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Senate

The Senate met at 9 a.m. and was called to order by the Honorable GEORGE ALLEN, a Senator from the state of Virginia.

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Almighty God, Sovereign of our Nation and Lord of our lives, we don't know all that the future holds, but we do know You hold the future.

We press on with courage and confidence. Here are our minds: Think Your thoughts through them. Here are our imaginations; show us Your purpose and plan. Here are our wills; guide us to do Your will. What You give us the vision to conceive and the daring to believe, You will give us the power to achieve. So go before us to show us Your way, behind us to press us forward toward Your goals, beside us to give us Your resiliency, above us to watch over us; and within us to give us Your supernatural gifts of great leadership—wisdom, discernment, knowledge, and vision. In Your all powerful name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable GEORGE ALLEN led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. THURMOND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, April 4, 2001.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby

appoint the Honorable GEORGE ALLEN, a Senator from the state of Virginia, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. ALLEN thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, leader ship time is reserved.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania is recognized.

SCHEDULE

Mr. SPECTER. Mr. President, I have been asked on behalf of the distinguished majority leader to announce that today the Senate will immediately resume consideration of the budget resolution with the time between now and 10:30 a.m. equally divided for debate on the Grassley and Johnson amendments regarding agriculture. At 10:30 a.m. there will be two back-to-back votes on these amendments. Senator HARKIN will be recognized to offer the next amendment on education.

Further amendments will be offered with votes to occur throughout the day.

Senators will be notified as votes are scheduled. I thank my colleagues for their attention.

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

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration

of H. Con. Res. 83, which the clerk will report.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 83) establishing the congressional budget for 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.

Pending:

Domenici amendment No. 170, in the nature of a substitute.

Grassley amendment No. 174 (to amendment No. 170), to provide for additional agriculture assistance.

Conrad (for Johnson) amendment No. 176 (to amendment No. 170), to provide emergency assistance to producers of agricultural commodities in fiscal year 2001, and additional funds for farm and conservation programs during fiscal years 2002 through 2011.

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I would like to make a few comments on the pending budget resolution.

AMENDMENTS NOS. 174 AND 176

The ACTING PRESIDENT pro tempore. If the Senator will yield, under the previous order, the Senate will now resume concurrent debate on the Grassley amendment No. 174 and the Johnson amendment No. 176 with the time to be equally divided.

The Senator from Pennsylvania is recognized.

Mr. SPECTER. I thank the Chair.

Mr. REID. Time will be off the Republican side.

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

Mr. SPECTER. Mr. President, it is my view that a \$1.6 trillion tax cut is an appropriate figure considering the projected surplus of \$5.6 trillion. But I am concerned that projections over a 10-year period are risky. If there is a change of 1 percent in the inflation rate or a change of 1 percent in the unemployment rate, the figures are very different.

• This “bullet” symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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I recall the projections in 1981, when we considered the Kemp-Roth tax bill, that surpluses were expected and deficits turned out to be the fact. It is my view that there ought to be the condition that these surpluses do materialize for the \$1.6 trillion tax cut to take effect. I personally do not like the concept of a trigger, which means some recall action or some responsive action. It is my view that conceptually the proper approach is that we are to have the tax cut if the surplus holds up, and it is the event of the tax cut about which we are talking.

I have discussed the matter with the distinguished chairman of the Budget Committee and with other Senators. Senator DOMENICI has assured me he is working on language that will satisfy the concerns many of us have expressed. My soundings in Pennsylvania, and really around the country, are that there is enormous concern that we not add to the national debt. When I have polled my constituents—repeatedly in the course of the past many years, up to a decade—I have found that more people are concerned that the national debt be paid down—in fact, paid off—than are concerned about a tax cut.

But as President Bush has projected a \$5.6 trillion surplus, to repeat, there is adequate room for a \$1.6 trillion tax cut, and there is adequate room to be sure that Social Security is sound, that Medicare is reformed, and that we are able to have the appropriations on the domestic discretionary accounts which are appropriate for the important needs of health, education, and other discretionary domestic programs, and defense as well.

I have also expressed my concern in conversations with the leadership of the Senate, and with the administration in discussions with Vice President CHENEY and Secretary of the Treasury O'Neill, that at least as I view it, the tax cut ought to be a little more heavily weighted for middle and lower income Americans.

I realize that in the budget resolution we are not going to delineate all of the parameters of these considerations. What we are looking at technically in the budget resolution is the \$1.6 trillion without a specification as to conditionality, without a specification as to how the tax cut will be apportioned.

But I think it is important for Senators, such as myself, to express themselves so there will be notice to those on the Finance Committee and the Republican leadership and the White House as to where, at least, this Senator stands when the bills are presented. With the 50-50 Senate, it is important to be looking to take into account the condition of all Senators.

It is my hope and expectation to be able to support our new President. I think he is off to an outstanding start. I had the opportunity to travel with him to Beaver County, PA, several weeks ago when he was talking about his tax plan. I believe we are on the right track.

But this is a body which is not a rubber stamp. Under the separation of powers—the Framers of the Constitution drafted the most impressive document in the history of the world, second to the Bible, and they made the Congress article I, they made the President article II, and they made the judiciary article III. If someone were to rewrite the Constitution, it would appear that the Supreme Court has rewritten the Constitution really to make the judiciary article I. But we are not supposed to be a rubber stamp. But counsel and collaboration is appropriate. That is why I take this occasion to express my views.

With respect to the domestic spending, the 4-percent allocation, candidly, is tight. But I expect this body to work its will on a number of appropriations and on a number of matters which we will offer for amendments on education and health—and agriculture being discussed this morning.

Last year, when the appropriations bill came to the floor for the subcommittee which I chair on Labor, Health, Human Services, and Education, we had established a mark of \$106 billion. That was then-President Clinton's figure. After a lot of discussion with him, the Republican caucus, both in the Senate and the House—the Republican leadership—agreed to a figure of \$106 billion—somewhat reluctantly, I might say. But my experience had been, in preceding years—without going into details—that if we tried to undercut the President's budget, we ended up paying a lot more.

We then reallocated some of the priorities on the bill presented on the Senate floor. Then, during the course of the amendment process, very substantial funds were added to education and health care. Being a principal author of the budget presented along with my distinguished colleague, Senator HARKIN, I defended the budget. As I said on the Senate floor, I cast more bad votes in 3 days voting against education and health care measures than I had cast in my preceding 19 years in the Senate. But that was my job, to defend the budget, and I did.

Some 13 Republicans joined the Democrats in the add-ons, which I would not be surprised takes place at least to some extent on this budget resolution today. When the \$106 billion budget for Labor, Health and Human Services, and Education was not submitted to the White House, because the Republican leadership never saw fit to do that, the figure then ballooned to \$114 billion. At which point, I refused to sign the conference report. Then the figure was ultimately lowered to \$107.9 billion.

As we consider this budget resolution, the lesson from that is, if we don't adopt a realistic figure at the outset, we are going to end up spending more.

Last year when we took up the budget, there were some on the Budget Committee who wanted \$596 billion for

discretionary accounts. Finally, the figure arrived at was \$600 billion. The result then was a lot of mirrors and smoke on deferred expenditures. The figure which was needed was \$616 billion. Had that figure been present, we could have gotten agreement in this body and in the House and then gotten the bill signed. Ultimately, the figure was \$640 billion. We spent at least \$24 billion more than we should have because of the last minute rush and add-ons became the order of the day.

It is different this year. We have a Republican President. Last year we had a President who was a Democrat. There was pressure from the White House for add-ons. This year it is my expectation that, while there may be some flexibility from the White House, the pressure will be reversed.

The President still has the veto pen. It is my hope that, as we move forward with the budget resolution, we will adopt realistic figures with which those of us on the Appropriations Committee can live and structure bills that can be enacted.

I compliment Senator DOMENICI for the extraordinary work he has done on this budget and budgets in prior years. He has served as chairman or ranking on the Budget Committee since 1981. It is an extraordinarily difficult job. He also sits on the Appropriations Committee where he is caught between a rock and a hard place as he tries to maneuver through the requirements and the wishes, sometimes the demands, of the Budget Committee to try to structure a bill which will pass in Appropriations. He has done just an extraordinary job, as has the chairman of the Appropriations Committee, Senator STEVENS, who has the unenviable job of trying to make ends meet with 13 subcommittees.

I also compliment my colleague, Senator CONRAD, for the work he has done, for his having come to see me on a couple of occasions to go through the budget, as he sees it, in an effort to try to find common ground for a budget which can be approached on a bipartisan basis.

It is regrettable that we have not been able to work through a budget resolution which could be accomplished on a bipartisan basis. It is my thought that if we work at it harder, that is something we can still do. Senator HARKIN and I have had a very close relationship; he earlier as chairman and I as ranking on our subcommittee and I now as chairman and Senator HARKIN as ranking. I learned a long time ago if you want to get something done in Washington and in this body, there has to be bipartisan cooperation.

I also compliment the ranking member of the Appropriations Committee, Senator BYRD, who has performed in that capacity with great distinction, as he has as President pro tempore and majority leader and also, in prior years, as chairman of the Appropriations Committee.

I thank the Chair and yield the floor. The ACTING PRESIDENT pro tempore. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I yield myself 10 minutes off the resolution.

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

Mr. CONRAD. I thank the Senator from Pennsylvania for his kind words. I have always enjoyed working with him. He is right. I hope it is not too late to have a bipartisan approach to this budget. We are rapidly running out of time. Very soon we will be casting the final votes that will set this budget in place. Nobody should doubt what that will mean for the rest of this year and perhaps for the rest of the decade.

This morning in the Washington Post I noticed an opinion piece by former Republican Senator Warren Rudman, former Democratic Senator Sam Nunn, who are cochairs of the Concord Coalition, and three former high officials in the Federal Government: Robert Rubin, former Secretary of the Treasury; Paul Volcker, former Federal Reserve Chairman; and Pete Peterson, who was Secretary of Commerce in the Nixon administration. I want to bring to the attention of the Senate this opinion piece because they make a great deal of sense in how they have alerted us.

They say in part in this opinion piece that "great care must be taken to ensure that any tax cut medicine treats the short-term economic symptoms without adversely affecting the long-term prognosis." They go on to say:

We believe an immediate fiscal stimulus can be provided independently of the proposed 10-year tax cut. Any additional tax cut should be limited to account for the enormous uncertainty—

Something the Senator from Pennsylvania mentioned in his remarks—of long-term budget projections and the huge unfunded obligations of Social Security and Medicare. A compromise based on this framework would help ensure passage of a budget resolution with substantial bipartisan support.

They are right. We could have substantial bipartisan support on a plan to provide immediate fiscal stimulus. I wish we would halt work on the budget right now, go to work on a stimulus package right now and pass it this week, get it into the hands of the American people as quickly as possible, and then go to work on a 10-year package that would take account of both the uncertainty of this 10-year forecast and also, as former Senators Nunn and Rudman and their group have advised, "the huge unfunded obligations of Social Security and Medicare."

They go on:

The first part of the compromise, passing immediate tax relief, already has overwhelming support.

They are right.

The second part of the compromise involves an entirely separate issue—the extent to which policymakers should gamble on the accuracy of 10-year projections that the Con-

gressional Budget Office itself says could be off by trillions of dollars. In our view, it would be exceedingly unwise to rely on these projections to lock in a series of large, escalating tax cuts, particularly before addressing the implications of the future financing requirements of Social Security and Medicare.

Mr. President, how much time have I consumed?

The ACTING PRESIDENT pro tempore. The Senator has consumed 4 minutes.

Mr. CONRAD. If the Chair will inform me when I have consumed 8 minutes, I would appreciate it.

This chart talks about the uncertainty former Senators Nunn and Rudman have discussed. This is from the Congressional Budget Office itself, the ones who did the forecast. They tell us the projection of a \$5.6 trillion surplus has only a 10-percent chance of coming true, a 45-percent chance there will be more money, a 45-percent chance there will be less money. Of course, this forecast was made weeks ago. In the interval, the economy has weakened further.

I will bet that the chances are we will probably have less money over this 10-year period than was previously forecast. Yet we are about to lock in a 10-year plan that leaves little margin for error.

It uses all of the non-trust-fund money for the tax cut. That means if the forecast does not prove out, if there is less money, we will be into the trust funds of Medicare and Social Security, and we will be into them at a critical time—right before the baby boomers start to retire. And all of these surplus numbers will turn to substantial deficits.

I hope very much that colleagues will take a look at this opinion piece by our very respected former colleagues, Republicans and Democrats, who are saying: Enact the stimulus package now. That is something we should do and then go to work on a 10-year plan that takes account not only the uncertainty of the projections but that also takes account of the massive unfunded liability in Social Security and Medicare. That would be the responsible thing to do. That would be the wise thing to do. And I think we could come together on a bipartisan plan to do both of those things.

Let me conclude on the question of the uncertainty of the forecast by saying this chart shows that in the year 2006 we can have anywhere from a \$50 billion deficit to more than a trillion dollar surplus, and this is according to the people who made the forecast. That is the uncertainty. It is just unwise to come out here and support a plan that uses all of the non-trust-fund money for a tax cut. I think it virtually assures that we will be raiding the trust funds of Medicare and Social Security if the President's plan passes.

Let me say that the plan we have offered on our side as a potential compromise protects the Social Security and Medicare trust funds—every dollar

of those moneys—and then, with what is left, divides it in the following ways: a third for a tax cut; a third for the high-priority domestic needs of prescription drug benefits, money to improve education, money to strengthen our national defense; and then, with the final third, we do what is proposed by our colleagues in this opinion piece this morning—set aside \$750 billion to begin to deal with our long-term liability in Social Security and Medicare. That is a conservative approach. To me, it is a wiser course than using all of the non-trust-fund money for a tax cut—a tax cut that is predicated on a 10-year projection that is highly uncertain.

There has been a lot of talk about what the differences are between our plan and the competing plan on the other side. The fundamental difference is right here—short-term and long-term debt reduction. Our plan dedicates \$3.65 trillion of the \$5.6 trillion projected surplus for short- and long-term debt reduction. President Bush's plan dedicates \$2 trillion for that purpose.

I suggest to my colleagues that the plan we are offering is conservative; it takes account of the uncertainty of this forecast; and it gives us maximum paydown of both short-term and long-term debt.

With that, I yield the floor and look forward to our remaining 1 hour of debate on the amendment before us.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. GREGG. Mr. President, I yield the Senator from Georgia such time as he may consume.

