for a minority, to take away those protections for an individual Senator to represent his or her constituents, to take away those protections for this institution. It is wrong; it is dead wrong. It was wrong in 1993 and 1994 to use it for a spending provision. It would be wrong, dead wrong, to use it now for a tax cut. The whole purpose of reconciliation was for deficit reduction.

The Senator from New Mexico quite correctly says in 1993 reconciliation was used by our side—he is exactly right—for deficit reduction. That was a package that cut spending and raised taxes to reduce deficits.

This package is the opposite of that. This package is the opposite.

When the Senator talks about previous precedents, he cites 1997. Yes, reconciliation was used. But, again,

that was part of an overall package of deficit reduction.

We have gone over the precedents with respect to budget reconciliation. We find only one case, back in 1976, where reconciliation was used for a tax cut, absent other deficit reduction provisions. That was a \$6 billion item. It was vetoed.

In 1993, reconciliation was used. It was used for deficit reduction. In 1997, reconciliation was used. It was used for deficit reduction. That is the reason we have those provisions.

I cite Senator DOMENICI himself in a letter I wrote to the Parliamentarian. Senator DOMENICI said:

Frankly, as the chairman of the Budget Committee I am aware of how beneficial reconciliation can be to deficit reduction. But I'm also totally aware of what can happen when we choose to use this kind of process to basically get around the rules of the Senate as to limiting debate. Clearly, unlimited debate is the prerogative of the Senate that is greatly modified under this process.

I have grown to understand this institution. While it has a lot of shortcomings, it has some qualities that are rather exceptional. One of those is the fact that it is an extremely free institution, that we are free to offer amendments, that we are free to take as much time as this Senate will let us, to debate and have those issues thoroughly understood both here and across the country.

That was Senator DOMENICI, on October 24, 1985.

The Senator was right then. He is wrong now.

He said later, on October 13, 1989:

There are a few things about the U.S. Senate that people understand to be very, very significant. One is that you have the right, the rather broad right, the most significant right among all parliamentary bodies in the world, to amend freely on the floor. The other is the right to debate and to filibuster. When the Budget Act was drafted, the reconciliation procedure was crafted very carefully. It was intended to be used rather carefully because, in essence, Mr. President, it vitiated those two significant characteristics of this place that many have grown to respect and admire. Some think it is a marvelous institution of democracy. And if you lose those two qualities you just about turn this U.S. Senate into the U.S. House of Representatives or other parliamentary body.

The Senator was right then. He is wrong now. It is an absolute abuse of reconciliation to use it for purposes other than deficit reduction. If we allow it here, we are going to open the floodgates. Someday it may be used or abused for spending, as was attempted back in 1993-1994, when a group of us on our side stood up and said: No, don't you dare. Because we will not be any part of damaging this institution or undermining the constitutional role of the Senate.

It is as wrong to have used reconciliation for a \$138 billion spending initiative as it is to propose it for a \$1.6 trillion tax cut. Both of them are dead wrong. Reconciliation was designed, not for spending, not for tax cuts, but for deficit reduction. Senators agreed to restrict their fundamental rights to amend and debate in the interest of deficit reduction. Now we are talking

about Senators giving up their fundamental rights to debate and to amend—for what? For the opposite of deficit reduction. That would be a profound mistake. As Senator DOMENICI himself observed in 1989, that could change for all time this Chamber and its role in the United States and the Congress of the United States.

I hope very much we do not go down that road. I hope very much that wiser and cooler and calmer heads will prevail. We can address the President's tax cut under the regular order. We can use the normal procedures of the Senate just as was done in 1981 with the big Reagan tax cut. They didn't use reconciliation; they used the normal procedures of the Senate that permitted debate and amendment and not a short circuiting of the process or an abuse of the process.

Mr. President, How much time have I used?

The PRESIDING OFFICER. The Senator has used 10 minutes.

Mr. CONRAD. Will the Chair notify me when I have used another 10 minutes?

The PRESIDING OFFICER. The Chair will.

Mr. CONRAD. Mr. President, I would like to run through a number of charts and use those for a broader discussion of the budget resolution as we embark on its consideration.

Mr. DOMENICI. Did the Senator ask for an additional 10 minutes? Sure.

Mr. CONRAD. I just asked the Chair to notify me when I consumed another 10 minutes.

Mr. DOMENICI. OK.

Mr. CONRAD. I think one of the most important things about this debate is the question of whether or not we learn anything from history.

The chart I have put up behind me talks a little about history. It talks a little about history in this country from 1960 through 1999 and the increase in the gross Federal debt of the United States. You can see after 1990, the gross Federal debt of our country absolutely exploded. It exploded because we adopted a fiscal policy that was fatally flawed. That fiscal policy included a massive tax cut, a dramatic increase in defense spending, and was based on a rosy scenario economic forecast. All of those things conspired to put us in a deficit ditch that exploded the debt of the United States, and it took us 15 years to recover.

I believe we are in danger of repeating that series of mistakes in a way that will take us back into deficit, back into the bad old days of raiding trust funds, and put us on a course that is not fiscally sustainable. The debt of our Nation quadrupled because of those failed economic policies.

Curiously enough, many of the very same voices who were the architects of that failed plan are back today, advocating this one, the Bush budget plan. Many of the same people who were there at the birthing of the dramatic increase in the deficits and debt of this

country are back again. You have to ask the question, Did we learn nothing in the 1980s?

Let's first deal with the economic forecast that underlies this proposed budget. I indicated in the 1980s, when we saw the explosion of deficits and debt, one of the key reasons was a flawed forecast, an overly rosy set of economic assumptions. Once again I believe we face an uncertain forecast. This time it is a 10-year forecast. This time, the forecasting agency itself warns us of its uncertainty. We are told they have gone back and looked over their previous forecasts to see the variance between what they predicted and what actually occurred. What they have found is this chart that they have provided to us. I call it the fan chart. It is from the Congressional Budget Office.

What it tells us is in the fifth year of this 10-year forecast we could have anywhere from a \$50 billion deficit to more than a \$1 trillion surplus based on the variances in their previous forecasts. That is how uncertain this forecast is.

The Congressional Budget Office, which did the projection, tells us that this number of \$5.6 trillion surplus that the Senator from New Mexico discussed has a 10-percent chance of coming true—10 percent. There is a 45-percent chance there will be more money, 45-percent chance there will be less money. This forecast was done 8 weeks ago.

What has happened in the economy? Do you think it makes it more likely or less likely that the number will be greater or less than the \$5.6 trillion the Congressional Budget Office tells us has a 10-percent chance of coming true?

It seems pretty clear to me that this is a river boat gamble. This is betting the farm on a 10-year forecast that has very little chance of ever coming true.

We are offering an alternative that we think is more cautious, more conservative, and more balanced. We take the forecast surplus of \$5.6 trillion, and then we reserve every penny of the Social Security and Medicare trust funds for the purposes intended. That leaves us with \$2.7 trillion remaining.

We separate that amount into equal thirds: A third for a tax cut; a third for the high-priority domestic needs of a prescription drug benefit, strengthening our national defense, improving education, and funding agriculture; and, with the final third, we set that money aside for strengthening Social Security and dealing with our long-term debt because just as we have surpluses now in this 10-year period, we know that when the baby boomers start to retire these surpluses turn to massive deficits.

We think it is only prudent and wise that we begin to prepare for that future—that we have a downpayment on this long-term liability that is building.

As I indicated, we believe the top priority ought to be to aggressively pay down our publicly held debt.

When we look at a comparison between the Republican plan and our plan, we see that they are leaving a greater share of the publicly held debt than are we. They leave \$818 billion of publicly held debt at the end of this 10-year period. We leave less than \$500 billion because we are more aggressively paying down the publicly-held debt than their plan.

In addition, as I have indicated, we are reserving \$750 billion to strengthen Social Security for the long term; they provide nothing for this purpose—a clear difference, and one that we think is a compelling argument for our alternative plan.

We agree that we can afford a significant tax reduction. But our tax reduction is about half as big as the President's proposal. That is because, as I have indicated, we reserve more resources for debt reduction and we reserve more resources to strengthen Social Security for the long term. We still have a tax reduction of \$750 billion over the next 10 years in comparison to the President's \$1.6 trillion.