The ACTING PRESIDENT pro tempore. The Senator from Georgia is recognized.

Mr. MILLER. Mr. President, I rise in support of the amendment that I have introduced jointly with the Senators from Iowa and New Mexico. This amendment to boost agricultural spending comes at a time of great distress for our American farms. It will provide our struggling farmers with the assistance they so desperately need, and we believe it will give Congress the ability to craft a solid farm bill as these negotiations near.

This amendment will provide nearly \$64 billion in increased agricultural spending over the next 11 years. More importantly, it addresses our current problems by providing \$5 billion for fiscal year 2001—a critical boost for later in this crop year.

This amendment is also fiscally responsible, accounting for only a small portion of our projected surplus; and it will not jeopardize support for other priorities that Congress identifies.

Crops are now going into the ground and farmers are extremely worried. The cost of fertilizer and fuel is expected to hit near record amounts this summer, at the same time we watch commodity prices continue to fall.

While this immediate funding is critical, I say this: It may not prove to be

enough. We will have to watch our agricultural situation very closely to determine if additional funds are needed later this year. Nevertheless, I appreciate very much the leadership and cooperation of my colleagues in providing funds for this fiscal year and addressing this problem directly.

We all understand the importance of this effort, and we will have to work together to assist our producers through these difficult times. Farmers are pleading for our help. They are selling their crops at the same level today that they or their parents did 20 years ago, while the cost of production continues to soar.

Without our help, many farms in my State and all around this country will continue to go out of business. Agriculture provides one out of every six jobs in my State, and it has an economic impact of over \$60 billion a year. Georgia farmers have a compelling need for stability. The rural communities they support are under great distress as well. And those who know rural America know this type of distress extends far beyond the farm. It affects the car dealership; it affects the local restaurant and the downtown department store. These pieces of rural economies are inextricably linked.

I thank the chairman, the Senator from New Mexico, and the Senator from Iowa for recognizing this shortfall in funding for agriculture and for their willingness to work with me on this amendment. As I mentioned, this is a responsible approach, and while it may not be the final solution, I think it will go a long way and will be a good step forward to ensuring that the needs of America's hard-working farmers are met. I hope my colleagues will support this important and timely amendment.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. DOMENICI. Mr. President, I yield 10 minutes to the Senator from New Hampshire.

The ACTING PRESIDENT pro tempore. The Senator from New Hampshire is recognized.

Mr. GREGG. Mr. President, I congratulate the Senator from New Mexico for his efforts on this piece of legislation which is so important to our country. I also congratulate the Senator from North Dakota for his fine efforts in presenting the other side of the case in this matter.

I wish to talk about a number of issues that have been raised today. Specifically, however, I want to get into the issue of spending in this bill and the potential for driving a large hole in the concept of controlling spending at the Federal level. The Senator from North Dakota cited a recent op-ed piece written by the cochairmen of the Concord Coalition which has been a force for fiscal discipline in the Congress for many years. I think if the cochairmen of the Concord Coalition had followed the debate over the last few days, and specifically the debate on

the agricultural amendments, the debate on the IDEA amendments, the drug proposals as a mandatory exercise, they would have serious concerns and may not have written the op-ed pieces they wrote. They would see that the contingency fund, or the fund for the preservation of Social Security as it is defined, or the reserve for Social Security as defined by the Senator from North Carolina, as defined by the President in his budget, is under serious stress and duress because the dollars are being spent rather aggressively in this Congress as we add more and more mandatory programs to the agenda of the Congress.

Mandatory programs have an insidious way of spending Federal dollars without the Congress having to be responsible in voting for those Federal dollars once the initial vote has occurred.

Regrettably, in this exercise, we are on all sorts of levels adding new mandatory programs to the Federal accounts. In the end, that is going to drive up Federal spending dramatically and, as a result, put pressure on the Social Security trust funds, put pressure on the ability to return to taxpayers in the form of a tax cut the moneys which they rightly deserve, moneys which they are sending us which we do not need to spend, and generally limit fiscal discipline. Mandatory programs essentially are not subject to fiscal discipline.

I want to speak specifically to the mandatory programs now being proposed in the area of agriculture. Regrettably, over the last few years, the agricultural accounts have been the least disciplined accounts within the Federal agenda. In fact, if we go back—and this chart reflects my point—if we go back over the last couple of years, we see the green lines are the Federal caps. This is what we were supposed to spend as a Federal Government. Beginning in 1998, we went way beyond those Federal caps and exploded Federal spending.

That explosion of Federal spending, above what we said we were going to do as a Congress, was driven in large part by emergency events. Those emergency events in large part were agricultural spending. In fact, agricultural spending over the last few years, as a result of increases driven by the Congress, have gone from \$9 billion in 1996 up to \$38 billion in 2000.

The majority of this increase—which is a staggering percentage increase by the way, almost a 400-percent increase—the majority of this increase has been done under the guise of emergency spending.

Last year there was \$31.5 billion in emergency spending in the agricultural accounts. That is why this chart has such a dramatic and regrettable line to it—the actual spending in relation to what we were supposed to spend as a government because emergency spending in the agricultural accounts has been so out of control, for all intents and purposes.

This year there is a new approach. The approach is: Let's not deal with these emergencies anymore; let's just make all this mandatory, and then we will not have to do emergencies. We will just simply spend the money and never have to account for it under any scenario. That is not fiscal discipline.

We need to look at what is happening in the agricultural community to understand the extent of the spending, the largess that is occurring.

In the year 1999, the Government payments as a percentage of farm income in the United States were essentially half. In other words, if you take net farm income, half of the net farm income in this country came from the Federal Government in tax payments raised from Americans and then paid out to farmers.

That is a staggering change because, in the year 1990, only 20 percent of the payments that went to farmers were Federal payments, Federal tax dollars going to farmers. The top 1 percent of farmers received, on average, \$660,000 each from the Government. The top 10 percent received \$308,000. The average farm income exceeds the average American household income by \$1,000.

These numbers are staggering. In some States, net farm income—in other words, what farmers make in profit, what they actually hold in their accounts to operate their day-to-day lives after their expenses—net farm income was exceeded by Government payments by over 100 percent.

In the State of North Dakota, direct Government payments exceeded net farm income by 210 percent. In the State of Indiana, direct Government payments exceeded net farm income by 192 percent. There are eight States in this country where direct Government payments exceed net farm income.

What does that mean? That means we pay more in tax dollars to the farmers in those States than the farmers take home in pay after expenses. That is an incredible figure. It essentially means that, for example, in the State of Indiana, we could say to every farmer in that State: Stop farming, and we are going to pay you twice what you make now in taxes because that is what we are doing today. Yet that is not enough.

Today we have amendments facing us which are calling for an increase—an increase—over this staggering amount which we have already seen in the last 5 years rise to \$38 billion. This amendment is calling for an increase over that number. The Johnson-Conrad amendment is calling for an additional \$97 billion over the next 10 years. That is going to jump this number up radically and, over the next 10 years, obviously have a huge impact on the budget.

It is going to be a mandatory program. Once we pass it, because of the machinations and procedures of this place, that is going to be the end of the game. It is over. A lot of times on these budget debates we are fighting with

rubber bullets. We shoot at each other, but it does not hurt that much. These are not rubber bullets. These are real bullets. When we pass this one, it becomes a mandatory program. When the authorization committee acts, which we absolutely know is going to happen because the authorization committee strongly supports increasing funding, it is over. We will have a mandatory program on the books which is going to cost the American taxpayers a huge amount of money over the years. It makes no sense from the standpoint that we are already paying two times the cost of the net income in States such as Indiana and North Dakota.

It also makes no sense because the price of farm products is going up, as this last chart shows. We have a significant increase in farm prices occurring in many commodities—rice, soybeans, wheat, and corn. One has to wonder, if the prices are going up—and they are projected by CBO to go up. For example, corn prices are projected to go up 30 percent over 10 years; soybeans, 43 percent; wheat, 40 percent; rice, 40 percent—if they are going to go up, why do we have to put the subsidies up?

I do not know. I know every time we have a farm bill, the American taxpayers end up paying a huge amount of money.

The Senator from North Dakota is a strong supporter of this. This is his amendment. For those of us in the rest of the country, we have to ask ourselves: Why would we want to put on the books a mandatory program that is going to cost us these types of dollars? Let us at least have the ability to come back every year and check this number and see whether we really need it.

Mr. President, I suspect my time is up. Therefore, I yield the floor.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. CONRAD. Mr. President, I yield myself 5 minutes.

The ACTING PRESIDENT pro tempore. The Senator is recognized for 5 minutes.

Mr. CONRAD. I listened to my colleague and my friend from New Hampshire describe farm prices rising. I would love for him to go to my home State and tell the farmers that farm prices are rising. They are not rising. They have the lowest farm prices in real terms in 75 years. That is what is happening to farm prices.

Mr. GREGG. Will the Senator yield?

Mr. CONRAD. I will be happy to yield in a moment. I would love to have a dialog on this question.

I say to my friend from New Hampshire, I know agriculture is not a dominant industry in New Hampshire but it is dominant in many States in the Nation. For those who represent farmers, we can report to our colleague there is a desperate crisis across farm country. This is about as serious a situation as I have ever seen.

When our colleague says farm prices are rising, he is talking about a projec-

tion into the future by the Congressional Budget Office, the very same people who said prices would be rising now, when prices have plummeted. Their record on forecasting farm prices is not very good. It is another indication of why there is great danger in banking on any 10-year forecast. That is what the Senator from New Hampshire was showing, a 10-year forecast for farm prices by people who in the past haven't been able to forecast farm prices worth a hoot and a holler.

Here is what has happened. This is what has really happened from 1991 to now. The red line on this chart is the prices farmers receive. The distribution of this line is quite clear. It is almost straight down. The green line is the prices farmers pay for their input. It is going up, up, up. It is the relationship between the prices farmers pay and what they are paid that has created this farm crisis. It is why there is strong support on a bipartisan basis to respond. It is the reason so much of farm income is currently coming from the Federal Government. If it weren't, we would have an absolute collapse occurring in farm country.

My State is a wheat State. When my colleague from New Hampshire says farm prices are rising—and I say I would love to have him come to my State and address a farm crowd and explain to them how farm prices are rising—this is why he wouldn't get a very good reception. This chart shows what has happened to farm prices ever since we passed the last farm bill which was a disaster in itself. Farm prices have plummeted. That is what has happened to wheat prices. Here is the cost of producing. Here is what has happened to prices. The prices are far below the cost of production.

Mr. GREGG. Will the Senator yield?

Mr. CONRAD. I will yield soon. I want to first devastate the case the Senator made.

Mr. GREGG. You are not devastating my case. You are trying to devastate CBO's case.

Mr. CONRAD. No, the Senator was making the case that CBO made. When you say farm prices are rising, they are not. That is the simple reality. What you have is the lowest prices in real terms in 75 years, and it is a crisis all across rural America, all across agricultural America, and every Senator who represents a farm State, farm constituency, knows it.

Let's talk about some of the underlying reasons we have this serious problem. This is what our major competitors are doing. We cannot talk about agriculture in isolation. We have to talk about what is happening with our major competitors. Our major competitors are the Europeans. This is what the Europeans are doing to support their producers: \$313 an acre on average. This is for the period of 1996 to 1999. This is what we are doing in the United States during the same period: \$38 an acre. That is nearly a 10-to-1 advantage in terms of what the Euro-

peans are providing their producers versus what we are providing our producers. These are not KENT CONRAD's numbers; these are the numbers from the Organization for Economic Cooperation and Development. They are the international scorekeepers on these questions.

It isn't just what they do for their producers directly; it is also what they are doing in terms of agricultural export support. Here is what the Europeans are doing. This chart shows which countries are providing what percentage of world agricultural export subsidy, according to the World Trade Organization. This is for the last full year for which there are records, 1998. The blue pie on this chart is Europe's share of world agricultural export subsidies. It is 83.5 percent. The U.S. share is 2.7 percent. That is 30 to 1 as a differential. Is there any wonder our farmers are getting killed in the international marketplace? Is there any wonder our market share is going down and Europe's is going up? Is there any wonder Europe was poised to surpass us in world market share last year?

Our friends in Europe have a strategy and a plan. They are working it, and they are working it very effectively. They have told me flatout: We think we are in a trade war with you in agriculture, and we think at some point there will be a cease-fire in this trade war. We believe it will be a cease-fire in place. We want to occupy the high ground. The high ground is world market share. We are going out and buying.

That is exactly what they are doing. They are buying world market share.

We are faced with a circumstance in which we have a crisis in American agriculture. It is deep. It is threatening. It is so serious that if it is left unchecked, it will force thousands of farmers off the land—not because of anything they have done but because of our failure to respond to the European juggernaut.

The Senator from New Hampshire wanted to join in a colloquy, and I am happy to entertain a question on his time.

Mr. GREGG. I am not sure I have any time.

Mr. DOMENICI. The problem is we don't have any time because of the circumstance that occurred this morning. That time was used up by a distinguished Senator who was speaking on a subject unrelated to this. He had authority to do that. He spoke for quite some time, so we ended up very short in time.

My friend got some time this morning, and I wonder if the Senator would object to a request on my part that we be given an additional 15 minutes.

Mr. CONRAD. I object unless we are given an additional 15 minutes, and that extends the time of the vote. I don't think that is a wise course.

Mr. DOMENICI. How much time do they have remaining?

The ACTING PRESIDENT pro tempore. They have 33 minutes.

Mr. DOMENICI. The Senator wants our side to finish debate in 7 minutes, and he has 33.

Mr. CONRAD. The Senator has used his time. I didn't use his time. He used his time. If you add time, the only fair way to do it is for us to then add time, and then we extend the time for the vote, which I don't think should be done. We wouldn't accept that.

Mr. DOMENICI. Mr. President, I ask unanimous consent for 15 minutes off the resolution and I give 3 minutes of that to the Senator.

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

Mr. GREGG. I thank the Senator from New Mexico. I wish to make a couple of points in response to the Senator from North Dakota.

First, as to my original point—and the Senator makes this point with his representations as far as the unpredictability of the pricing of the commodities—I cited a pricing list put forth by CBO, and the Senator rejects CBO as a scorer on this event. Then we should be coming back to the farm issue every year. We should not be making it a mandatory 10-year event where the authorizing committee can essentially create a cost to the taxpayers of this country which will not be adjusted by the actual events that occur in the marketplace.

Second, the fundamental point I am making is that the gross increase in farm spending has been uncontrolled and that the amendment that is being proposed of another \$100 billion of new spending on top of the Federal baseline is a massive hole in the Federal budget. It is going to a program which makes no sense any longer. In States such as North Dakota, the American taxpayer is presently paying, in tax subsidies to the average farmer in North Dakota, twice what the farmers make in take-home pay. So it makes no sense. It is a program that makes no sense.

I agree with the Senator from North Dakota on that point. But I do not think the way you resolve it is by putting more and more money into it. In fact, the last Agriculture Secretary, Secretary Glickman, said exactly that. He said the incentive for farms to be efficient any longer has been lost. Essentially, the Government role is requiring the farmer to do something in return, which has been largely eliminated by the Congress. There is essentially a program that is out of control and it is getting more and more out of control. All we are doing is suggesting we throw more and more money at it, so now we have eight States where the Federal Government pays more in subsidy than the farmers take home in pay. What type of program is that? It does not make any sense to me.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota.

Mr. CONRAD. Mr. President, in response to my colleague from New Hampshire, when he uses the figure of 200 percent in North Dakota, what he is

taking is a year in which there were two emergency packages paid in the same year: one for the previous year, one for the current year. So it is not an accurate picture of what is occurring.

The Senator is right that agricultural spending has increased. It has increased in response to a crisis. It has increased in response to the lowest farm prices, in real terms, in 75 years.

I put up the chart that shows what has happened to farm prices. They have gone straight down since the last farm bill has passed and the prices that farmers pay have escalated, escalated, creating a huge gap between the prices they pay and the prices they receive. If we do not respond, we will see tens of thousands of farmers forced off the land.

Talking about a value question, this is a value question. It has nothing to do with our farmers doing something wrong or being somehow incapable of competing. But they are up against the hard reality of what the Europeans are doing. The Europeans are outgunning us 30 to 1 on export support for agriculture—30 to 1. On support to individual producers they are outgunning us almost 10 to 1. That is the reality of what we confront here.

The Senator from New Hampshire can say “tough luck, you are all down the road here,” but I do not think that is the response of the American people. I think the American people say if this is what our competitors are doing, we ought to fight back. We ought to level the playing field. We ought to give our farmers a fair, fighting chance.

I know there are other Senators waiting for time. How much time does the Senator from Iowa need?

Mr. HARKIN. May I have 5 or 7 minutes?

Mr. CONRAD. I yield 7 minutes to the Senator.

Mr. DOMENICI. Senator HUTCHINSON has been waiting. Can I give him 3 minutes?

Mr. CONRAD. Certainly.

Mr. DOMENICI. Mr. President, I yield 3 minutes.

The PRESIDING OFFICER (Mr. GREGG) The Senator from Arkansas is recognized for 3 minutes.

Mr. HUTCHINSON. Mr. President, as a new member of the Agriculture Committee, it will take only a moment to give my perspective as the Senator from Arkansas, and it is a little different perspective from what some have been speaking about on agricultural spending. Certainly there are some big issues that have to be addressed on farm policy. They will be addressed in the context of a new farm bill. The reality is farmers are hurting right now. They need a signal from this Senate and this Congress that we are going to address the crisis that agriculture is experiencing.

In my home State of Arkansas, 25 percent of our economy is agricultural related, either directly or indirectly. In east Arkansas, in the Delta of Arkansas, the entire economy is related to

agriculture—the implement dealers, the seed stores, the bankers, or the farmers themselves. So this is a critical issue to my State and one we must address.

Because of low commodity prices, because of increasingly high energy costs, because of high fertilizer costs, because of the investments in machinery that are required, all of this compounds to create a very serious situation in farm communities across Arkansas.

What we are seeing is the death of American agriculture by attrition. We may be able to point to a rising graph on spending, but we must acknowledge that what farmers are facing today is a grave crisis. The way we have handled that in recent years has only added to the uncertainty. This signal early in this budget debate will send the right kind of message to the farmers of this Nation that Congress is not going to leave this issue unaddressed, and we are going to address it early. My farmers want predictability that they can take to the bank. I believe the Grassley amendment will provide the funding levels that will lay the foundation for greater certainty in the future.

What is at stake is not just a safe, affordable and reliable food supply for the American people—something we have always taken for granted—it is a quality of life. What is at stake is, in fact, a value system and whether or not we believe that is worth an investment on the part of the Federal Government. I believe it is, and I strongly support the Grassley amendment.

I reserve the remainder of our time.

The PRESIDING OFFICER. Who yields time?

Mr. CONRAD. I yield 7 minutes to the Senator from Iowa.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. HARKIN. Mr. President, I watched the occupant of the chair in his recent remarks on the state of agriculture in America. He had a chart purportedly showing, if I remember his words correctly, that spending was out of control on agriculture. Spending had gone up.

I want to point out that in 1999, farm payments, Government payments to farmers in Iowa, equaled about 130 percent of their net farm income. Think about that. If it were not for the Government payments, Iowa farmers in the aggregate not only would have had no net farm income, they would have been far into the red—negative income. Think about it: Federal Government payments amounted to 130 percent of Iowa's net farm income.

The Chair, in his comments, said spending is out of control. Was the Senator from New Hampshire blaming the farmers for this? I surely hope not because what is happening in agriculture today—high Government spending, yet farmers still being driven out of business—is a reflection of the misguided, defective farm program that we have called Freedom to Farm. I am proud to say I did not vote for it.

These large Government payments in agriculture are a reflection upon a failed agricultural policy in America. We have to get our farm policy back on track again. But we cannot get it back on track by just pulling the rug out from underneath our family farmers and blaming them for the failures of this Congress to pass a farm bill that provides for better incomes from the marketplace.

As I see the Grassley amendment, it basically takes us down the same pathway as Freedom to Farm did. It says, don't worry; be happy; sometime in the future the prices are going to go up, the markets are going to be there, and everything is just going to be fine. The failure of Freedom to Farm was that it told farmers to plant fence row to fence row for markets that did not materialize. Plant all you want. The consumption will be there, the demand will be there, trade will be there, and the foreign markets will be there; not to worry. Well, as we know, they were not there.

I was in China last year. Last year China was exporting corn. We know what Brazil and Argentina are doing to compete with us in soybeans. We are awash in grain in the world markets right now. Yet our policy says keep on producing even more. I certainly hope we are not going to punish U.S. farmers by saying, get out of business, and get off the land because we have a failed farm policy that we have passed in the Congress.

What we need to do is improve that policy. We have to write a new farm bill by next year. The so-called Freedom to Farm bill expires then—and we have to make some changes.

The amendment of my colleague from Iowa will not permit us to make the kind of changes that are necessary to improve our agricultural policy. For example, I believe there is almost universal support for additional conservation spending and for rewarding farmers for being good stewards of our soil and other natural resources.

With the support of both agriculture and conservation groups, as well as other members of Congress, I have a proposal for a conservation incentive program to provide farmers and ranchers the support they deserve for being good stewards of their land and at the same time keep them in business in agricultural production.

But the amendment by my colleague from Iowa, the Grassley amendment, provides only \$350 million a year in additional conservation funding. Much more than that is needed if we are going to have a sound, viable farm and conservation and conservation program.

The Johnson amendment, on the other hand, provides a full \$1 billion for added conservation spending. And it provides enough funding overall so that the Agriculture Committee can use its judgment to devote more than that to conservation if they need to do that. And I believe we are going to need to do that.

The Grassley amendment fails to provide the funding to permit us to do in the Agriculture Committee what I believe most of us on both sides of the aisle want to do; that is, to have more conservation; to reward farmers for being good stewards of the soil, water and resources; to tell our urban cousins that they are going to get more conservation in return for farm spending—they will get cleaner water, cleaner air, healthier land, and more wildlife. But farmers cannot bear the whole burden of being good conservationists. It takes time, it takes equipment, and it takes money to do that. Farmers are not making much if any money now. They cannot really afford more expense for conservation.

I believe it is in our national interest to shift the agricultural program to put more money into conservation. That will help farm income and while delivering conservation and environmental benefits for all of us. The Johnson amendment will allow us to do that. The Grassley amendment will not.

Right now the Natural Resources Conservation Service of USDA estimates that at least five times as many farmers apply for funds under the Environmental Quality Incentives Program than can be approved. Farmers want to enhance their stewardship of land and natural resources. We ought to be encouraging them—not turning them away.

Again, the Grassley amendment does not provide the money we need to strengthen our farm programs and help our farmers be good stewards of land, water and natural resources.

The amendment doesn't even provide for the core funding that we are going to need in agriculture over the next 10 years. For 2002, the underlying amendment will only provide about \$7 billion against a short fall in farm income of some \$10 billion. It provides only \$5 billion for 2001, which is far, far too low.

The Grassley amendment makes the same fatal mistake as Freedom to Farm. It bets on the hope of expanding markets and rising prices for farm commodities.

Again, as we transition in agriculture, as we get off of the failed Freedom to Farm bill, as we move into a stronger conservation mode—which will help farmers and ranchers not just in the Midwest, but in the Northeast, in the Northwest, the Southeast, and all over America—and meet the requirements and needs we have for environmental and environmental practices and allow farmers to stay in business. The Grassley amendment simply does not provide for that.

Lastly, let me say that especially in Iowa—I am sure it is true in South Dakota also and North Dakota—we have a very high proportion of elderly in our State. I believe Iowa is No. 1 in the Nation in proportion of people over age 85. And we rank near the highest in the proportion of our citizens who are over age 65. Medicare is critically important

to my constituents. It is critically important. Yet the underlying amendment takes money away from Medicare to help pay for agriculture. The last thing I want to do is to pit our elderly, who rely on Medicare, our rural hospitals and our rural providers that rely on Medicare, against our farmers. But that is exactly what the Grassley amendment does. It pits the interests of older Iowans against those of farmers. That is the last thing I want to see happen.

The Johnson amendment is much more forthright. It says we don't need to give all of these tax breaks to the superrich. We will take a little bit out of the tax breaks that are given to the upper 1 percent in our country to help meet our needs in agriculture.

There are a lot of reasons to be opposed to the Grassley amendment, but I submit to you that perhaps the single most important reason is that we should not be taking away from Medicare to pay for agriculture and pit the elderly in my State against farmers. That I cannot support. There is enough money if we do not give tax breaks to the wealthiest in our country—at least not 43 percent of the tax reductions. We can give them a little bit. The Conrad amendment provides for a lot of tax reduction, but not the huge amount of tax breaks in this budget proposed by President Bush which prevent us from adequately funding agriculture and other priorities.

The Johnson amendment is one that makes sense. It will help us get our agricultural house in order without going after Medicare.

THE PRESIDING OFFICER. The Senator from North Dakota.

MR. CONRAD. Mr. President, maybe I can review the points the Senator from Iowa is making on the amendment that we will vote on very shortly.

The Grassley amendment, while well intended, has a very unfortunate consequence. We have gone back now and looked at the year-by-year numbers in the Republican budget resolution. What we find is very clear. If the Grassley amendment for additional support for agriculture passes, he is going right into the Medicare trust fund in the years 2005, 2006, 2007, and 2008.

I believe strongly that we ought to increase support for agriculture. We have an amendment to do that. It is the Johnson amendment that will follow the Grassley amendment. But we do not raid Medicare trust funds to do it. That is a profound mistake, and it is precisely what the Grassley amendment does.

If one looks at the budget we are considering this year and then the following 10 years, if you take out the Grassley amendment that previously passed for prescription drugs and the funding in each year for that initiative, then you take out the Grassley agricultural amendment and the funding it requires in each of the years, you find that you are raiding the Medicare trust

fund by \$15 billion in the year 2005, by \$13 billion in the year 2006, by \$10 billion in the year 2007, and by \$4 billion in the year 2008. So that is a total raid on the Social Security trust fund of \$42 billion. It is just wrong. But it is what the amendment of the Senator from Iowa does, perhaps unwittingly.

Mr. HARKIN. If the Senator will yield?

Mr. CONRAD. Yes.

Mr. HARKIN. The Senator has really encapsulated this. The Grassley amendment, first of all, does not meet the legitimate needs of agriculture. It falls far short of what we need. The Johnson amendment meets that need.

Secondly, in terms of conservation, where we want to really move forward, the Grassley amendment does not permit us to support the kind of conservation work we need. The Johnson amendment does.

And lastly, as the Senator pointed out, the Grassley amendment is not going to help us in agriculture, but it still raids Medicare. The Johnson amendment doesn't.

Again, I thank the Senator for pointing this out. His explanation really encapsulates why the Johnson amendment is best for rural America and does not go after the Medicare trust fund.

Mr. CONRAD. It goes to the fundamental problem of the Bush budget and the fundamental problem of the Republican budget which is trying to match the Bush budget. Of course, we don't even have the Bush budget before us. But with the kind of rudimentary outline he has provided us, it simply doesn't add up because the tax cut is so large.

When you try to adjust the spending provisions, as both Republicans and Democrats now want to do—we saw that yesterday; Republicans agreed that we need twice as much money for a prescription drug benefit. Today we see the Republicans agree we need substantially more for agriculture. Unfortunately, what they have proposed is inadequate. It provides \$64 billion over the 11 years. Our proposal would provide \$97 billion. But the biggest problem is the source of the funds.

Mr. HARKIN. Yes.

Mr. CONRAD. They are—as can be clearly seen with the combined effect of the amendment they adopted yesterday on prescription drugs and the amendment they seek to adopt today—raiding the Medicare trust fund in the years 2005, 2006, 2007, and 2008. That just can't be the way we do business.

The Johnson amendment, instead, provides that we take this money first out of the surplus for the year 2001, and thereafter out of the oversized tax cut which goes disproportionately to the wealthiest 1 percent.

Mr. HARKIN. If the Senator will yield for a question, I didn't read the CONGRESSIONAL RECORD of yesterday's debate, but I heard that the chairman of the Budget Committee had said that the contingency fund should be reserved for Medicare. At least that is

what I thought I heard. Yet the Grassley amendment would take money from the contingency fund to pay for agriculture and take it out of Medicare. Did I hear correctly that they wanted to reserve the contingency fund for Medicare?

Mr. CONRAD. That is the description they gave. But the problem is, their budget doesn't work. When you break it down year by year, it doesn't add up. And that is the problem they have. Maybe they were hoping nobody would notice or hoping nobody would bother to add it up and see they are raiding the trust fund. But they are. And it is undeniable they are raiding the trust fund in 2005, 2006, 2007, and 2008. That is the reality.