We have other differences in priorities as well. As I have indicated, we reserve more resources for the high-priority domestic needs of prescription drugs, national defense, and education, as well as others.

On prescription drugs, the President's proposal has \$153 billion for a prescription drug benefit; we have \$311 billion. Unfortunately, the President's proposal will only provide benefits to about 25 percent of those eligible. That is an inadequate prescription drug benefit.

We believe if we are going to have a prescription drug benefit, it ought to be universally available, it ought to be voluntary, but it ought to have enough money behind it to do the job, and not just be limited to low-income people in this country.

The same is true in education. While the Republican budget dedicates \$21 billion over the 10-year period over the baseline, we have provided \$151 billion. We believe this is America's top priority. And it is our top priority. We believe that ought to be reflected in the budget resolution. If we are going to meaningfully improve education for our kids, it is going to take resources. That is not the only thing it is going to take, but it is certainly going to take that. We provide those resources in this budget resolution.

We also have provided more resources for our national defense. We believe it is very clear that we are going to require more dollars for defense. We provide them. The Republican budget resolution provides \$68 billion in additional funding for defense over the 10-year period. We provide an additional \$100 billion in our budget resolution.

Our budget also provides environmental protection. While the Republican budget dramatically slashes those provisions of the law—the Republican budget, \$53 billion—our budget provides a \$19 billion increase over the 10-year period.

Our budget protects the Nation's veterans. At the same time that the Republican budget slashes funding for veterans by \$19 billion, we provide a \$15 billion increase over the 10-year period.

But it doesn't stop there. We have also provided additional resources for the energy crisis that is hitting our country. We had testimony before the Budget Committee that indicated there will be an additional need for Federal resources to deal with the energy shortfall sweeping the country. We have provided an increase of nearly \$10 billion while the Republican budget has cut \$1.4 billion over the same period.

Our budget responds to the farm crisis by providing \$88 billion over the 10-year period to level the playing field between our country and our major competitors, the Europeans. The Europeans currently are spending 10 times as much to support their producers as we spend supporting ours. They are spending over \$300 an acre in support for their producers while we spend \$30.

On the question of export support, the Europeans are providing 84 percent of all the world's agricultural export assistance while we provide one-thirtieth as much. No wonder we have a crisis in American agriculture. No wonder our producers are faced with financial ruin.

Our budget addresses the crisis in agriculture. The Republican budget absolutely fails it.

These are the different priorities of the two budgets.

If I were to briefly recap, it would be simply this: While we support a significant tax reduction for all amounts, we have a smaller tax cut than they have provided, so that we can have more resources to pay down our publicly held debt; more resources to strengthen Social Security for the long term; so that we can reserve additional resources to improve education and strengthen national defense; and, yes, to provide a prescription drug benefit.

Even within that context, our overall spending as a share of the gross domestic product has the Federal role shrinking. We have seen the Federal Government's role go from 22 percent of gross domestic product in 1993 to 18 percent today. Under our plan, the Federal role would continue to shrink to 16.4 percent of gross domestic product, the smallest role for the Federal Government—the smallest role for the Federal Government—in 50 years. That is a conservative plan. It is a balanced plan. It is one that is in line with the priorities of the American people.

I hope very much that we can take the budget that has been laid down by my colleague from New Mexico and improve it; that we can add to the debt reduction; that we can set aside funds to strengthen Social Security for the long term; that we can reserve additional resources to improve education and strengthen our national defense and provide a meaningful prescription drug benefit.

That is what the American people want us to do, all within the context of

continuing to shrink the role of the Federal Government, all within the context of paying off this publicly held debt, all within the context of preparing for the baby boom generation, and strengthening Social Security so that when those liabilities come due, the American system of Government is prepared to respond.

Mr. President, I yield the floor.

Mr. DOMENICI. Mr. President, I am going to yield shortly to Senator GRAMM. I thank him very much for waiting. But I want to first say to my good friend, I really do appreciate his advocacy. Frankly, it has been a rather exciting year because the Senator is a very good adversary. But I wish we all could strike a word from our vocabulary—"right" and "wrong"—because I think we can do better.

I say to the Senator, I think you can do better than to say that what we propose is wrong and what you propose is right. Frankly, I do not know that we are talking in absolutes on any of this. We just think we have a better idea than they do. As a matter of fact, I just want to make two points and then I will yield to my friend.

This is budget language, but since my friend spoke of, What do you use this Budget Act for? I want to hold it up. This is the act that changed—until it is repealed—the rules of the Senate. This law did that.

I defy anyone to read this law and find within it where it says what is major policy and what is minor policy, what size tax cut is OK and what size tax cut is not OK. I do not believe that is what this law says in any page of it.

Somebody might interpret something differently than I would interpret it, but I do not believe there is anything in here that justifies saying a policy that our President has suggested, of reducing our taxes by \$1.6 trillion over a decade, when total revenues America will receive during that period of time is \$27 trillion; when the gross domestic product is about \$25 or \$26 trillion—who would determine under this law what is appropriate policy and what isn't?

We decide. We vote. And if we have the votes, we use reconciliation because this law permits it. We are not violating anything. If we do not have the votes, we do not use it. But I do not choose to brag about the Senate's great institutional prowess of total debate forever, debate until you kill something, and amendments until you run out of breath offering them. That is not what this law says is the prerogative of the Senators anymore; and it has not been for 25 years, as long as we have had this act. It changed that, if you follow it right. And we will decide in the next 3 or 4 days what is following it right and what isn't in terms of interpreting that statute by the votes of this Senate—each and every Member voting the way he or she chooses.

Now, finally, I was not able to do the arithmetic of this cursory summary of

their budget, but let me say to Americans, if you want to spend more money, that is the budget. From what I can figure, including interest, this is a "little" budget; it only adds \$500 billion in expenditures to the President's; and with interest it is \$700 billion more than the President's.

For starters, so everybody will know, what did the President provide? He provided a 4-percent increase each and every year—4 percent. I heard some of the people in the White House say: Who in America would not be satisfied with a 4-percent increase? I was wondering about whether we should do more. I brought a budget down that starts with a 4-percent increase each time. What they are offering in terms of these quick summaries is over and above 4 percent.

Of course, we can say each and every neat thing about our Government should double or triple or should be 30 percent more, or who knows what. But I just added up a few in theirs: Defense, 100 percent; education, 80-some percent; agriculture, 80-some percent; Medicare, 160 percent more; energy, 10 percent, veterans, 15 percent. Remember, almost all these programs were increased by the President. And this is more than that. So what does it yield as a final product?

Fellow Americans, do you want us to spend the surplus or do you want tax relief where we send you back some of your money? And how much is the right ratio of what we should spend anew on top of the President's budget of 4 percent? How much is enough? And how much should we put there for those who write taxes to say to the American people, we have this surplus because of you? We didn't get it from the sky or manna. We thank the Lord for giving manna once under biblical terms. We didn't get it. We worked hard. That is what happened. That is where this money came from, all this surplus: innovation, change, hard work.

So the question is very simple: What do you want to provide for the future out of that surplus? We will take each item one by one later, including the national debt. But for now I yield the floor to Senator GRAMM of Texas.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I thank the distinguished chairman of the Budget Committee. I thank him for his work not only on this budget but on budgets for America going all the way back to 1981. If there is any person here who has had a permanent impact on this process, it is Senator DOMENICI. I congratulate him.

Let me say to Senator CONRAD, I congratulate him on being the new ranking member. He does an excellent job in making his case. The fact that the case will not hold water is not a reflection on him. He does as good a job with a bad hand as you can possibly do.

But the problem is, facts are stubborn things. Facts are very stubborn

things. And our Democrat colleagues now have become conservatives. They are concerned about this big tax cut. They are concerned about debt. They are concerned about deficits. They are concerned about protecting Social Security.

But fortunately we do have some memory. I would like to say, and I am sure the same must strike Senator DOMENICI as well, it takes a sense of humor in this business. It amazes me how people who killed our Social Security lockbox in 1999—we tried one, two, three, four, five times to set up a procedure to prevent Congress from spending the Social Security surplus: On April 22; on April 30; on June 15; on June 16; and on July 16. In each case, we were successful in that we got a majority vote, but we could not get 60 votes we needed to pass the bill. And we did not get 60 votes because the Democrats opposed the Social Security lockbox in 1999.

Today they are worried about tax cuts. They are worried about debt reduction. They are concerned that this massive tax cut is going to take away Social Security money. But 2 years ago, on five different occasions, they used the necessity of our getting 60 votes to pass Senator DOMENICI's proposal to not let Congress spend Social Security and, on virtually a straight party-line vote, that effort was killed.

It never ceases to amaze me that people who voted against the balanced budget amendment to the Constitution, who voted against a prohibition that would have stopped the spending of the Social Security surplus, who voted against Gramm-Rudman, which, with all of its problems and failings, was the only effort we have made to try to control spending, now are very concerned about debt. But they are not concerned when you are spending money.

This concern they have about deficits and debt is very narrowly defined. They are concerned about deficits and debt only when you want to give money back to the taxpayer. They are not concerned when you are spending.

As all of my colleagues know, in January, the Congressional Budget Office—this is the nonpartisan budgeting arm of the Congress—came out with their estimate as to how much we had added to Government spending over 10 years during the last 6 months of the Clinton administration. How much money did we commit to spend out of the surplus over the next 10 years in the last 6 months of the Clinton administration? Many people were stunned to find that in those 6 months, we added \$561 billion to Government spending. No 6-month period in American history ever added that much money to Government spending.

I ask my colleagues: Where was all this concern about debt and deficits when we were spending \$561 billion in the last 6 months of last year? Where was this concern? It didn't exist. It was silence. All the people who are now

telling us that they are worried about this giant tax cut are the same people who stood by while in 6 months \$561 billion was spent on new Government programs. At that rate, in 12 more months, they will have spent the entire Bush tax cut. I don't understand. Where was this concern about deficits and debt when they were voting down the balanced budget amendment to the Constitution? Where was it when they weren't willing to protect Social Security from having its funds plundered and spent? Where was it when they were spending \$561 billion? What produced this change of heart?

What produced the change of heart is, they weren't concerned when they were spending money. They are only concerned when we give it back to the taxpayer. That is what this debate is about.

Our colleagues want to make the point this week that they have this idea to divide the surplus into a third, a third, and a third. There is only one problem. They have already spent their third. Since we achieved a surplus, since the economy started running a budget surplus, we have added some \$800 billion to new spending on programs. So having already spent their third over the last 2½ years, now they want to spend another third, which is why they can't afford to let the American people have more of their money back in tax relief.

Let me make the points I want to make. First, what is a budget about? I am sure people think this is dull business, but actually of all the votes we cast every year, it is the most important because it is the one time we define our vision for the future of America. Each year our two great political parties on the floor of the Senate and in the House try to define through their budget what kind of vision they have for the future of America.

I believe if you listen very carefully, you ultimately reach the conclusion that there are two competing visions and that the two visions really come down to the following: Do we want more Government, or do we want more opportunity? Do we want to tighten the belt on the family, or do we want to tighten the belt on the Government? Given that we have this surplus because people have paid more in taxes than we need to fund the Government, should we use this money to let the Government grow? Or should we give some of this money back to the people who have earned it?

That is what this debate is about. Don't be confused. Despite all the talk about debt and deficits, this debate is not about debt and it is not about deficits. It is about spending versus tax cuts. We want to give a substantial amount of money but a responsible amount of money, as I will show, back to the people who paid the taxes to begin with, and the Democrats want to spend it. That is a perfectly legitimate view. You can make a case for it. You will hear it over the next 50 hours.

But it really boils down to a simple question—and Americans will ask it, hopefully, and answer it—that is: Do you believe the Government can take this surplus of tax revenues and spend it better than you could spend it if you got to keep it?

Under the President's tax cut, the average family in my State making \$51,000 a year, two-wage earners with two children, will get about \$1,600 in tax relief. At some point in the debate, I am sure our colleagues will say: Look, that is not a whole lot of money.

In my State, \$1,600 is a lot of money. It is the difference between owning your own home and living in somebody else's house. It is the difference between your children going to college or going to work. It is the difference between having a retirement program and not having one. The real question is, if Government kept the money and spent it, could they spend it better than you could spend the \$1,600 if you got to keep it?

That is the question about which I am willing to let the American people make a decision. In fact, I would be willing to submit that to the public. There will be all kinds of efforts to confuse the issue and talk about debt and deficits instead of about spending, but anybody who is listening is going to understand.

Let me begin talking about the President's tax cut. Every time that anybody mentions the President's tax cut, they talk about how big it is, huge.

Mr. DOMENICI. May I interrupt?

Mr. GRAMM. I am happy to yield.

Mr. DOMENICI. I forgot when I yielded, I should have asked how much time was needed. I should establish an amount of time. Does the Senator need 10 more minutes?

Mr. GRAMM. How much have I used?

The PRESIDING OFFICER. The Senator has used 11 minutes.

Mr. GRAMM. I would like 20 more minutes, if I may have it.

Mr. DOMENICI. The Senator used 15 more than I. I yield him that. Then we will yield back to the Senator.

Mr. GRAMM. Every time we hear the President's tax cut discussed, we hear the term "huge" or "massive." Why not? It is \$1.6 trillion. I have a few constituents who know what \$1 million is. I have two constituents who know what a billion dollars is—Mr. Perot and Mr. Dell. Mr. Dell used to know what a billion dollars is. I suspect he will again, knowing Mr. Dell.

Nobody knows what a trillion dollars is, so obviously it is huge. What I would like to do is, using some figures from the National Taxpayers Union that are very relevant to the debate, let's convert it into English. Out of every dollar we are going to send to Washington in the next 10 years, how much would the Bush tax cut give you back, how many pennies for every dollar we are going to send to Washington in the next 10 years? The answer, 6.2 cents. So this tax cut, basically, will

give back 6.2 cents out of every dollar that taxpayers are going to send to Washington in the next 10 years. Six point two cents out of every dollar sounds like a fairly modest tax cut, and it is.

Compare it to the Kennedy tax cut—the proposal that John Kennedy, as President, sent to Congress—a tax cut, by the way, that cut rates across the board. We now hear from our colleagues that when we cut the bottom rate twice as much as the top rate, then it is skewed to the rich. But John Kennedy, when he submitted his tax plan, had an across-the-board rate cut. In fact, when the question was raised, he said, "A rising tide lifts all boats."

When you look at his tax cut and ask how many pennies out of every dollar in revenue were collected in the 10 years after it was adopted, you find that it gave back 12.6 cents out of every dollar. It was over twice as big as the Bush tax cut. The Reagan tax cut, in 1981, gave back 18.7 cents out of every dollar collected. It was three times as big as the Bush tax cut. So the first point I want to make is, when you look at the tax cut in terms of how much taxes people are paying, the Bush tax cut is actually a quite modest and responsible tax cut. It is half as big as what President Kennedy proposed in 1961, and it is one-third the size that Reagan proposed in 1981. And it is 2001 and it is time for another tax cut.

Many of my colleagues are saying it is not big enough. My response to that is, let's do it, and if the economy gets stronger, we can cut taxes again next year. This doesn't have to be the last tax cut of the first Bush term. But this, by historic standards, is a modest tax cut. That is the first point I want to be sure everybody understands.

The second point is, this is a tax cut that America not only needs, but that we can afford. Let me remind everybody—it is a point Senator DOMENICI made, but it is a point worth making—last year, in the last 6 months, we increased spending by \$561 billion over 10 years. This surplus has literally been burning a hole in our pockets. Even the Chairman of the Federal Reserve Bank, Alan Greenspan, who is very loathe to criticize Congress, in testimony before the Banking Committee, raised the issue about what has happened to spending in the last 2 years and expressed alarm and concern about it. If you listen to our Democrat colleagues, you would get the idea that President Bush is just slashing spending, and they have all these charts about how he is not doing enough and they are going to do more and more—trillions, billions of dollars more.