Does the Senator from South Dakota seek time?

Mr. JOHNSON. Yes, I do, Mr. President.

Mr. CONRAD. How much time?

Mr. JOHNSON. If I might have just 2 minutes.

Mr. CONRAD. I yield 3 minutes to the Senator from South Dakota.

Mr. JOHNSON. I thank the Senator from North Dakota, the ranking member of the Budget Committee, for his leadership, and thank him and my friend from Iowa, Senator HARKIN, for their very able explanation of what the tradeoffs are as we engage in this budget debate.

There is broad-based agreement we need a significant increase in the level of funding necessary for agriculture. In fact, that agreement is bipartisan. Forty-four Senators have written the Budget leadership—including 19 of my Republican colleagues—asking for additional resources for agriculture.

In addition, over 20 farm and commodity organizations have been asking for the resources roughly equivalent to what we are doing in the Johnson amendment, ranging from the very conservative to liberal organizations in the country, from the Farm Bureau to the Farmers Union, and including corn, wheat, dairy, soybean, cotton, rice, and sugar producers. You name it. We have across-the-board support from agricultural organizations.

I think the sense is to do this in a forthright manner rather than playing games with this so-called contingency fund which, in the first measure, is largely composed of Medicare trust fund dollars and should not be used for these reasons anyway and also keeping in mind the tremendous demands that will more than envelop the contingency fund out of defense, out of non-agricultural disasters, out of additional tax cut proposals, and out of prescription drugs.

The more forthright way to do this is to simply recognize that we ought to utilize the surplus this year and downsize very marginally the size of the overall tax cut over 10 years. We can do that and still afford a very significant tax cut.

This is not a question of whether or not we are going to have a tax cut. We

will have a tax cut. It will be huge. In fact, we can do this and have a tax cut at least as large as what President Bush has proposed for middle class and working families. We could go even larger and do this as well.

So it is not a tradeoff in terms of a tax cut or no tax cut. It is a matter of whether we are going to be fiscally responsible. It is a matter of whether we are going to deal with the agricultural and conservation needs of this country and do it in a stable, consistent way without jeopardizing Medicare.

Our goal is to get away from these ad hoc multibillion-dollar disaster packages which are unreliable and which no producer can take to his bank with the assurance it is going to happen in the next year and, instead, have a stable, set, and certain kind of level of funding for agriculture for this coming farm bill and this year. It is our goal to do this and to do it in a fiscally responsible way without jeopardizing Medicare, without setting up a fight over whether it is going to be farm relief or whether it is going to be an increase in defense spending but, instead, to set this funding assigned to do it, utilizing some of these projected surpluses over the coming decade as well as for this year.

This is a responsible way to do it, to have some certainty, to not have financing for the agricultural sector of our economy subject to the whims of the politics of any particular given year, and to not be utilizing what, in my view, is a largely bogus contingency fund. It simply doesn't work that way.

Because we have bipartisan support for a significant ramping up of support for agriculture and conservation, I am hopeful that when the dust settles out of this debate we can have that kind of across-the-aisle support for our efforts with this Johnson amendment.

This is badly needed. We are going through a time of great crisis in America.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. JOHNSON. I, again, applaud Senator CONRAD for his leadership in helping to integrate this into a more thoughtful, balanced budget strategy.

Mr. WELLSTONE. Mr. President, I rise to speak in favor of Senator JOHNSON's amendment. This amendment includes \$9 billion for emergency farm assistance in Fiscal Year 2001, and \$88 billion in additional agricultural assistance above the Congressional Budget Office baseline over Fiscal Years 2002 through 2011. Of this amount \$58 billion is provided over Fiscal Year 2003-2007, which will likely be the first five years of a new Farm Bill, and also the period when the need for additional assistance will be greatest. Additionally this increase includes a minimum of \$9.4 billion for farm conservation programs. This is approximately a 50 percent increase over baseline funding for current conservation spending.

First, this amendment includes \$9 billion in emergency economic assistance for this crop year. This is the second year we have been forced to include emergency farm assistance in the budget resolution. The reason is failed federal farm policy. The 1996 Freedom to Farm Bill, which I call the Freedom to Fail Bill, promised to bring the "free market" to agriculture, by reducing government assistance to producers over the life of the legislation. Unfortunately that legislation has failed to provide an adequate safety net during years of low commodity prices and weather related disasters. Over the last three years Congress has spent over \$25 billion in emergency payments. The very largest farming operations have received a majority of these payments, while smaller family farms actually received less under Freedom to Farm. Freedom to Farm did not get the Government out of agriculture, but it sure has been successful in getting family farmers out of agriculture.

Unfortunately, economic forecasts for agriculture remain bleak for the 2001 growing season. According to USDA, net farm income is forecast to decline approx 20 percent again this year, in the absence of additional assistance. While commodity prices continue to be depressed, input costs, most notably fuel and fertilizer, are skyrocketing. It is my hope that we will not squander the opportunity this amendment presents, as Congress did last year, to deal with the current price crisis, and write a new farm bill that works for family farmers, rural communities and the environment.

In order to ensure that family farmers remain a part of this country's landscape, a new farm bill must be enacted this year. We simply cannot wait until re-authorization in 2002 for Congress to act. Congress should act now to address the impact of plummeting farm incomes and the ripple effect it is having throughout rural communities and their economic base. We must develop a farm bill which will address the immediate price crisis situation, we need a bill that provides a reliable targeted, counter-cyclical safety net to family farmers. For my part, I believe lifting the loan rate would provide relief to farmers who need it and increase stability over the long term. Additionally I believe we must also make a strong commitment to rural development initiatives this year. We must focus on ways to bring the economic boom of the last decade to rural communities who have been left behind. Finally a new farm bill must work for the environment. We must work to include conservation incentives to reward farmers who carry out conservation measures on their land.

This amendment is about priorities. The Senate will go on record. Do we favor a large tax cut that primarily benefits the wealthiest one percent of taxpayers, and fails to address the key priorities of the nation? Or do we provide a level of funding adequate for

Congress to write a new Farm Bill this year that meets the needs of farmers and ensures the future of our rural communities. If we cherish the values of family farming and rural communities, we must pass the Johnson amendment.

Mr. GRASSLEY. Mr. President, the Treasury Department has provided us with data showing the number of farms and small businesses, on a state-by-state basis, that would benefit from the President's tax relief plan. This data is reflected in the two charts that I have placed here on the floor.

So now, let's go to our charts and examine the number of small businesses and farms operating in each of our states.

And let's ask ourselves whether the life's work reflected on these charts deserves to be honored by relieving these people of an excessive tax burden.

We continue to hear our Democrat colleagues claim that other provisions in the budget should be increased at the expense of the tax cut.

Well, let's get one thing very clear. Any reduction in the amount of the tax cut means that the benefits of the tax cut proposal are reduced.

We do know what the other side of the aisle intends to take in order to pay for politically motivated expenditures—they intend to take away America's tax cut! So let's take a look at what this would mean to the American taxpayer.

This means that for families with children, the \$1,000 child care credit would be reduced for each child in America. And that will occur for every year of the \$1,000 credit.

It means that for four-person families earning \$45,000 a year will not have their taxes cut in half, as called for in the President's plan.

It means that a four-person family earning \$35,000 a year could be subjected to income taxes. The President would take those families off the tax rolls.

It means that expansion of the education savings accounts could be scaled back.

It means that the marriage penalty will continue because there won't be enough funds left to fix it.

It means that small business owners and farmers will see an increase in their tax rates above the levels proposed by the President. They are already paying the highest levels of tax since World War II.

So remember. Every time there is a politically motivated amendment to reduce the size of the tax cut, someone is going to pay a price for that.

So who pays the price of this political posturing?

Families, small business owners and farmers, of course, because their well-deserved tax relief will have to be scaled back.

The bipartisan amendment would add \$5 billion in fiscal year 2001 and \$58.5 billion between fiscal year 2002 and fiscal year 2011 to agriculture's manda-

tory commodity credit corporation price supports, related programs and conservation. Adding \$63.5 billion to the existing \$94.2 billion already assumed in the baseline would total \$157 billion of support.

The amendment would stabilize net cash farm income, provide enough funding to greatly strengthen a countercyclical program, provide additional money for regulatory relief, enhance conservation efforts, and be fiscally responsible.

From fiscal year 2002 through fiscal year 2011 the Johnson/Conrad amendment is funded out of the tax cut. Our amendment is funded out of the contingency surplus. In plain language, they take \$88 billion out of tax cuts, we don't.

The major criticism raised last night was that it doesn't spend enough money. This is seemingly always the Democratic philosophy: If a little is good, a boat load is better. Well, let me tell you, that's bunk.

The USDA's Economic Research Service has forecast that on-farm income will drop \$5.7 billion between 2000 and 2001. But starting in 2002, both the Food and Agricultural Policy Research Institute widely held to be the best source of non-partisan ag-economic information available, and the Congressional Budget Office have forecast that almost all major commodities will realize improved prices. There will not be dramatic growth, but there will be improvement.

We have funded our proposal at \$7.35 billion in fiscal years 2003, 2004, and 2005. This far exceeds estimated shortcomings of on farm net income and provides enough flexibility to help with the cost imposed by new environmental regulations through EPA.

But if your goal is to hurt the family farmer, we should pass a boat load of money here today, then we can stand back and watch cash rent shoot through the roof. Ask any farmer who rents ground how much their rent has increased in the last three years. It's sure not due to inherent value in the land because our commodities have experienced record low prices, yet rent has increased dramatically.

I am not saying we shouldn't help farmers. I have been one of the strongest supporters of increased agriculture spending for additional payments in the Senate. I have also always tried to find bipartisan ground, and I know Senator CONRAD knows this because I have often reached out to Senator CONRAD and Senator Kerrey from Nebraska, when he was in the Senate, to reach that bi-partisan position.

The Grassley-Miller amendment allows us to accomplish the same things we have done for agriculture in the past three years, and also gives us the flexibility to write an outstanding farm bill that fits the need of our family farmers.

Now I want to mention one last point. Remember the crop insurance legislation that we passed last year?

Two years ago we provided budget authority for crop insurance and the Agriculture Committee couldn't pass a bill out. The next year Senator ROBERTS and Senator Bob Kerrey found middle-ground and developed a bipartisan, broadly supported crop insurance bill. The problem was it didn't fit the number that we had provided in the Budget. When the Agriculture Committee came back to the Budget Committee and explained the dilemma, Chairman DOMENICI, Senator CONRAD, and myself provided flexibility in the budget to accommodate the legislation.

Let me offer this thought: If the Agriculture Committee finds a bipartisan position that widely accepted as the right thing to do, in a similar fashion to the crop insurance legislation, we will work on providing more flexibility, but for now let's start here.

Mr. COCHRAN. Mr. President, I support the Grassley amendment. This amendment will provide an additional \$63.5 billion to the baseline for Commodity Credit Corporation mandatory payments to farmers. This will allow the authorizing committee to write a comprehensive farm bill that will cover major commodities in addition to livestock and specialty crops, rural development, trade, and conservation initiatives.

Conditions in agriculture are not improving. In fact, according to the U.S. Department of Agriculture, the agriculture community will be facing persistently low prices and depressed farm income this year, and possibly the next. This amendment provides an additional \$5 billion in fiscal year 2001 for supplemental support that is needed by farmers.

Should farmers need additional assistance in the fall, this amendment also provides for \$7.35 billion in fiscal year 2002 that could be used for this crop year.

Again, I support this amendment because it provides additional funding needed by farmers this crop year. It also provides a significant level of agricultural funding in the out years to provide effective and predictable financial support.

Mr. KOHL. Mr. President, I rise today to express my deep disappointment at the failure of Senator JOHNSON's amendment to H. Con. Res 83, the fiscal year 2002 budget resolution. On behalf of the farmers in my State and throughout the country I supported this amendment which would have provided additional economic assistance to producers who continue to face depressed commodity prices and increased fuel and energy costs. Last year, Congress provided a total of approximately \$30 billion in total farm spending. Nearly \$11 billion of the \$30 billion total either carried an emergency designation or was in addition to the spending set forth in the 1996 Freedom to Farm Act. Without these additional funds, we would have witnessed greater numbers of bankruptcies and

foreclosures across rural America. We would have witnessed greater economic tragedy in a rural economy that has already suffered too much loss.

The Johnson amendment would have provided \$9 billion this year, and similar levels of funding in future years, to continue to meet the real needs of a struggling agricultural sector. Unfortunately, a slim majority of the Senate rejected the amendment choosing to protect a massive \$1.6 trillion tax rather than provide adequate assistance for rural America.

I have heard from producers throughout Wisconsin on the difficulties facing the agriculture industry, and more specifically the dairy industry. In dairy, milk prices have hovered around record low levels, as we continue to lose our producers at an alarming rate. We also continue to see dramatic increases in imports of the milk protein concentrates that displace milk produced by American farmers. Last year, Congress approved \$667 million in emergency, direct payments to dairy producers to help them remain in business. And a similar amount, or more, will be needed this year to counter what the U.S. Department of Agriculture predicts will be another year of low prices.

I agree with those in this body who complain that year after year of ad hoc emergency agriculture spending is irresponsible and wasteful. I agree with the dairy farmers who would rather have a fair chance to compete than a government handout. We need to re-write the farm bill in a manner that provides adequate and market-oriented support to our farmers and ranchers who continue to produce the safest and most abundant supply of food and fiber in the world. And in the context of that re-write, the Agriculture Committee must enact a national dairy assistance program, a program that allows the competitive family farms of the Midwest to continue to produce and sell their quality product and to support their families, farms and communities with the proceeds.

The levels of spending for agriculture allowed in this budget, as amended by Senator GRASSLEY, are better than where we started: with no provision for responding to the farm crisis this year. However, I am concerned that even the increases now called for in the budget will not be enough to meet the continuing and real needs of the farm economy. And I am equally concerned that, if the Appropriations Committee responds to this shortfall with emergency spending, the White House will not agree. In other words, the Agriculture Appropriations Subcommittee, of which I am the ranking member, and of which my good friend from Mississippi, Senator COCHRAN is the chairman, may not be able to keep the struggling agricultural sector from seeing a real cut in federal funds this year.