The plain truth is, the Bush budget takes every penny we have spent in the last 6 months in the biggest spending spree in American history and uses that as the beginning point and raises spending by 4 percent. How, based on that, can anybody argue that the President is cutting spending? In fact, he adds \$1 trillion of new spending in

the next 10 years over the current level.

Now, he adds a 4-percent increase that adds \$1 trillion to Government spending over the next 10 years. But even after you spend that \$1 trillion, we are looking at a \$5.6 trillion surplus over the next 10 years, according to the Congressional Budget Office. If we take out the amount of money that is committed to Social Security and Medicare, we have \$3.1 trillion left in what we call on-budget surplus, and then President Bush has proposed that roughly half of that money, that surplus, go to his tax cut. This is a modest tax cut by historic standards—half the size of the Kennedy proposal, a third of the size of the Reagan proposal, and it is also a tax cut that we can afford. Now, we cannot afford it if you are going to let the Democrats spend this money. That is true. You can't spend it and give it back. You can spend \$1 trillion on top of what we have already spent in the last 2 years and you can afford this tax cut. But if you are not going to say no to any special interest group in America, if you are going to take this opportunity to spend even more money, you can't do both.

We choose to give it back; they choose to spend it.

Now, let me talk a minute about debt reduction. Under our current situation, we are literally able to pay down the debt quicker than the bonds become due. And everybody has said, since one-third of the Federal debt of this country is held by foreign governments, foreign central banks, that we don't want to pay a premium in order to buy this debt back.

But this is the plain truth. Let me show you the following chart. We currently owe \$3.4 trillion in debt that is held by the public. If we didn't do the tax cut, we would have enough surplus to pay this off by 2009. Doing the tax cut, we would have enough to pay it off in 2011. But the plain truth is that we can't physically buy the debt back as quick as we are capable of doing it under either scenario. What we can do, as this chart shows, is we can dramatically reduce the size of the public debt, but we are going to reach a point out here in 2009 where we would have to pay these foreign bondholders these big premiums in order to reduce the debt. And it doesn't make any sense to do that. We are going to get the interest on the debt down very low. So our colleagues talk about interest costs to the tax cut. The plain truth is that we are going to get interest costs down to as low as it can be gotten down, so there are hardly any interest costs to the tax cut once we get past 2005 and 2006.

Here is the point. We are paying down debt as quickly as we can pay it down. If we control spending, if we are prudent about what we do, we can increase Government spending by 4 percent, which is more than the average family budget is going up this year, and we can have the Bush tax cut, and we can pay down debt as much as we

will be capable of doing, given the bonds that are available.

So let me conclude by simply making the following points.

This is a choice in the end between letting people spend this tax surplus or having the Government spend it. I am sure there are many Americans, not a majority, but many Americans who are not paying taxes and would rather the Government spend it because they might get some of it. I think most Americans who work for a living and who pay taxes would believe they can spend \$1,600, which is the average tax cut in my State, better than the Government could spend it if the Government got to keep it.

That ultimately is what this debate comes down to. We have put together a very responsible budget. In fact, I have been involved, one way or another, in every budget debate since 1979. I have seen a lot of budget proposals that were rosy scenarios or had magic asterisks and had all kinds of gimmicks. I have never seen a budget that is more realistic and more achievable than the Bush budget.

The Bush budget has no gimmicks in it. The reason it has no gimmicks in it is because it has a modest tax cut, it has an achievable proposal in debt reduction, and it has a modest increase in Government spending. But if you believe Government spending should keep growing the way it did in the last 6 months, and you believe we cannot afford a tax cut, then you are right.

The question is, Should Government spending grow that fast? Should we literally spend this surplus instead of giving part of it back? I do not think we should.

I urge my colleagues to vote for this budget. I want to pay down the Government debt, and I am in favor of setting out a program to pay it down as quickly as it is physically possible as the bonds become due. Any bond that comes due ought to be paid off, and we should not borrow more money.

There is another kind of debt, private debt. Twenty million families are carrying debt on credit cards. There are a lot of families who would like to engage in debt reduction. This tax cut will let families reduce their debt as our Government reduces its debt.

Finally, in terms of the tax cut itself—and we are going to have plenty of time to debate it, but ultimately it is going to be part of this debate—we do three simple things in the tax cut: One, we cut everybody's rate. Everybody who pays income taxes will get a tax cut.

We will hear some say there are some people who do not get a tax cut. Yes, but they do not pay income taxes. This is an income tax cut. You do not get an income tax cut if you do not pay taxes.

Said another way, we will give you a 100-percent cut if you do not pay taxes. Of course, you do not get anything because you do not pay taxes. We have a surplus of taxes so we are giving taxes back to the people who pay it. We cut

the top rate half as much as the bottom rate.

The second part is repealing the marriage penalty and doubling the child tax credit. We think families should keep more of what they earn to invest in the one institution we know works. Government does not always work, but the family will work if it has the resources to work.

The third part is repealing the death tax, believing that when people build up a family business or family farm and they pay taxes on every dollar they earn, we ought not to force their children to sell off their business or sell off their farm to give another tax to the Government.

Ultimately, we are going to hear in this debate that Bill Gates will be able to buy a Lexus. Bill Gates already has a Lexus. Can anybody who believes that a man who pays 1,000 times as much income tax as I do does not deserve a bigger tax cut than I get? The fact he could buy a Lexus is irrelevant. He already has a Lexus.

We are going to hear other people say: Yes, but low-income people who don't pay much in taxes will only get enough to buy a tailpipe system and muffler. Have you bought a tailpipe system and muffler lately? Obviously, you have not, but if you had, you know it costs a lot of money, and if you need a tailpipe system and a muffler, having the money to pay for it makes a big difference.

This is going to be an important debate. Often we talk about things that do not matter. We spend endless hours talking about issues that somebody thinks is important and that often do not end up being important. This issue is important. What America will look like 10 years from now and 100 years from now will be determined, in part, significantly by the outcome of this debate.

If we adopt the President's budget, if we enforce it, and if we cut taxes, I believe America will be richer, freer, and happier 10 years from now and 100 years from now than it would be if we do not.

I believe Government will be bigger if we do not. I think Government will be spending more money if we do not. I think the tax burden will be heavier if we do not.

If you think you can make America greater by making Government bigger, then you would want to vote against this budget, but if you believe, as I do, that letting working families invest more money in their children, in their community, and in their family makes for a better America, then making it so people who work hard for a living get to keep more of what they earn and not end up working a third of the year just to pay for Government, if you believe that makes for a better America, you have to believe this debate is important.

Whatever happens, one thing is clear: We are not going to waste this week. This week we are going to make very important decisions that will affect the

well-being of everybody who will call themselves Americans for a very long time. That is why this debate is so critically important.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, the Senator from Texas began by saying I was a good advocate but I was playing a weak hand. I say to him, he is an outstanding advocate. I do not agree with him. I think his prescription for America really is not the priorities of the American people.

Most of all, I always enjoy listening to him, but I must say, the words he speaks bears almost no relationship to the facts and certainly no relationship to the budget I have offered. What I find most enjoyable is that the Senator from Texas has been giving this same speech for 20 years, and it does not matter if the facts have changed completely, he sticks with his speech. So I applaud him for his consistency.

When he says this is a question of more and bigger Government or smaller Government, that is not what this is about. No, no, no. That is the old debate. That is the old, tired debate, but that is not what this budget resolution is about.

The budget resolution I have offered today would shrink the role of Government and would dedicate more of the money to debt reduction. The truth is, the fundamental difference between our budget proposals is we have dedicated about 70 percent of this projected surplus to short-term and long-term debt reduction. The President's plan devotes about 35 percent to short-term and long-term debt reduction. That is the big difference. They have a much bigger tax cut. We have much more money for short-term and long-term debt reduction. That is the real difference.

When the Senator from Texas says there has just been this explosion of Federal spending, come on. We know better than that. That is not what has been happening. There has not been any big explosion of Federal spending. Let us deal with the facts.

This is what has happened to Federal spending from 1962 to 2002. This is what has happened to Federal spending as a share of our gross domestic product, which is the best way to compare so we are not just looking at inflated dollars.