I hope that my concerns are misplaced. I hope commodity prices re-

bound, our farmers experience a good year, and our the Agriculture Committee completes a farm bill that adequately supports rural America with the limited resources provided in this budget. I look forward to working toward that end, and hoping for that end, with Chairman LUGAR and Ranking Member HARKIN on the Senate Agriculture Committee and Chairman COCHRAN and our other Agriculture Appropriations Subcommittee members.

Mrs. LINCOLN. Mr. President, as we consider the budget resolution for fiscal year 2002, I am offering an amendment to provide security for our Nation's farmers and rural communities.

I was disappointed earlier today when we considered the amendments on Agriculture spending.

Those of us from rural areas have always been able to put partisanship aside for one fundamental reason an overriding concern about family farms and rural America. Yet, this institution approved an amendment that provides less than half of the assistance that was delivered to our farmers last year. Half!

I can't believe that my colleagues would kick the farmer when he's down, but that is exactly what they have done by approving this amendment. Crop prices are still at record lows while input costs, such as fertilizer and energy prices, are skyrocketing.

I don't understand how they can justify offering less assistance this year. We have got to address the needs of our farmers today or we will be importing our food from foreign countries tomorrow.

Twenty farm and commodity groups, as well as 32 conservation, religious and environmental groups, have written to the Senate Budget Committee asking for additional spending for agriculture programs. The amount they request is the amount that I am seeking today, \$9 billion for emergency funds in 2001 and \$12 billion per year for long term assistance.

These groups include the American Farm Bureau, the National Cotton Council, Defenders of Wildlife, The National Cattlemen's Beef Association, the National Milk Producers Federation, and the National Farmers Union, among many, many more.

This country needs a wake-up call! Americans believe that their bacon, lettuce and tomatoes are raised somewhere in the back of the local grocery store.

As the daughter of a seventh generation farm family in Helena, AR, I know where our food supply is produced. It's grown in rural communities by families working from dawn until dusk to make ends meet.

I would like to share with my colleagues a letter that I received recently from one of my constituents.

The letter reads:

My husband and I have one child. We farm 600 acres of rice and soybeans. Three people, 600 acres—that should translate into a very lucrative living, but it doesn't. For us, it

translates into a financial struggle year after year. It translates into a husband, the family provider, who has become so frustrated and discouraged that he needs counseling and medication for depression. It translates into a wife who holds her breath every time the tractor breaks down for fear there won't be enough money for repairs. It translates into a child who is disappointed she can't participate in after-school sports because extra trips to school means extra high-priced gasoline for the car!

We, the American farm family, once felt pride in our occupation. We had a sense of independence and self-sufficiency. Each spring brought renewed hope for a productive season and a bountiful harvest.

Now our hope lies with the bankers who make crop loans and the government who issues supplemental income payments. And there is no pride in having to ask for either one. But for the sake of the families, the very foundation of the agricultural industry, I ask that you give immediate, deliberate attention to our crisis.

Unfortunately this letter is not unique. I have a stack of letters in my office right now from hundreds of Arkansas farm families and they all share the same message—help us, please.

Unfortunately, too many in Washington continue to pay lip-service to our Nation's agricultural producers without actually providing them the tools and assistance they need to sustain their way of life.

Our agricultural communities are hurting. Commodity prices are at record lows, and input costs including fertilizer, energy, and fuel are at record highs.

No corporation in the world could make it today receiving the same prices it received during the Great Depression, yet, we are asking our farmers to do just that.

The American farmer is the most efficient in the world. Yet they are forced to compete with farmers whose countries subsidize their cost of production.

The family I referenced earlier is not competing with their neighbors, or with farmers from across the river. They are competing with farmers from the European Union, Japan, and Brazil, among others, who annually prop their farmers up with subsidies that make the United State's support look like pocket change.

In recent years Congress has recognized that farmers are suffering and delivered emergency assistance to our struggling ag community.

Arkansas' farmers could not have survived without this help. Nearly 40 percent of net farm income came from direct Government payments during the 2000 crop year.

The trouble with this type of ad hoc approach is that farmers and creditors across the country never really know how or when the government is going to step in and help.

Many of my farmers are scared to death that the assistance they have received in the past will be absent this year because the tax cut and other spending programs have a higher priority.

This amendment will provide the security and certainty farmers need for the future.

The Agriculture Committee needs this authority if we are going to adequately develop both a multi-year and multi-title farm bill.

Forcing Agriculture to compete with defense and other needs out of a catch all "contingency fund" does not do our farm families justice.

They are the backbone of this Nation and they deserve better than that.

What is it going to take to get America's attention on the plight of agriculture?

If we don't keep our domestic industry viable and in business, who will grow our food?

Does this institution really want to rely on other countries for its food supply? I, for one, do not.

What in the world would we do if we were relying on Europe for our beef? Or China for our rice? How about South America for those vegetables in your baby's food?

If we can agree that domestic energy production is one key to our economic independence and national security, then isn't domestic agricultural production at least as important?

This country needs to wake up and realize that we are producing the safest, most affordable, and most abundant food supply in the world.

The question for everyone here is, are we going to do what it takes to keep this industry alive? I certainly hope so.

I encourage you to demonstrate your support for rural America by voting with me to ensure that adequate funding will be available to write the next farm bill.

I ask unanimous consent that two letters be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

FEBRUARY 21, 2001.

Hon. PETE DOMENICI,
Chairman, Senate Budget Committee, Washington, DC.

Hon. JIM NUSSLE,
Chairman, House Budget Committee, Washington, DC.

Hon. KENT CONRAD,
Ranking Member, Senate Budget Committee, Washington, DC.

Hon. JOHN SPRATT, Jr.,
Ranking Member, House Budget Committee, Washington, DC.

DEAR GENTLEMEN: Recently, you received a copy of a letter we sent to the Chairmen of the Senate and House Agriculture Committees requesting their help in providing significant additional funding for agriculture over the next ten years. Since that time, we have continued to monitor and evaluate the pressing needs facing agriculture and write today to share our further considerations and conclusions with you.

We wish to reiterate our strong belief that agriculture will again need additional emergency assistance in FY2001. While we seek passage of a new Farm Bill at the earliest opportunity, it appears unlikely that a bill could be in place in time to impact producer decision-making for the 2002 crop year. If that is indeed the case, farmers and ranchers will likely need emergency assistance in FY2002 as well.

Congress should approve \$9 billion in emergency economic assistance for FY2001 as soon as possible. Delaying this work only harms those producers who are unable to obtain production financing without at least some signal that Congress will approve additional assistance.

In addition, we want to stress the importance of including additional agricultural budget authority for each of the years remaining in the Budget Resolution (FY2003-FY2011) to avoid continued requests for ad hoc assistance packages.

We believe that Congress needs to consider at least \$12 billion per year in additional funding needs for each of the remaining years of the Budget Resolution. Such a commitment would provide the necessary funds to cover the options currently being evaluated by the Senate and House Agriculture Committees as essential elements of the new Farm Bill. These include:

A fixed payment for program commodities (such as the current AMTA and oilseed payments);

Rebalancing in the Marketing Assistance Loan program;

A counter-cyclical assistance program;

Export programs;

Conservation incentive programs;

Assistance to livestock and crop producers for compliance with environmental and regulatory requirements;

Research; and

Assistance for non-program crop commodities.

We understand that this request entails a significant increase in spending on agricultural programs. However, we strongly believe that this level of investment in agriculture is critical to both the short-term and long-term health of American agriculture.

Sincerely,

Alabama Farmers Federation, American Farm Bureau Federation, American Soybean Association, American Sugar Alliance, National Association of Wheat Growers, National Barley Growers Association, National Cattlemen's Beef Association, National Corn Growers Association, National Cotton Council, National Farmers Union, National Milk Producers Federation, National Pork Producers Council, National Sunflower Association, National Turkey Federation, Southern Peanut Farmers Federation, US Canola Association, US Rice Producers Association, USA Dry Pea & Lentil Council, USA Rice Federation, Wheat Export Trade Education Committee.

AMERICAN FARM BUREAU FEDERATION,

Washington, DC, April 4, 2001.

Hon. BLENCH LINCOLN,
U.S. Senate, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR LINCOLN: Thank you for offering an amendment to the FY '02 Budget Resolution securing \$9 billion for emergency economic assistance for farmers and ranchers this year, and providing for an additional \$12 billion in each year 2002-2011. The American Farm Bureau Federation supports your proposal as a stand-alone amendment to Chairman Domenici's budget resolution.

The current financial stress in U.S. agriculture is extraordinary and conditions are not expected to appreciably improve in the near future. The level of additional funding provided by your amendment is the same level of additional assistance the American Farm Bureau Federation Board of Directors concluded would be adequate to allow the Agriculture Committee to write multi-year, comprehensive farm policy. Such additional

funding is needed for future farm policy initiatives to provide more certainty for farmers and ranchers rather than year-by-year emergency ad hoc assistance.

Farmers and ranchers clearly prefer receiving their income from the market. However, federal assistance will likely be necessary until such time as market conditions improve.

Again, we appreciate your efforts, to secure additional funding for agriculture.

Sincerely,

BOB STALLMAN,
President.

The PRESIDING OFFICER. Who yields time?

If neither side yields time, time will be charged equally.

Mr. DOMENICI. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 5 minutes 27 seconds on the amendments.

Mr. DOMENICI. Five minutes. How much time do they have?

The PRESIDING OFFICER. The Senator from North Dakota has 9 minutes 36 seconds on the amendments.

Mr. DOMENICI. Mr. President, I wonder if the Senator is going to use up some of his time. I would like to make a few remarks at the end.

Mr. CONRAD. Mr. President, while we are waiting—we had a Senator call and request time, so we will wait for that Senator. I hope to give her time. I see her entering the Chamber now.

Let me go back to the point I was making earlier because I think it is critically important for our colleagues to understand. I think everybody knows that this Senator is strongly supportive of additional resources for agriculture. We have an amendment that does that in a straightforward way without taking money from trust funds, the Johnson amendment.

The problem is the Grassley amendment we will vote on first, which provides less of an increase in agriculture and does it in a way that invades the trust fund of Medicare in the years 2005, 2006, 2007, and 2008. I don't believe that is the way we want to fund additional resources for agriculture. That would be a serious mistake.

It is very clear. If one looks at the Republican budget and the Grassley prescription drug amendment that passed yesterday, and then the Grassley agricultural amendment that is pending, and looks at the year-by-year totals, one sees they are raiding and invading the Medicare trust fund in the year 2005 by \$15 billion, they are raiding the Medicare trust fund in the year 2006 by \$13 billion, they are raiding the Medicare trust fund in the year 2007 by \$10 billion, they are raiding the Medicare trust fund in the year 2008 by \$4 billion. That is a total of \$42 billion taken out of the Medicare trust fund. I don't think that is the way to fund agriculture or anything else. Colleagues should be aware of what they are voting on and what the effect would be.

Mr. President, what is the time remaining on our side?

The PRESIDING OFFICER. The time remaining is 6 minutes 57 seconds.

Mr. CONRAD. I ask the Senator from Michigan if she would like time.

Ms. STABENOW. I would.

Mr. CONRAD. How much time would the Senator like?

Ms. STABENOW. Five minutes.

Mr. CONRAD. I yield 5 minutes to the Senator from Michigan.

The PRESIDING OFFICER. The Senator from Michigan.

Ms. STABENOW. Mr. President, I appreciate the diligence of my distinguished colleague from North Dakota and his effective advocacy and hard work on the budget resolution. We have people on both sides of the aisle who are working hard to put together a vision and a framework for the next year and beyond, up to 10 years, for our country—what are our values, what are our priorities.

Again, we have a discussion about our priorities for the country, and we are focused on a very important part of our economy, an important part of the economy of Michigan. With my great State of Michigan, everyone thinks of automobiles. In fact, we have, in addition to a vibrant manufacturing economy, one of the strongest agricultural economies in the United States and, in fact, in the world. Next to California, we produce more diverse crops than any other State in the Union. We are very proud of that.

My concern is that in Michigan, as in all of our States, we are seeing farmers in great trouble. As I have been here only 4 years in the House of Representatives on the Agriculture Committee and now in the Senate on the Agriculture Committee, I hear from my family farmers, my producers, about how they are working harder, they are producing more, and their paycheck is less; their prices go down. Every year I have been here, we have, in fact, passed an emergency supplemental to help our farmers.

My concern about this budget resolution is that we do not guarantee we will build in the resources for the farm bill we are now working on in the Agriculture Committee and the needs of agriculture over the next 10 years.

We have two approaches in front of us this morning. I am sure they are sincere approaches by colleagues. One I believe is the right direction; one I believe is the wrong direction.

The right direction is the Johnson amendment that will guarantee we are putting aside dollars, \$9 billion this year, in order to have an emergency response if we need it before the farm bill is in place, and then \$8 billion a year to guarantee we are addressing a wide variety of needs, whether it is conservation, our crop insurance system, the specialty crops in Michigan that are so important, that we need to address in the farm bill. All the areas that need to be addressed in the farm bill—rural development, research extension—are important priorities for the country.

We have a stake in making sure that agriculture is strong in our country. The only way to guarantee that is to

pass the Johnson amendment so we clearly state that agriculture is a part of the budget vision for the next 10 years.

My concern about the Grassley amendment, while I am sure it is well intended, is as we discussed last evening: By choosing to go again to the contingency fund for any dollars being proposed, what we are doing is effectively raiding the Medicare trust fund. One of the priorities of the country, in addition to a tax cut, would be to make sure there is a small amount of dollars there, critical dollars, for our farmers, our agricultural producers, our ranchers across the country. The Johnson amendment will place agriculture as a priority.

Unfortunately, the Grassley amendment says we are going to dip into the contingency fund. We heard about that yesterday, and we will hear about it until this budget resolution passes. We will hear: Don't worry about it; the contingency fund will take care of it. Don't worry about it; the contingency fund is there, rather than specifically laying out the priorities of the country. When we look at what that contingency fund is, it is the Medicare trust fund.

The PRESIDING OFFICER. The time of the Senator from Michigan has expired.

Ms. STABENOW. I urge adoption of the Johnson amendment and a "no" vote on the Grassley amendment.

The PRESIDING OFFICER. Who yields time? Time will be charged equally against both sides.

The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I apologize for the time that we didn't get into a quorum and were not doing any business. How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 4 minutes 18 seconds.

Mr. DOMENICI. Mr. President, I will wrap up.