We see that the Federal spending is now at the lowest level since 1966. We are down to 18 percent of gross domestic product being consumed by the Federal Government. Of course, where does most of the money go?

Most of the money goes for Social Security, direct payments to the American people; Medicare, direct payment of the health bills of the American people; interest on the debt, the debt of the American people. Another big expenditure this year is paying down the debt, the debt of the American people.

The President has said very often, this is the people's money; we ought to

give it back to the people. First of all, I agree with the first part of his formulation. This money is the people's money. Absolutely. We should give some of it back to the American people. Absolutely.

But this debt is the debt of the American people. Social Security goes to the American people. Medicare goes to the American people. National defense is for the American people. A prescription drug benefit goes to the American people. Improving education is the education of the American people. All of these are the people's needs and the people's priorities. This is not a case where the money goes to the Government, the Government sticks it in a sock somewhere. This is a question of how we best use our resources to provide a significant tax cut to protect Social Security and Medicare, to improve education and defense, and the rest.

When the Senator from Texas says we have been on a spending binge, it is just not true. As I indicated, we have been seeing the Federal Government spending share come down each and every year since 1992. We were at 22 percent of gross domestic product in 1992; we will be at 18 percent of gross domestic product this year. The Federal share of the national income has been going down steadily.

Under the Democrat alternative that we have offered and are proposing to our colleagues, we continue to bring down the share of the Federal income going to the Federal Government. We continue to shrink the size of the Federal Government from 18 percent of gross domestic product to 16.4 percent at the end of this period, the smallest part of national income going to the Federal Government since 1951.

This dog won't hunt. This tired old debate that it is tax cuts versus spending and those are the only options—those are not the only options. Those are false choices for the American people. The truth is, the choices are more complicated than that. It is not just a question of spending or tax cuts; it is a question of spending or tax cuts or debt reduction, short term and long term.

On our side, we have said the highest priority is additional debt reduction. Why? Because we know where we are headed when the baby boomers start to retire and this long-term debt takes off like a scalded cat.

It is interesting; the Republicans claim that this is just a question of our spending versus their spending. Under their plan, they may well be spending more money next year than our plan provides. Our plan provides a 5-percent increase in overall spending next year. The Republican plan may be as little as 4.9 percent, slightly less than ours, but if they use their contingency fund they have set aside, they could have as much as a 10-percent increase in Federal spending. Our Republican friends are trying to have it both ways. They are claiming they are against spending. Yet they have created a contingency.

By the way, you have to wonder where else it will be used because the

President has said very clearly, his tax cut is \$1.6 trillion and no bigger. He has said he will pay down \$2 trillion of national debt and no more. Yet they have established a contingency fund. If it is not going to go for a tax cut, if it is not going to go for paying down more debt, the only place it can go is more spending, in which case our friends on the other side of the aisle have more spending than we do.

What a surprise. This is the same old shell game they have engaged in for years, to try to suggest this is a question of tax cuts versus spending. That is not the choice.

We are saying, devote most of these resources, 70 percent of this projected surplus, to paying down short-term and long-term debt. We are dedicating nearly twice as much to that—\$1.8 trillion more—to paying down short-term and long-term debt. They are dedicating more to a tax cut.

That is the fundamental choice. It is not a choice of spending versus tax cut; it is a choice of tax cut versus paying down the debt. That is the fundamental choice before the American people in the budget resolution we offer versus the budget resolution they offer.

There are other choices as well. We have provided \$750 billion to start to address our long-term debt that will be created by the retirement of the baby boom generation. We have put aside \$750 billion to strengthen Social Security. They have a big goose egg for that purpose; they have nothing.

We talk about who is being fiscally responsible. I will vote for our side. I am happy to take our budget and defend it anywhere because we have devoted twice as much money to short-term and long-term debt reduction as the other side.

Now my colleague from Texas says: The Democrats didn't support the Social Security/Medicare lockbox we proposed last year or in 1999. No, we didn't support their lockbox. Certainly, we did not. It was a leaky lockbox. It didn't lock up anything. In fact, the Treasury Secretary said it endangered our ability to pay the debt of the United States. That was the lockbox they offered.

The lockbox we voted for, to protect Social Security and Medicare, was a lockbox I offered on the floor of this Senate last year. It got 60 votes, including, I think, 14 Republicans. When the Senator suggests Democrats didn't support protection for Social Security and Medicare, it is just false. He knows it is false. He knows it is absolutely false. We supported protection for Social Security and Medicare, and it is the proposal that passed here with the highest number of votes in the Senate, 60 votes.

The Senator from Texas says: They didn't vote for my constitutional amendment to balance the budget. He is exactly right; we didn't vote for his constitutional amendment to balance the budget because it defined "balancing the budget" as one that looted

the Social Security trust fund to achieve balance. He is darn right we didn't vote for that. We have been able to balance the budget subsequent to that without raiding the Social Security trust fund.

Who is right and who is wrong about that dispute? He came out here with a constitutional amendment and said we had to pass it; it was the only way to balance the budget, and he defined "balancing the budget" as raiding the Social Security trust fund to achieve balance. What a fraud. What an absolute fraud that would be for balancing the budget. No, we didn't vote for it. We voted against it because we wanted to balance the budget without counting Social Security. That was the right thing to do.

The Senator from Texas said we increased spending last year by \$561 billion. No, we didn't. There was no \$560 billion increase in spending last year.

Let's go back to the record. Here is what has happened with spending. As a share of the economy, Federal spending has gone down each and every year, including last year. Under the plan we are proposing, it will continue to go down as a share of our national income, as a percentage of our gross domestic production. That is the way economists say is the best way to measure changes in spending over time because that is adjusting for inflation.

The Senator from Texas says this is a question of more Government or more opportunity. Those are not the choices before us. That is a good speech line, but it has almost no relevance to the choices before us in this budget resolution. The fact is before us are a series of choices, not just one or the other; it is a series of choices.

The first choice is do we reduce the size of the President's proposed tax cut in order to have more short-term and long-term debt reduction? We say yes. We say we ought to reduce the size of his tax cut so we have more short-term and long-term debt reduction. We also say we ought to reduce the size of his tax cut to set aside money to strengthen Social Security for the long term.

We also believe we ought to reduce the size of his tax cut to improve education and to provide a prescription drug benefit and to strengthen national defense because those are also priorities of the American people.

But we only endorse those spending initiatives in the context of maximum paydown of our publicly held debt, of putting aside money to deal with our long-term liabilities, and also within the context of continuing to shrink the role of the Federal Government.

Let's go back to that chart that shows, under the plan we are proposing, we would continue to shrink the role of the Federal Government from 18 percent of gross domestic product today, down to 16.4 percent at the end of this period, the lowest level since 1951. That is the lowest level in 50 years.

The Senator from Texas also said we are paying down all the debt we can

pay down. No we are not. That is not true. We had very clear testimony before the committee on how much debt can be paid down. I thought the most compelling testimony was by the man who has managed the successful debt paydown of the previous administration. The President is saying we can only pay down \$2 trillion of the publicly held debt over this period. That is not the case. We have \$2.6 trillion of debt coming due during this period. We can certainly pay down all of that. If we reserve all the Social Security and Medicare trust funds, and those moneys are used to pay down publicly held debt, we have no cash buildup problem until the year 2010. That is what a detailed cashflow analysis demonstrates.

It is a red herring to suggest we are going to have to pay these big premiums to foreign bondholders. That is all nonsense. We are not going to have to pay any big premiums to anybody. We are just going to retire the debt of the United States as it comes due, not renew it, not issue new debt. They want to issue new debt to pay for their tax cut. We do not. We think we ought to dump this debt while we have the chance because we know what happens when you get past this 10-year period and the debt of the United States takes off like a scalded cat.

This is a fundamental choice. The thing the Senator from Texas and I do agree on is that this debate is important. It is going to shape the economic future of our country. I say to those who are listening, the President's plan is fatally flawed. The President's plan is fatally flawed because he uses virtually all of the non-trust-fund money for his tax cut.