I thank Senator GRASSLEY for taking the lead on this issue. Clearly, I thank Senator ZELL MILLER for being the prime cosponsor. For all those in the Senate who want a practical, responsible addition to the farm surplus, the farm program moneys over the next 10 years, this is the right amendment.

Let me make sure everybody understands right off the bat there is one very big distinction, and that is, once again, in order to spend more on a program, the other side of the aisle would take it out of the \$1.6 trillion tax cut that is planned in this budget resolution. If we start down that road for each major amendment, the way we fund it is to take money out of what the people were going to get in tax cuts, then Katie bar the door. Where do we end up? Enough said about that. That is a very big difference. We do not take this money to pay for this program, the Grassley-Miller amendment, out of the tax cuts that are going to the American people.

Essentially this program will cost \$59 billion over the decade, with about \$5

billion of it going into this year and the balance going into the remaining 10 years. It sends the money to the function called agriculture, wherein it awaits a farm bill that has that much latitude without taking money from any other parts of the budget or becoming subject to a point of order.

Is that enough? According to the experts we have who put this together, clearly if you are going to put together something practical, pragmatic, not trying to get more than you need, not trying to push other things out but, rather, recognizing agriculture's appropriate place among myriad very important programs, then this is a good amendment.

Clearly, the \$63.5 billion that is in this bill, including the first year—the year we are in—you add it to the base in this budget and the supports for agriculture amount to—let me repeat this number—\$157 billion. That is the kind of support that comes from distinguished Senators who know agriculture, such as Senator GRASSLEY and Senator MILLER.

You know, enough is enough. The other side would have us spend \$97 billion over that same period of time. I submit for all Senators to consider, that is just more than enough. That is sort of asking all the rest of the American taxpayers and all of those expecting to get a tax cut—that is saying to them, all of your claims are second rate to an exorbitant agricultural bill. I say that because I depend upon people such as CHUCK GRASSLEY, from an agricultural State, still a farmer, who understands all of these issues intimately. He submits this measure to the Senate as rational, reasonable, and enough money to be sent to the Agriculture Committee upon which a new agricultural bill can be drawn.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. CONRAD. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator has 1 minute 37 seconds.

Mr. DOMENICI. Mr. President, I ask unanimous consent that Senators HAGEL and HUTCHINSON be added as cosponsors.

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

Mr. CONRAD. Mr. President, I ask unanimous consent that Senator BAUCUS and Senator DAYTON be shown as cosponsors of the Johnson amendment.

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

Mr. CONRAD. Mr. President, I want to enter into the RECORD letters from Senators requesting approximately \$10 billion a year to be added over this 10-year period to the support for agriculture. This is a letter from 44 Senators, including 19 Republicans, asking for an amount of money—actually asking for somewhat more than is in the Johnson amendment.

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

U.S. SENATE,
Washington, DC, March 30, 2001.

Hon. PETE V. DOMENICI,
Chairman, Committee on the Budget, U.S. Senate,
Washington, DC.

Hon. KENT CONRAD,
Ranking Member, Committee on the Budget,
Washington, DC.

DEAR CHAIRMAN DOMENICI AND SENATOR CONRAD: We request that at least \$10 billion in emergency economic assistance for agriculture for the 2001 crop year be included in the fiscal year 2002 budget resolution. We also ask that the budget resolution contain an increase in the annual baseline spending for agriculture for subsequent crop years by at least \$12 billion over fiscal years 2002-2011.

Economic forecasts for agriculture remain bleak for the 2001 growing season and beyond due to the continuation of collapsed commodity prices, while input costs—most notably fuel and fertilizer—skyrocket. We believe that Congress must continue to support agriculture in order to prevent massive farm failures, which would cripple rural America's economy and could further dampen the general economy. We cannot allow this to happen, especially during this time of national economic uncertainty.

As you know, the funds devoted to agriculture in the fiscal year 1997 budget were cut substantially to help reduce our nation's ballooning deficits. The farm bill enacted in 1996 was therefore insufficient to fully address the last three years of collapsed commodity prices and weather disasters. Consequently, Congress has been forced to provide approximately \$25 billion in emergency aid to Agriculture since 1998.

We believe the budget resolution must allocate a level of funding adequate for Congress to write a new farm bill that meets the needs of farmers and insures the future of our rural communities. Producers should not be held hostage to the unpredictability of politics and annual ad hoc payments.

Finally, we wish to go on record as supporting the position already taken by our colleagues—Senators Cochran, Hutchinson, Breaux, Landrieu, Bond, Sessions, Lincoln, Shelby, Bunning, Helms, McConnell, Craig, Cleland, Inhofe, Thurmond, Fitzgerald, Miller, Frist, Thomas, Hutchison and Hagel—on this issue in their letter dated March 13, 2001.

We thank you for your attention to this issue.

Sincerely,

Byron Dorgan, Conrad Burns, Tom Daschle, Mike Enzi, Tom Harkin, E. Ben Nelson, John Edwards, Dick Durbin, Mark Dayton, Max Baucus, Jay Rockefeller IV, Tim Johnson, Carl Levin, Patty Murray, Patrick Leahy, Debbie Stabenow, Maria Cantwell, Ron Wyden, Herb Kohl, Jean Carnahan, Evan Bayh.

Mr. CONRAD. I also ask unanimous consent that this letter be printed in the RECORD. It is a request to Senator DOMENICI from Southern Senators, Republicans and Democrats, for an amount of money that is actually in the Johnson amendment.

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

U.S. SENATE,
Washington, DC, March 13, 2001.

Hon. PETE V. DOMENICI,
Chairman, Committee on the Budget, U.S. Senate,
Washington, DC.

DEAR PETE: We are writing to request your assistance in including appropriate language in the FY02 budget resolution so that emergency economic loss assistance can be made available for 2001 and 2002 or until a replace-

ment for the 1996 Farm Bill can be enacted. Specifically, since conditions are not appreciably improved for 2001, we support making market loss assistance available so that the total amount of assistance available through the 2001 Agricultural Market Transition Act payment and the Market Loss Assistance payments will be the same as was available for the 2000 crop. We understand it is unusual to ask that funds to be made available in the current fiscal year be provided in a budget resolution covering the next fiscal year, but the financial stress in U.S. agriculture is extraordinary.

According to USDA and other prominent agriculture economists, the U.S. agricultural economy continues to face persistent low prices and depressed farm income. According to testimony presented by USDA on February 14, 2001, "a strong rebound in farm prices and income from the market place for major crops appears unlikely . . . assuming no supplemental assistance, net cash farm income in 2001 is projected to be the lowest level since 1994 and about \$4 billion below the average of the 1990's." The USDA statement also said . . . "(a) national farm financial crisis has not occurred in large part due to record government payments and greater off-farm income."

In addition to sluggish demand and chronically low prices, U.S. farmers and ranchers are experiencing rapidly increasing input costs including fuel, fertilizer and interest rates. According to USDA, "increases in petroleum prices and interest rates along with higher prices for other inputs, including hired labor increased farmers' production expenses by 4 percent of \$7.6 billion in 2000, and for 2001 cash production expenses are forecast to increase further. At the same time, major crop prices for the 2000-01 season are expected to register only modest improvement from last year's 15-25 year lows, reflecting another year of large global production of major crops and ample stocks."

During the last 3 years, Congress has provided significant levels of emergency economic assistance through so-called Market Loss Assistance payments and disaster assistance for weather related losses. During the last three years, the Commodity Credit Corporation has provided about \$72 billion in economic and weather related loss assistance and conservation payments. The Congressional Budget Office and USDA project that expenditures for 2001 will be \$14-17 billion without additional market or weather loss assistance. With projections that farm income will not improve in the near future, we believe it is vitally important to provide at least as much total economic assistance for 2001 and 2002 as was provided for the 2000 crop.

Congress has begun to evaluate replacement farm policy. In order to provide effective, predictable financial support which also allows farmers and ranchers to be competitive, sufficient funding will be needed to allow the Agriculture Committee to ultimately develop a comprehensive package covering major commodities in addition to livestock and specialty crops, rural development, trade, and conservation initiatives. Until new legislation can be enacted, it is essential that Congress provide emergency economic assistance necessary to alleviate the current financial crisis.

We realize these recommendations add significantly to projected outlays for farm programs. Our farmers and ranchers clearly prefer receiving their income from the market. However, while they strive to further reduce costs and expand markets, federal assistance will be necessary until conditions improve.

We appreciate your consideration of our views.

Sincerely,

Thad Cochran, John Breaux, Tim Hutchinson, Mary Landrieu, Kit Bond, Jeff Sessions, Blanche Lincoln, Richard Shelby, Jim Bunning, Jesse Helms, Mitch McConnell, Larry Craig, Max Cleland, James Inhofe, Strom Thurmond, Peter Fitzgerald, Zell Miller, Bill Frist, Craig Thomas, Kay Bailey Hutchison, Chuck Hagel.

Mr. CONRAD. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from Senator CRAPO asking for an amount of money actually somewhat more than is in the Johnson amendment.

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

U.S. SENATE,

Washington, DC, March 28, 2001.

Hon. KENT CONRAD,
Ranking Member, Committee on the Budget,
Washington, DC.

DEAR SENATOR CONRAD: I write to request your assistance in including flexibility in the Fiscal Year 2002 budget resolution to address the needs of America's agricultural community. The budget resolution should provide for emergency economic assistance for agricultural producers until the next farm bill can be enacted. Additionally, adequate baseline funding for agriculture needs is vital.

The U.S. agricultural economy continues to face persistent low prices and low farm income. A rebound is unlikely in the near future. In fact, U.S. net farm income is expected to drop 9 percent in 2001. Recognizing the importance of a safe, affordable, and abundant domestic food supply, Congress has provided producers with supplemental farm assistance for the last three years. This assistance has been vital to operator viability. Although our farmers and ranchers would prefer to receive their income from the market, they are facing desperate times. While they work to reduce costs and expand markets, we must do what we can to assist them. Supplemental support should continue until Congress enacts a new farm bill and flexibility to provide this funding should be included in the budget resolution.

As a new farm bill is developed, it is also important that we increase the baseline for agriculture related budget functions. In addition to the demands of the commodity programs, current funding levels do not reflect the growing need for increased market access, conservation, research, and rural development funding.

In a global economy, agricultural profitability is tied to foreign markets. Trade is critical to the future of agriculture. It must be free and fair, unfortunately, at this time we have neither. Increases in the budget will allow for additional funding for market access programs, while barriers are reduced and inequities addressed.

America's farmers are working to meet increasing environmental regulations and reach their own stewardship goals. It is important that we provide them with funding to meet the demand for clean air and water, wildlife habitat, and open spaces. Increasing the natural resources and environment baseline will provide producers the technical and financial assistance necessary to allow them to succeed and remain good stewards of the environment.

Increasing the agricultural baseline will also allow us to support important research efforts. America's farmers and ranchers are the most efficient in the world. Agricultural

research is vital to maintaining and building upon efficiencies, improving profitability, protecting the environment, developing new markets and uses, and addressing emerging issues.

The rural development programs administered through the U.S. Department of Agriculture are also important. Rural economic development programs are increasingly valued in rural America. In light of a distressed agricultural economy and declining resource industries, these programs are urgently needed. Additionally, infrastructure needs in rural areas are high and increasing federal mandates add to these costs. Rural development programs are helpful to rural communities trying to comply with the disproportionate costs of federal mandates.

Adequate steps should be taken to ensure these essential programs are funded. I am confident that the budget resolution can provide flexibility for emergency economic assistance and increase baselines in a fiscally-responsible manner. Please rest assured that I remain committed to a balanced budget and will work with the Committee to prioritize competing needs.

Thank you for your consideration of this request.

Sincerely,

MIKE CRAPO,
U.S. Senator.

Mr. CONRAD. Mr. President, the question of the amount of money is guided by what our competitors are doing. The Europeans, who are our major competitors, are outspending us by a very wide margin. The amount of money in the Johnson amendment is intended to approach what our major competitors are doing. It doesn't equal them, but it is to at least give our farmers a fair, fighting chance.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time?

Mr. DOMENICI. Mr. President, I yield 5 minutes of the remaining time to Senator GRAMM.

The PRESIDING OFFICER. The Senator from Texas is recognized for 5 minutes.

Mr. GRAMM. Mr. President, I thank Senator DOMENICI for yielding.

Let me first say to my colleagues that I have concerns with both of these amendments. We should wait until the new farm bill is written before budgeting money to spend on agricultural programs over the next 10 years.

Our colleague from North Dakota talks about how much the Europeans spend subsidizing production and exports and then holds that out as a standard for something we should be doing. His argument basically is to imitate the worst, most inefficient farm program in the history of the world—a program that would make a commissar from the old Soviet Union have an uneasy stomach.

I am going to vote for the Grassley-Miller amendment for a very simple reason; that is, it provides funds in the budget for this year and sets out an expectation of funding over the next ten years, while allowing us to write a farm bill and determine what is really needed in order for rural America to prosper. Of the two approaches, the Grassley-Miller amendment is by far the more rational option.

The alternative that is presented by Senators Johnson and Conrad would simply create a \$97 billion entitlement, put on automatic pilot, massive government spending, when we haven't even written a new farm bill. No logic whatsoever exists to support such an amendment.

The only purpose of the amendment is to take \$97 billion away from the tax cut. So what this amendment really does is reduce the tax cut, which means either we aren't going to repeal the death tax, or we are not going to repeal the marriage penalty, or we are not going to double the child credit exemption, or we are not going to reduce rates. Instead, this amendment takes \$97 billion away from the tax cut and creates an entitlement before we have even written a farm bill.

So this may be disguised as an agricultural amendment, but this is really an amendment to reduce the tax cut.

I hope my colleagues will vote for the Grassley-Miller amendment. It sets out funding for this year, to address real problems in agriculture, it provides a projected level of funding for the next 10 years, and it allows us to write a new farm bill.

How are we going to write a rational farm bill if we have already committed to an entitlement of almost \$100 billion? Does that make any sense whatsoever? The answer is no. The Johnson-Conrad amendment should be rejected.

I urge my colleagues, especially those who are inclined to vote against both amendments to support the Grassley-Miller amendment—life is about choices, and we have a very big evil here in the Johnson-Conrad amendment. I suggest we go with the Grassley-Miller alternative in order to provide funding that we know we are going to need this year to address current problems in agriculture—it would be better to do it through the normal process under an emergency designation, but that is not the choice. Then we can write a farm bill, and, having a farm bill before us, we can make a rational decision about how much money we need for the future. It may be less than \$97 billion; it may be more than \$97 billion. But the idea of committing money in the year 2001 in an entitlement, when we have not even written a farm bill, really insults our intelligence.

I urge my colleagues to vote for the Grassley-Miller amendment and to vote against the Johnson-Conrad amendment. I think this is an important issue. If we adopt the Johnson-Conrad amendment, we are going to set a precedent that indicates we are not necessarily interested in farm policy, we are just interested in a bid to reduce the tax cut in order to fund a program which has yet to be devised.

So I want everybody to remember, if you vote for the Johnson amendment, you are taking money out of repealing the marriage penalty, or doubling the dependent exemption for children, or repealing the death tax, or reducing

rates. It has to come from somewhere. I urge my colleagues to support the Grassley-Miller amendment.

I yield the floor.

The PRESIDING OFFICER. Under the previous order, there are 2 minutes evenly divided before vote on the Grassley amendment.

Who yields time?

The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, the Senator from Texas makes a very interesting proposition. He said write a new farm bill and then decide on the budget.

That has it exactly backwards. That is not how we do business. We decide on a budget; then we write a farm program.

I also remind my colleagues that the amount of money being sought in the Johnson amendment is the amount of money we have had each of the last 3 years to cope with this farm crisis—the lowest prices in 75 years. That is the basis of the calculation of the need.

The amendment of the Senator from Iowa restricts us to far less than we have had each of the last 3 years to meet this farm crisis. It is also true that our major competitors are out-spending us 10 to 1 in support for their producers and are out-spending us 30 to 1 in export assistance. It is no wonder our farmers do not have a level playing field.

Finally, the Grassley amendment raids the Medicare trust fund to support the additional resources for agriculture. That is a mistake.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I have 1 minute?

The PRESIDING OFFICER. Yes, 1 minute.

Mr. DOMENICI. Mr. President, frankly, I do not have a lot more to say. It seems as if we are adopting a policy of, if we have any time, we ought to use it, so I am going to use it.

I remind everyone, if they want a farm bill that adds substantial money to the program over the next decade, it is my recommendation they vote for the first amendment, the one Senator GRASSLEY has put together with ZELL MILLER. If my colleagues do not, we will have no agricultural bill, it seems to me, looking at how things are.

For those who do not want to vote for the Grassley-Miller amendment and hold out, just remember: You may get no agricultural bill if you do that. The better approach is in the Grassley amendment. I believe it is fair; it is reasonable; it is rational. And clearly a new farm bill built around these numbers might, indeed, pass the Congress. If my colleagues think they are going to pass one with much more than that, they are just dreaming. I yield the floor.

The PRESIDING OFFICER. The yeas and nays have not been ordered.

Mr. CONRAD. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to amendment No. 174. The clerk will call the roll.

The legislative clerk called the roll.

The result was announced—yeas 51, nays 49, as follows:

[Rollcall Vote No. 67 Leg.]

YEAS—51

Allard	Fitzgerald	Miller
Allen	Frist	Murkowski
Bennett	Gramm	Nickles
Bond	Grassley	Roberts
Brownback	Gregg	Santorum
Bunning	Hagel	Sessions
Burns	Hatch	Shelby
Campbell	Helms	Smith (NH)
Chafee	Hutchinson	Smith (OR)
Cochran	Hutchison	Snowe
Collins	Inhofe	Specter
Craig	Jeffords	Stevens
Crapo	Kyl	Thomas
DeWine	Lott	Thompson
Domenici	Lugar	Thurmond
Ensign	McCain	Voinovich
Enzi	McConnell	Warner

NAYS—49

Akaka	Dodd	Lieberman
Baucus	Dorgan	Lincoln
Bayh	Durbin	Mikulski
Biden	Edwards	Murray
Bingaman	Feingold	Nelson (FL)
Boxer	Feinstein	Nelson (NE)
Breaux	Graham	Reed
Byrd	Harkin	Reid
Cantwell	Hollings	Rockefeller
Carnahan	Inouye	Sarbanes
Carper	Johnson	Schumer
Cleland	Kennedy	Stabenow
Clinton	Kerry	Torricelli
Conrad	Kohl	Wellstone
Corzine	Landrieu	Wyden
Daschle	Leahy	
Dayton	Levin	

The amendment (No. 174) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote.

Mr. CRAIG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 176

The PRESIDING OFFICER (Mr. BUNNING). Under the previous order, there will now be 2 minutes of debate prior to the vote on or in relation to the Johnson amendment.

Mr. CONRAD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state his inquiry.

Mr. CONRAD. How much time was consumed on the last vote?

The PRESIDING OFFICER. Fifty minutes.

Mr. CONRAD. Fifty minutes. I thank the Chair.

Mr. President, we have just passed, after a 50-minute vote, a measure that raids the Medicare trust fund in the years 2005, 2006, 2007, and 2008 to the tune of \$42 billion. That is what the amendment just passed does. It raids the Medicare trust fund in each and every one of those years to supply more resources to agriculture.

This amendment provides additional resources to agriculture, but it does it the right way. It doesn't touch any of the trust funds. It doesn't touch the Social Security trust fund. It does not

touch the Medicare trust fund. It funds the money out of the tax cut.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I thank all Senators who supported the Grassley amendment.

Now we consider another amendment. For those who are worried about how much we are going to spend on agriculture, this amendment would increase the spending on agriculture to a total of \$98 billion, all of which will come out of the taxes we intend to give back to the American people.

We have done the numbers. We don't touch the Medicare trust fund. I will give Senators the numbers. The total contingency fund is 845. Take off the Medicare trust fund, you have 453 left. Of that, the Grassley amendment uses \$59 billion. We don't touch Medicare in any year, nor do we touch it over the 10 years. Actually, I believe we have done the right thing.

We ought to turn this amendment down. We have had a good vote. We ought to leave it as a good vote and make sure that what is passed is what we do for agriculture. Mr. GRASSLEY, who knows more than the average Senator, put this together with the distinguished Senator from Georgia. They worked hard on it. It is a good amendment. Thanks for adopting it.

Don't undo what you did by voting for the pending amendment.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 176.

Mr. GREGG. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There seems to be a sufficient second. The clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced—yeas 47, nays 53, as follows:

[Rollcall Vote No. 68 Leg.]

YEAS—47

Akaka	Dodd	Levin
Baucus	Dorgan	Lieberman
Bayh	Durbin	Lincoln
Biden	Edwards	Mikulski
Bingaman	Feingold	Murray
Boxer	Feinstein	Nelson (FL)
Breaux	Graham	Nelson (NE)
Byrd	Harkin	Reed
Cantwell	Hollings	Reid
Carnahan	Inouye	Rockefeller
Cleland	Johnson	Sarbanes
Clinton	Kennedy	Schumer
Conrad	Kerry	Stabenow
Corzine	Kohl	Wellstone
Daschle	Landrieu	Wyden
Dayton	Leahy	

NAYS—53

Allard	DeWine	Inhofe
Allen	Domenici	Jeffords
Bennett	Ensign	Kyl
Bond	Enzi	Lott
Brownback	Fitzgerald	Lugar
Bunning	Frist	McCain
Burns	Gramm	McConnell
Campbell	Grassley	Miller
Carper	Gregg	Murkowski
Chafee	Hagel	Nickles
Cochran	Hatch	Roberts
Collins	Helms	Santorum
Craig	Hutchinson	Sessions
Crapo	Hutchinson	Shelby

Smith (NH)	Stevens	Torricelli
Smith (OR)	Thomas	Voinovich
Snowe	Thompson	Warner
Specter	Thurmond	

The amendment (No. 176) was rejected.

Mr. HARKIN. I move to reconsider the vote by which the amendment was agreed to.

Mr. WELLSTONE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HARKIN. Mr. President, I will shortly send an amendment to the desk that deals with education, which I think should be the No. 1 priority of this Congress. Quite frankly, the President has said it should be our No. 1 priority. The American people think it should be our No. 1 priority. Yet in the budget before the Senate, education is somewhere down towards the bottom. This amendment I will shortly send to the desk will move it up to the top tier.

Mr. BYRD. Will the Senator yield?

Mr. HARKIN. I am happy to yield.

Mr. BYRD. Does not the Senator believe that the administration's foremost priority is a \$1.6 billion tax cut?

Mr. HARKIN. I will show that shortly on my charts.

Mr. BYRD. Very well.

Mr. HARKIN. I will absolutely show that is their top priority.

Mr. BYRD. I am waiting with bated breath.

Mr. HARKIN. I appreciate Senator BYRD bringing that up.

Our country was founded on an ideal that no matter who you are or the circumstances of your birth, no matter how much money your parents have or don't have, if you are willing to work hard, study, and get a good education, you can be a success. This is the American dream.

Unfortunately, the dream is slipping away. It is slipping because our classrooms are overcrowded, our schools are crumbling, and our students don't have the educational tools from preschool to college they need to learn. For years we have been nibbling around the edges for a solution; we tweak a program here, tweak another program there, but we have not made a real dent in education reform.

The fact is, now only 2 cents of every \$1 is invested in education. That is not enough. Ask the constituents in Montana or Iowa, in any town meeting: Of every Federal dollar we spend, how much goes for education? Ask your constituents. I have gotten answers from 25 cents to 10 cents to 12 cents to 8 cents. I have never gotten the right answer, which is 2 cents. Two cents out of every Federal dollar that we spend goes to education. That just is not enough. It shows that education is not a top priority.

In this new century, we need a new plan for American education, a bold, daring plan to demand true accountability from our schools but also to provide the resources they need to meet the standards and to be held accountable. It is one thing to say you

will hold the schools accountable but then you will not give them the resources. As my colleague and my chief cosponsor, Senator WELLSTONE, has said many times, you are setting them up for failure when you do that. If you want schools to be accountable—and we all do—we have to get them the resources they need.

We need to use our budget surpluses to prepare for the future by paying down the debt and investing in education. That is why, along with the many other Senators, I am proposing a plan to truly leave no child behind. Cosponsors of this amendment are Senators WELLSTONE, KENNEDY, MURRAY, BINGAMAN, CLINTON, DAYTON, ROCKEFELLER, CORZINE, MIKULSKI, REED of Rhode Island, REID of Nevada, SAR-BANES, KERRY, LANDRIEU, and DASCHLE.

We have heard a lot of talk about the importance of education. We have heard it from our President, President Bush. He said: "My administration has no greater priority than education." That was during the swearing-in ceremony for Dr. Paige as the new Secretary of Education. I was there. I heard him say that. He also said: "It's important for us to have the national goal of every child being educated in the best public school system possible on the face of Earth." That was President Bush on CNN Columbus, OH, February 20.

The President said there is no greater priority than education. Let's check the facts and look at the President's budget priorities about which Senator BYRD just spoke. Now we see reality versus rhetoric. The President said he wants to leave no child behind; he wants education to be the No. 1 priority; he wants our kids educated in the best public school system possible on the face of the Earth.

And here is the budget. The Bush tax cut for the wealthiest 1 percent, over 10 years, is \$697 billion. Keep in mind this is for the wealthiest 1 percent. Bush's education plan is \$21.3 billion over 10 years. What are the priorities? A tax cut for the wealthiest, \$697 billion; education, \$21.3 billion. The President's entire budget devotes \$1.6 trillion of the surplus to tax cuts. Only \$21.3 billion is for education. The tax cut that the President is proposing is 76 times greater than the investments he would provide for education. These are the wrong priorities. It is time to put the priorities right.

Our amendment will truly leave no child behind. The education plan we are sending to the desk in this amendment provides \$250 billion in education over the next 10 years; the President's plan is \$21.3 billion. Our investment is 12 times that proposed by the President but about one-third of what he wants to give in tax breaks to the wealthiest 1 percent of Americans. Let me repeat that: Our investment in this plan is about 12 times what the President wants to put in education over the next 10 years: \$250 billion in our plan, \$21.3 billion in the Bush plan. The \$250 bil-

lion we have in our plan is still about one-third as much as the President wants to give to the wealthiest 1 percent of Americans. So our priorities are to put the money in education and not in tax breaks for the wealthiest.

This amendment will put the resources in place so we truly can hold schools and teachers accountable. We meet the following five goals by the end of this decade. The first goal is all children will start school ready to learn. If that sounds familiar, that is because that was the first goal set up by the Governors Commission which was headed by a Republican Governor, I might say, 11 years ago. So that ought to be the first national goal in education, to have all children ready and able to learn.

We know that a child who participates in Head Start is more likely to graduate from high school and less likely to end up in jail or on welfare. However, less than 70 percent of children eligible for Head Start are receiving it. Our amendment would fully fund the Head Start Program so every eligible 3- and 4-year-old child will get the services they need so they can start school ready to learn.

No. 2, all students will be educated by a highly qualified teacher in a classroom that is not overcrowded. Project STAR studied 7,000 students in 80 schools in Tennessee. They found students in smaller classes performed better. We know that. But now we have the data to show it. These students were less likely to drop out of high schools, more likely to graduate in the top 25 percent of their classes. Our amendment increases our investment in the Class Size Reduction Program to meet our goal of hiring 100,000 extra teachers in 2005, and to reduce class sizes in grades 1 through 3 to no more than 18 children.

Our amendment would also provide a fourfold increase in professional development to provide our teachers with the opportunity to acquire the knowledge and skills they need. We hear a lot of talk about improving reading skills. If you want to improve reading skills, get smaller class sizes so the teachers can work with the students.

I yield what time he may want to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I thank the Senator from Iowa for his courtesy. I appreciate it.

The Senator from Iowa has laid out some figures. I am going to try to do this a different way.

This is called the leave-no-child-behind amendment. I had a chance to visit with some students from St. Cloud, MN. Right now there are not many Senators in the Chamber, so we are just laying out the amendment. There will be plenty of debate about this because there comes a point in time where you have to back up your words with the resources.

I say to the Senator from Iowa, I am very proud to introduce this amendment with him and to be a chief cosponsor of this amendment. For me, this is what this debate is all about. This is a values question.

I have said it on the floor before, and I am going to say it one more time. When the Senator from Iowa talked about Head Start, making sure that children are kindergarten ready, he made the point that kids who are kindergarten ready are less likely to be behind and less likely to fall behind in school and are also less likely to get in trouble.