In fact, here is the projected surplus: \$5.6 trillion, as uncertain as it is. If you take out the Social Security trust fund, \$2.6 trillion. Then you take out the Medicare trust fund, \$500 billion. That leaves you with an available surplus of \$2.5 trillion.

Then the President proposes a tax cut of \$1.7 trillion. His tax cut plan requires additional adjustments in what is called the alternative minimum tax.

Today there are 2 million people affected by the alternative minimum tax, but if we pass the President's plan, 30 million are going to get caught up in the alternative minimum tax. It costs \$300 billion to fix that problem.

The interest costs associated with the first two are \$500 billion, the President's spending initiatives over the so-called baseline are \$200 billion, for a total cost of his plan of \$2.7 trillion—when there is only \$2.5 trillion available, if you safeguard the Social Security and Medicare trust funds.

The numbers do not add up. The President's plan is \$200 billion in the hole and that is before any defense initiative that he might propose, that is before any of the other things that may be suggested by this administration in terms of additional tax cuts, as we have seen come over from the House—\$300 billion over and above

what the President has proposed; and before additional funds for education or a prescription drug benefit. That is before any adjustment in the forecast because of the economic downturn.

We have a President's budget that is eating into the trust funds already and it is headed for much worse. Many of us believe it would be a very serious mistake to make a decision that locks in for the next 10 years a tax cut that is so big that it threatens the Social Security and Medicare trust funds. Let's remember, when we get past this 10-year period we are faced with a totally different situation; The retirement of the baby boom generation, the explosion of demands on Social Security and Medicare.

The truth is, the choices in this budget resolution are critically important to the country's economic future. The question is, Do we have more of a tax cut or do we have more debt reduction? Do we reserve resources to improve education, national defense, and provide for a prescription drug benefit or do we go on the cheap on education? Do we go on the cheap on the health care of the American people?

I hope very much, as this debate continues, we will have a chance to really inform the American people of what the choices are. I believe the choices we made on our side are the choices they would make in their own families. If they had a windfall I do not believe they would go blow it all on a vacation or fancy car. I think they might take a vacation, but I think they would also pay down that mortgage. I think they would also use those resources to invest for the future.

Those are the principles and the values that have formed the budget we are offering on our side. It is a budget that protects every penny of the Social Security and Medicare trust funds, a budget that takes what is left and provides a third for a significant tax cut for all Americans, including addressing the marriage penalty and reforming the estate tax; and with an additional third addressing those high-priority domestic needs of improving education, strengthening national defense, and providing a prescription drug benefit; and with the final third, taking that money to strengthen Social Security for the long term, to address this long-term debt that is building.

We think that is a pretty good set of priorities, and we hope our colleagues will endorse it before this week ends.

I thank the Chair. I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, again, I want to ask if there are any Senators who want to speak. I don't want anyone to think our schedule is going to be in any way influenced by the NCAA finals. But it does seem as though, if we got out of here by 9 o'clock, we could all participate in the game someplace. I think it is 15 minutes after that it starts. We are going to shoot for that anyway. If Senators come down

later than that, we will let them close down. We wouldn't want you, Mr. President, to occupy the chair that late. We have a volunteer, I think, willing to do that.

First, I want to say to everybody listening that in an effort to try to see where we were with this big surplus, we invited a lot of people to testify. At the suggestion of the other side, we invited the Comptroller General. He is a former CPA of some significant firm—one of the big firms. He loves to inject himself in the budget issues. And he does that with a great deal of enthusiasm. Sometimes I wonder if that is in his charter. Nonetheless, we hear from him.

I want everybody to listen carefully to what he said. He was talking about the debt in the future. He was not talking about 10 years from now. He wasn't talking about 20 years from now. He was talking about the debt 25, 35, and 50 years from now; that is, we don't have all of these programs paid for during that period of time.

So I asked him: We have been hearing words of caution about this surplus. But, Mr. Comptroller, does the \$1.6 trillion the President is talking about in a tax cut have any negative impact on that debt? He answered, Absolutely not.

So you see that you can come to the floor and do what my friend has done, and talk about having all of this money in for future debt.

To tell you the truth, the President's number on a tax cut will have no negative impact on that. I conclude that it will have a positive impact because I will tell you right now what will have the biggest positive effect on assuring every single senior that they will get their Social Security for as long as we have the ability to project that, and, for everybody who is worried about Medicare and its solvency, I tell you the best way to make sure that it works. It has nothing whatsoever to do with what we plug into this budget for Medicare. Do you know what it is? Will the \$1.6 trillion tax cut promote longer prosperity at higher rates of growth than if we don't do it?

Americans, if you are wondering what is going to make Social Security more and more solvent, it is, the sooner we get out of this dip in the economy and the sooner we go for 8 or 9 more years with sustained growth at a modest rate as predicted in this budget, the better off everyone will be.

Frankly, I believe that I have been listening. I have gotten a great education, I tell my New Mexicans all the time, by listening to the greatest economists—those who have more to do with the future of the American economy year by year—by listening to them. The one to whom I have listened tentatively is Dr. Alan Greenspan.

Let me say about our new President, President George W. Bush, whether you talk to him or not, he listens. You get some waves from him as to what you should do with a surplus. I can't quote

him, but let me paraphrase him accurately.

He said: If you have a very large surplus—and he was amazed that it was as big as \$5.6 trillion, but he concurs that it is, under current projections—which he also concurs is a modest projection and not some blue-sky projection. But he says: If you have a surplus and it is big, pay the debt down. And then, when you have done as much of that as you consider the next priority for government, you cut marginal rates.

Why was he saying that? Was he saying that because he just wants to cut marginal rates? And Alan Greenspan doesn't think that every rate should get a cut, as our good friend from Texas explained. Of course not. It is because that is the very best thing for the American economy. That is the best thing for the future of our senior citizens and for Medicare. Yes. Even for that long-term debt that is out there, and even for some of that gross national debt, which our friend puts up on a map on one of his charts as if we were busy paying off that gross debt. It isn't even considered in the unified budget when the economists look at America for the next 10, 15, 20 years.

The point is: The recommendation is that you pay debt as the first priority, and the second highest priority with the surplus is to cut marginal rates. Guess what. The third and least priority is to spend the surplus.

That is not Senator PETE DOMENICI. That is what I have learned from experts, including the expert who tells us what is best for America. That means Americans; that means families; that means everybody who is concerned about paying their mortgage or adding on to their house—all of these things—plus businesspeople who are making money at their businesses. They are highly motivated by what they get to keep.

That is why all the experts say the second highest priority with the surplus is to cut marginal rates.

I am not going to spend tonight talking about how much is the right amount to pay on the debt. I will just tell you that for those who worry about what portion of our budget is interest on the national debt, let me guess with you. I have it on the chart up there. But currently it is about 13.5 to 14 percent. So every budget has a big slice of it—13 to 14 percent to pay down the debt as a percentage of the total budget.

It is as if we don't plan to do anything about it, if you listen to the other side.

Do you know what it will be after 10 years of paying down the debt as we contemplate it percentage-wise? Three. It will be 14 percent of the Federal budget down to 3 or 3½.

When people say we are not paying down the debt and you show them that chart, is this paying down the debt fast enough? Everybody says, of course, that is paying it down fast enough.

If you want to be technical, bring in two experts and ask if we could pay it

down faster. You will find two who will say we can.

But to tell you the truth, I have almost become convinced that it is not the right thing for me to say as a non-economist—or maybe it is for a non-economist. I almost believe the surplus can get too big. I think it can be a drag on the growth in the economy. I believe to pay it down any faster than we propose is very risky. I really believe that is plenty of debt payment for this generation and this little timeframe to be paying on a debt which has accumulated over 25 years or maybe 40 years. It is just a lot to take out of the economy.

So everyone will know how much debt we should pay down, we had a witness. He is a very excellent economist. He said none. He didn't say they are right or you are right. He said you are both wrong. Don't pay any of it down. Because he is very worried about a slowing of the economy and paying the debt down and what happens. I am not saying that. I am just giving you parameters of what we heard.

We had another prominent witness from the Treasury Department of Bill Clinton saying we should cut it down more. Guess what. He was in the Treasury Department. They produced a budget. President Clinton produced a budget and didn't even ask him. They put in their budget precisely the numbers that George W. Bush is using in his budget for debt payment.

All the talk we hear: Is it enough? Is it too small? Should it be bigger? We are talking about the end of this 10 years, and we are talking about \$300 billion to \$400 billion at the tail end of this entire process.

I want to close by saying again to my fellow Republicans and to anyone on the other side who wants to treat George W. Bush fairly, to treat him as the Democrats treated President Clinton, why don't you let the President have a trial, have an opportunity, have a chance at taking his budget to the next level? Let's work on tax cuts, and see where the American people are when we get down to the details of tax cuts. I believe he deserves that.

If this Senator were frightened about this budget bringing us back to deficit spending, I would be here saying we just should not do it. I have been fighting too long to get where we are. But I honestly believe there is a higher chance that we will have a bigger surplus than is reported than we will have a lower amount. I think the highest probability is that it will be about right.

When you see that funnel up there on that graph that my good friend offered—it came from the Congressional Budget Office, so I can speak to it also; it looked like a big wave of bees—if you look at it carefully, right down the middle is where it is all dark, and that is where it is turning up most of the time, and that is this surplus of \$5.6 trillion. On the edges it is showing a lot less and a lot more. I ask, which

one should you use? The huge amount less or the huge amount more? No. I think you should use what the Congressional Budget Office recommended, and you should apply the President's number to that, and I believe you will have something very significant happen when the American people understand that over a decade we are giving them back their money. They will begin to ask, If we don't do that, what is going to happen to that surplus?

Do you know what I think is going to happen to it? I think it is going to get spent. I think it is going to get spent. I do not know how yet, but it will get spent. Every year we will have an excuse, just about like the amendments that are going to be offered to the Bush budget tomorrow and the next day, where there will be some new purpose that we should add to it well beyond what he recommended. But in the end, fellow Senators and those listening, those are all using the surplus to spend more money instead of giving the taxpayer a break. If we want to spend money, spend what is left over. There is still a lot left over.

I ask my friend, what is your desire regarding the rest of the evening?

Mr. CONRAD. I would just like a few more minutes.

Mr. DOMENICI. OK. I yield the floor. The PRESIDING OFFICER (Mr. FRIST). The Senator from North Dakota.

Mr. CONRAD. Mr. President, I have been reading the book by David Stockman, "The Triumph of Politics." It is about what happened in the 1980s, when, through a series of disastrous fiscal miscalculations, we plunged this country into deep, deep debt. I was not here at the time, but in that book he outlines very clearly what happened when the President advocated a massive tax cut, combined with a big increase in defense spending, all under a rosy economic forecast. The results were a tripling and quadrupling of deficits, a quadrupling of debt. The same voices who were advocating then to give the President a chance are advocating to give this President a chance with the same kind of fiscal scheme.

It is amazing how much credence a 10-year forecast has been given in this body, this notion that there is really going to be \$5.6 trillion of surpluses over the next 10 years. It is almost mystical, the confidence people have in that kind of forecast.

I used to be responsible for forecasting the revenue for my State. I had to do it for 30 months—not a 10-year forecast, a 2½ year forecast. I can tell you, it is a crapshoot to forecast the revenue for 2½ years, much less the revenue for the United States for 10 years.

Let me say to my colleagues, if one assumption were changed in that forecast, \$2.5 trillion of the \$5.6 trillion would be right out the window. If the productivity gains assumed for the next 10 years were the same productivity increases we had in the United

States between 1982 and 1995, that \$5.6 trillion surplus would turn into a \$3.2 trillion surplus—one estimate, one part of the projection, and 40 percent of the surplus goes right out the window.

It is not wise to bet the farm on a 10-year forecast, a 10-year forecast made after 5 of the strongest economic years in the history of the United States, at a time a downturn has started.

Sometimes one wonders if we have all gotten caught up in the giddiness of markets. We saw the NASDAQ go from 1,500 to 5,000 and fall back to 1,800. Isn't there a warning there somewhere? Do we really believe that things that just go up, up, up, just keep going up, up, up? Is there no caution here? I believe we can all hope that things keep going up, up, up. I certainly do. That would be good for the economy, good for the country, and make our jobs a lot easier. But I do not think we ought to bet the farm on it.

This whole thing about it is the people's money and we ought to give it back to the people—if you examine our proposal, we are giving as much back as they are. We are just doing it in a different way. We have a tax cut that is half as big as theirs. But we have another \$800 billion that we are proposing to use for strengthening Social Security for the long term, to, for example, put in investment accounts for people that they could then match or they could add to, so we would increase the pool of savings and investments for our society so we would have a stronger economy in the years ahead. That money is going right to the American people just as would a tax cut, only it is for savings and investment.

The differences between us are important differences, but it is not a question of we want to take the money and just spend it on Government programs and they want a tax cut. Those are not the choices. They are just not the choices.

The choices are, No. 1, that we would take \$800 billion and use it to strengthen Social Security for the long term by establishing something like the thrift savings plan accounts that every Federal employee has. That is not money that is going to be spent on Government programs. That is money that is going to be available for savings and investment by the American people. On top of that, we advocate another \$750 billion of tax cuts.

So if you compare their tax cut to our proposal of tax cuts and money that is available for individual accounts, to strengthen Social Security, and provide a pool of savings and investment for the strengthening of the economic future of America, we both have about the same amount of money going directly back to the American people. But in addition to that, we have reserved a lot more of this projected surplus for paying down the people's debt. Yes, it is the people's money, absolutely. It is also the people's debt. It is also the people's education and the people's defense, and the people's Social Security.

This is not a question of spending versus tax cuts. I know the other side always loves to use that formulation. That is not our budget plan. Our budget plan is fundamentally a question of more debt reduction, both short term and long term, versus more for tax cuts. That is a fundamental choice before us.

We believe, yes, there ought to be a significant tax cut, but we also believe we ought to use more of this projected surplus for paying down both short-term and long-term debt. We devote about twice as much as their budget resolution for those purposes.

We think it is a better use of the people's money to dump the people's debt while we have this opportunity because it is a fleeting opportunity. In 11 years, those baby boomers start to retire, and then the obligations of the Federal Government are going to skyrocket. Those obligations are going to be the obligations of the American taxpayer. I hope very much that as we continue this debate, the choices will become clear.

I will end as I began, by saying our budget plan seeks to put aside every penny of Social Security and Medicare trust funds, reserving it for those purposes, and then to have a significant tax cut, a tax cut of \$900 billion, including interest, \$900 billion for high-priority domestic needs such as improving education, a prescription drug benefit, strengthening our national defense, and then that final \$900 billion, or roughly that, to strengthen Social Security for the long term—resources reserved so we can strengthen the Social Security system.

Every single proposal that is serious about strengthening Social Security for the long term has a cost associated with it, has a need for resources. We provide them. They don't. That is a very fundamental difference between these plans.

Again, I look forward to continuing this debate tomorrow and thank my colleagues and others who have been listening.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Senate Budget Committee staff named on the following list be permitted to remain on the floor during consideration of S. Con. Res. 101 and that the list be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

STAFF LIST: SENATE COMMITTEE ON THE BUDGET

MAJORITY STAFF

Daniel P. Brandt III, Amy Call, Allen R. Cutler, Beth Felder, Rachel Forward, Jennifer Hilton, Jim Hearn, W. Walter Hearne, Bill Hoagland, Sabre Mayhugh, Carole McGuire, Mieko Nakabayashi, James O'Keeffe, Maureen O'Neill, David A. Ortega, Cheri Reidy, Andrew Siracuse, Robert Stein, Bob Stevenson, Margaret Bonyngue Stewart, Kathleen M. Weldon, Winslow Wheeler, Jennifer Winkler, Sandra Wiseman.

MINORITY STAFF

Rochelle Amdur, Stephen Bailey, Scott Carlson, Rock E. Cheung, Jim Esquea, Bonnie Galvin, Timothy Galvin, James Horney, Lisa Konwinski, Sarah Kuehl, Karin Kullman, Stuart Nagurka, Mary Naylor, Sue Nelson, Steven Posner, Dakota Rudesill, Charles Stone, Barry Strumpf.

ADMINISTRATIVE STAFF

Michael Berkholtz, Jeffrey Eaby, Alex Green, Sahand Sarshar, Lynne Seymour, George Woodall.

Mr. DOMENICI. Mr. President, I ask unanimous consent that there be the presence and use of small calculators, which we don't normally permit but which might be needed, during consideration of the fiscal year 2001 concurrent resolution on the budget.

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

Mr. DOMENICI. Mr. President, when my friend gets up and puts up a chart that says the President is going to have to spend all these things on taxes, even though he didn't ask for them—he put up a number and said: They are going to have to spend money on the alternative minimum tax. Frankly, he put a big dollar number there. I want everybody to know, that is a very wonderful thought on his part, but the truth is, the budget resolution does not say that you do whatever you want on taxes. It says \$1.6 trillion. If he wants to surmise that they are going to break this budget and have more tax cuts than that, then he ought to clearly say that because if there is going to be an alternative minimum change, they are going to make it within this \$1.6 trillion because that is all that is allowed in this budget resolution.

Frankly, a very large chunk of that is estimated to be for one of the three purposes; that is, either the marriage tax penalty or doubling the child care credit or the death tax repeal.

Those could all be adjusted, any of the three could be adjusted, in terms of how much they are going to cost. We are using a number. Actually, the Finance Committee can decide how to change those, and there may be money left over when they have finished doing that. Just so the people understand, we are looking at 1.6, not 1.9, not 2.2 trillion. We are looking at 1.6.

My last observation is, my good friend says there is going to be more investment under their plan, and then he says there is \$700 billion that is going to be used for investment purposes on individual accounts under Social Security. I don't know what we are going to do with it between now and the time that such a plan evolves. I am not sure it is in the wings that we are going to change Social Security to do that. Just wait until we talk here about investing it in the stock market, which is probably the only way we are going to do it. Are we going to do that in the next 6 months or the next 2 years? In the meantime, what is all that money going to be used for under their budget? I don't know. I assume it is going to be sitting around. And then

what? We are going to buy up private securities with it? What are we going to do with it in the meantime?

Maybe my friend can answer that, and maybe it is truly invested. I don't know how it gets invested.

My last observation, one more time, is that President Bush deserves an opportunity. To those watching tonight, he has proposed a very reasonable and responsible budget plan. We are only asking that it be permitted to take one step forward and see if the next committees will choose to adopt it and whether the Senate will adopt those bills later. I believe he deserves that. He is the President. He has made a very important proposal. He is telling us precisely why he is doing it. He wants the American people to get a refund now in some way of \$60 billion, but he wants to fix the Tax Code where it is more advantageous to investment and growth and prosperity. He is entitled to just that one break on this budget resolution. We will keep working for it, and we will have a lot of Senators on our side.

I hope in the end, if they want to make amendments, they will end up voting for the critical essence of this President's approach; that is, the tax plan. If you want to do some other things in this budget, leave his tax plan intact and let's see how it comes out in the end for the American people.

MORNING BUSINESS

Mr. DOMENICI. Mr. President, I ask unanimous consent that there now be a period for the transaction of morning business with Senators permitted to speak therein for up to 10 minutes each.

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

NATIONAL LIBRARY WEEK

Mr. SARBANES. Mr. President, this week, from April 1-7, we are celebrating the 43rd anniversary of "National Library Week." As a strong and vigorous supporter of Federal initiatives to strengthen and protect libraries, I am pleased to take this opportunity to draw my colleagues' attention to this important occasion and to take a few moments to reflect on the significance of libraries to our nation.

When the free public library came into its own in this country in the 19th century, it was, from the beginning, a unique institution because of its commitment to the same principle of free and open exchange of ideas as the Constitution itself. Libraries have always been an integral part of all that our country embodies: freedom of information, an educated citizenry, and an open and enlightened society. They are the only public agencies in which the services rendered are intended for, and available to, every segment of our society.

It has been my longstanding view that libraries play an indispensable

role in our communities. From modest beginnings in the mid-19th century, today's libraries provide well-stocked reference centers and wide-ranging loan services based on a system of branches, often further supplemented by traveling libraries serving outlying districts. Libraries promote the reading of books among adults, adolescents, and children and provide the access and resources to allow citizens to obtain reliable information on a vast array of topics.

Libraries gain even further significance in this age of rapid technological advancement where they are called upon to provide not only books and periodicals, but many other valuable resources as well. In today's society, libraries provide audio-visual materials, computer services, internet access terminals, facilities for community lectures and performances, tapes, records, videocassettes, and works of art for exhibit and loan to the public. In addition, special facilities libraries provide services for older Americans, people with disabilities, and hospitalized citizens.

Of course, libraries are not merely passive repositories of materials. They are engines of learning—the place where a spark is often struck for disadvantaged citizens who for whatever reason have not had exposure to the vast stores of knowledge available. I have the greatest respect for those individuals who are members of the library community and work so hard to ensure that our citizens and communities continue to enjoy the tremendous rewards available through our library system and work to provide additional funding to help keep libraries open.

My own State of Maryland has 24 public library systems providing a full range of library services to all Maryland citizens and a long tradition of open and unrestricted sharing of resources. This policy has been enhanced by the State Library Network which provides interlibrary loans to the State's public, academic, special libraries and school library media centers. The Network receives strong support from the State Library Resource Center at the Enoch Pratt Free Library, the Regional Library Resource Centers in Western, Southern, and Eastern Shore counties, and a Statewide database of holdings totaling 178 libraries.

The State Library Resource Center alone gives Marylanders free access to approximately 2 million books and bound magazines, over 1 million U.S. Government documents, 600,000 documents in microform, 11,000 periodicals, 90,000 maps, 20,000 Maryland State documents, and over 19,000 videos and films.

The result of this unique joint State-County resource sharing is an extraordinary level of library services available to the citizens of Maryland. Marylanders have responded to this outstanding service with 54.7 percent of the State's population registered as li-

brary patrons. Additionally, the total holdings of catalogued and uncatalogued book volumes, video and audio recordings, periodicals, electronic formats, and serial volumes have increased by 1 million from 1998 to 2000 to total over 16.5 million in library resources.

I have had a close working relationship with members of the Maryland Library Association and others involved in the library community throughout the State, and I am very pleased to join with them and citizens throughout the nation in this week's celebration of "National Library Week." I look forward to a continued close association with those who enable libraries to provide the unique and vital services available to all Americans.

ADDITIONAL STATEMENTS

MAGAZINE PRAISES RJR AS A BEST PLACE TO WORK

• Mr. HELMS. Mr. President, a great many of us who live in tobacco-producing states, and particularly North Carolina, whose tobacco farmers for years have produced quality tobacco mainly flue-cured but some burley, are proud of our fine farmers many of whom harvest an enormous amount of excellent food and fiber products.

We are grateful for North Carolina's tobacco companies which paved the way for our State's becoming national leaders in business, banking, and manufacturing of many kinds.

Charlotte is the second largest banking center in America. The Bank of America is headquartered there.

Some time ago Fortune Magazine announced that its annual survey had confirmed that R.J. Reynolds Tobacco Company of Winston-Salem is one of the 100 best companies in America to work for. The Chairman and CEO of RJR, Andrew J. Schindler, states that the key reason why Reynolds Tobacco won the award is, "It's our people. Without the hard work, creative energy, pride and dedication of our employees, RJR could not be successful."

Then Mr. Schindler added: "The real secret to Reynolds Tobacco's success is that our employees stand together as a close corporate family, and that's what makes our company stand apart from the crowd. This company is filled with extraordinary people, making Reynolds Tobacco an extraordinarily good place to work," Schindler stressed.

There's a point in all of this that ought not to go unnoticed like a ship passing in the night: Some of the trial lawyers, seeking to line their pockets with hundreds of thousands of dollars in court-awarded cash, have portrayed tobacco companies as villains and the corporate leaders of those companies as crooks. Contrived lawsuits have flattered from the offices of intellectually dishonest trial lawyers portraying the company leaders as dishonest men and women with evil intent. This is simply