I enjoy saying this. The truth is we should help these little kids—not just because if we help them when they are little, they are more likely to do well in school or less likely to be in trouble or more likely to go on to college—we should help these little kids at the Head Start level because they are all under 4 feet tall and they are all beautiful and we should be nice to them. Nothing else needs to be said.

My God, what are we going to do? Are we going to put our resources into Robin-Hood-in-reverse tax cuts? Paul Krugman had a piece today in the New York Times where he said, actually, when you figure this out, over 50 percent of these tax cut benefits are going to go to the top 1 percent of the population.

Senators, do you want to vote for a tax cut heavily weighted to the top 1 percent of the population or do you want to vote for this amendment which really is about making sure we leave no child behind? What do we do? We are talking about \$200 billion that goes to debt reduction and \$250 billion that goes to education, as we look over the next 10 years, which means what? It means we get to the point of fully funding the IDEA program for kids with special needs.

At every school I visit in Minnesota, everybody I meet tells me: Listen, if you would just provide the funding for the IDEA program, it would help us out so much in our own finances.

I offered an amendment with Senator HARKIN last year to fully fund the IDEA program. We got 40 votes. Now is the time to step up to the plate. Make sure the kids are kindergarten ready, fully fund the Head Start Program—although, I say to my colleagues, really in the best of all worlds I would like for us to consider not just the 3- and 4-year-olds; I would like for us to consider the 1-year-olds and the 2-year-olds and the Early Head Start Program.

We are talking about afterschool programs. We are talking about teacher training. We are talking about how to recruit the best people into teaching. We are talking about how to make sure higher education is more affordable. We are talking about dramatically expanding the funding for the Pell Grant Program.

Senators, Democrats and Republicans alike, I think in this budget de-

bate this is going to be the litmus test vote. I said it before. I will say it again on the floor. When President Bush, in his inaugural speech, talked about leaving no child behind, I was moved. This is my passion: children, young people, education. I thought those were beautiful words.

The fact is, look at these tax cuts. Let me repeat this one more time. One-third of the children in America live in homes that do not get one penny from these tax cuts; one-half of African American children live in homes that do not get one cent from these tax cuts; and 57 percent of Hispanic children live in homes that will not receive one cent from these tax cuts.

When are we going to make the investment in education? In children? When are we going to make sure we live up to our words?

I am looking at this budget in a broad outline. Next week we are going to see the specifics. When we see the specifics, let me tell you people in Minnesota and people around the country are going to hold all of us accountable. We already know this much. We now know that there are going to be cuts—cuts in child care programs, the CCDBG program, when only 12 percent of low-income families, much less middle-income families, can afford child care and get any assistance.

There are going to be cuts in programs for prevention of child abuse. There are going to be cuts in the training for doctors in our children's hospitals where there are some of the most sick and vulnerable children.

I ask you, President of the United States of America, President Bush: How do you realize the goal of leaving no child behind when you cut these programs? You cannot realize the goal of leaving no child behind on a tin-cup education budget: \$23 billion versus \$250 billion that Senator HARKIN and I have brought to the floor of the Senate.

I want to make another point because I think this is the vote. This is the vote when it comes to what our priorities are. As we do the speaking on the floor of the Senate, as we do the talking, there are entirely too many children who are not able to get the help they need when they are little and they come to kindergarten way behind.

There are many college students I meet in Minnesota who are struggling. Many of them are at the community colleges. Many of them are in their forties and fifties. They have gone back to school. Many of them are women. They have children. They have jobs, and they are going to school.

Do you want to know something? We are not going to be expanding the Pell Grant Program anywhere near enough to make sure they can get higher education. That is the best bang for the buck. But instead we are giving tax cuts to the top 1 percent of the population.

As we speak on the floor of the Senate, and as we debate this amendment,

there are entirely too many teachers who are working under really difficult circumstances who do not have up-to-date textbooks, do not have the technology we need, are underpaid; and without the resources, many men and women aren't going into teaching any longer.

When are we going to get real?

I like this amendment because this leave-no-child-behind amendment defines education, not K through 12, but prekindergarten all the way through age 65.

Right now, the report on most of the kids who are in child care is that it is inadequate and too dangerous. We are talking about a real investment here.

We have had all of these studies, all of these books, and all of these conferences about the development of the brain. When are we going to get serious about investing in early childhood development?

The taconite workers on the iron range, and a whole lot of other people from farm country in Minnesota where we have a price crisis, and family farmers who don't get a decent price—many of them are being driven off their farms. Many of them will have to go back to work. Many of them will not go back to work but are going to have to go back to school. Many of them are going to go to our community colleges.

Where is the Pell grant assistance? Can't we expand the Pell Grant Program? Can't we expand the Head Start Program? Can't we make the commitment to school modernization? Can't we try to reduce class size? Can't we do better for teacher training?

Any day of the year, I say to my good friend, including the Senator from New Mexico, I want to say to people in Minnesota in any coffee shop anywhere, that I would far prefer to put much more money into children and education—the IDEA program, title I, the afterschool program, Head Start—than Robin-Hood-in-reverse tax cuts where everyone here knows that the vast percentage of the benefits go to the very top 1 percent, the wealthiest and highest income citizens. This is all a matter of priorities and values.

It is time to step up to the plate, and it is time to cast a vote. This amendment Senator HARKIN has brought to the floor and on which other Senators will be speaking—and if I had to be a primary cosponsor of one amendment in this budget debate, this would be the amendment. Basically, it says it is time to get beyond symbolic politics, it is time to get beyond the speeches, and if we say that we all love the children, and we are all for education, and young people are our future, then we ought to be making the investment in their skills, in their intellect, and in their health and character. That is what this leave-no-child-behind amendment is all about.

With all due respect, one more time, you cannot realize the goal of leaving no child behind on a tin-cup budget. Our amendment which calls for an investment of \$250 billion is one-third of

what goes in these tax cuts to the top 1 percent of the population.

Our amendment, which calls for a dramatic investment in the health, skills, character, and education of children—of young people, and, for that matter, older people—who are going back to school, is one-third of the tax cuts of the Bush plan that go to the top 1 percent of the population. In the President's plan, it is \$23 billion. In this plan, it is \$250 billion.

I say on the floor of the Senate directly to the people of Minnesota that I am up for reelection, and to me this is what the election is all about. This is what the election is all about. I am for tax cuts that leave some standard of tax fairness. I am for making sure that working people and that low- and moderate-income people get some assistance and benefits. I am for making sure they get that. They will spend it, and it will serve as an economic stimulus. Lots of families will also benefit if you make the tax cut refundable.

But I also believe that far more important than Robin-Hood-in-reverse tax cuts, with most all of them going to the top 1 percent of the population, would be to make this investment in children and make this investment in education.

It is a question of priorities. I come down on the side of education. I come down on the side of children. I come down on the side of hard-working people who are going back to school and trying to rebuild their lives. I come down on the side of taconite workers on the iron range. I come down on the side of family farmers. I come down on the side of ordinary people. I come down on the side of people who believe that education is the foundation of opportunity in America. I come down on the side of this amendment. We should get 100 votes.

I yield the floor.

Mr. CONRAD. Mr. President, how much time is remaining on the amendment and on the resolution?

The PRESIDING OFFICER. The amendment has not yet been offered. On the resolution, there are approximately 16 hours for each side.

Mr. CONRAD. I thank the Presiding Officer.

I suggest the absence of a quorum and ask unanimous consent that it be charged to both sides.

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

The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

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

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

Mr. CONRAD. I ask the Senator from Washington if she is seeking time.

Mrs. MURRAY. I am. How much time may I have?

Mr. CONRAD. How much time would the Senator like?

Mrs. MURRAY. Between 3 and 10 minutes, whatever you can give me.

Mr. CONRAD. I yield 10 minutes to the Senator from Washington. We will take that off the resolution since the amendment is not yet pending. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. CONRAD. So we will take 10 minutes off the resolution for the Senator from Washington.

The PRESIDING OFFICER. The Senator from Washington is recognized for 10 minutes.

Mrs. MURRAY. Mr. President, I come to the floor today to talk about the Harkin-Kennedy-Murray amendment which I understand will be offered shortly. That amendment is going to provide the kind of investment that we need to make if we truly want to leave no child behind. It is a noble goal, and it is one that all of us should endorse. I am glad President Bush has focused on it.

Unfortunately, President Bush's budget that is before us today squanders this opportunity to ensure no child is left behind in favor of an irresponsible tax cut. Putting America's future first means putting our children first. But the sad truth is, this budget shortchanges America's students. This budget focuses on tax cuts for the few, at the expense of our children's education. We cannot ask America's students to wait in line behind a few wealthy Americans for the support they need to succeed.

I have come to the floor to support the amendment that will be offered today to ensure that all students get the educational resources they deserve. The Republicans are claiming that they provide a significant increase for education funding. I have to tell you, in looking at this budget, I am unable to find that "significant" increase. Instead, it is clear to me that this budget jeopardizes our ability to maintain critical priorities like education.

Under this budget, the actual amount of funds available for schools, colleges, and students will only increase by about \$2.5 billion, which is 5.9 percent. That is less than half of the average yearly increase Congress has provided in each of the last 5 years.

At a time when we are—and should be—demanding more than ever from our schools, we must now slow down the Federal investment in our schools, we must not go back on our commitment to help reduce class sizes, we must not do away with support for emergency repairs and renovations, and we must not continue to shirk our responsibility to disadvantaged students and to students with disabilities.

Setting a high bar is important, but setting a high bar and failing to give kids the resources to succeed is just setting them up for failure. I want to take a moment to highlight some of the ways I believe this budget fails our country.

Across our country, parents are asking us to reduce overcrowding in classrooms. They know this is a critical

step in ensuring every child learns the basics in a disciplined environment. This Republican budget freezes our class size progress. Teachers are asking for more help mastering the best ways to teach our children. They know they cannot rely on skills they learned 10, 20, or 30 years ago. This Republican budget freezes our progress in improving teacher quality.

Students are asking for schools where they can feel safe and secure. Certainly we have an obligation to provide that. But this Republican budget freezes our school safety progress.

Parents are asking for afterschool programs so their children won't get into trouble or become victims of violence after the school bell rings. This Republican budget freezes afterschool programs.

Teachers and students are asking for school buildings that are modern, are up to code, and provide a safe and healthy learning environment. This Republican budget freezes our ability to help communities modernize their aging schools.

The American people are asking for a stronger commitment to the things that make a difference in children's education, and the Republicans are so busy trying to fund an irresponsible tax cut that they aren't listening.

This budget freezes our progress. That is why we will offer this amendment later. It will provide the resources parents, teachers, and students are asking for.

It will ensure more children start school ready to learn, that we continue our bipartisan initiative to improve student achievement and teaching by hiring 100,000 fully qualified teachers to reduce the average size of classes in the early grades. It will provide critical assistance for emergency school repairs and renovation, and will help our local districts ensure there is a high quality teacher in every classroom. It will meet our obligations to children with disabilities and disadvantaged students, and will allow communities to offer more afterschool programs to keep our children safe and learning. It will also help more Americans afford college.

To justify an irresponsible tax cut, the President keeps talking about an enormous surplus. But when people from my home State come to see me, they ask an important question: How can there be a surplus when we still haven't paid our bills on full funding for IDEA, title I, impact aid, or 100,000 new teachers? I agree with them. I am glad that the amendment we will offer will help to ensure that we pay those bills.

With the projected surplus, our country has the opportunity to make important choices as we begin this new century. Are we going to make the investment in education that all our children deserve? Or are we going to give deep tax cuts to just a few?

Are we going to let our children continue to go to school in overcrowded

classrooms, in crumbling school buildings, with underpaid, inadequately prepared teachers? Or will we rise to the occasion and make the choice to invest in our children's future?

We know what the needs are out there. We know what works to help our children succeed. We just need the will of the Members of this Congress to stand up and put the money where their mouths are.

Parents, teachers, students, and community leaders are saying: Don't just talk about the importance of funding education. Make the tough choices to show the American public that education is truly a priority of their elected officials.

That means giving our local school districts the resources they need to provide a first rate education to every student in this country by supporting the Harkin-Kennedy-Murray amendment.

I urge my colleagues, when this amendment is proposed, to vote yes for our children and our grandchildren and for their future.

Mr. President, I thank my colleague for yielding me time.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I yield myself 10 minutes off the resolution.

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

Mr. CONRAD. Mr. President, we are in the midst of a debate on the budget resolution for the year. Contained in that is a proposal for 10 years because that is what the rules require of us.

On our side, we have tried to lay out a series of principles that would form the basis of our budget proposal. Perhaps this is a useful time to review those fundamental principles that we have used to form a budget recommendation to our colleagues.

First, we have said we should protect Social Security and Medicare trust funds in every year so those funds are not raided for another purpose.

Second, we have adopted the policy of paying down the maximum amount of the publicly held debt. The publicly held debt, as we stand here today, is \$3.4 trillion. We believe \$2.9 trillion of that can be paid down without paying any premiums, without having any difficulty.

Third, we provide for an immediate fiscal stimulus of \$60 billion. Our proposal has been: Let's put in place that fiscal stimulus now.

Let's not wait. Let's not delay. Let's not hold it hostage to the larger 10-year budget because this would be available in fiscal year 2001. We already have a budget for 2001. We know we have the money available to provide a fiscal stimulus now. We know we have \$96 billion of surplus outside of the trust funds available this year in the budget that has already been passed to provide fiscal stimulus, to provide a little boost to this economy in the midst of the downturn we see occurring.

We think that would be a wise policy to pursue. Then we can deal with the longer 10-year plan. But let's put in place right now a fiscal stimulus that would give lift to this economy.

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

We also reserve resources for the high-priority areas we have previously identified: improving education, strengthening our national defense, providing a meaningful prescription drug benefit, and funding for agriculture because of the crisis facing our farmers.

Finally, we provide \$750 billion to strengthen Social Security and address the long-term debt problem America sees just over the horizon. When this 10-year period ends, we all know that the baby boom generation starts to retire, and then we face real financial problems. We have, as I think all of us know, a circumstance in which we will face massive deficits as we look ahead.

We have tried to be mindful of the fact that all of these budgets are based on a forecast, a 10-year forecast, a forecast that is highly uncertain. In fact, it is so uncertain that the forecasting agency warned us that it is very likely to be wrong. Our friends on the other side are betting that this entire projection over 10 years comes true, all \$5.6 trillion of it.

Let's reflect back on what the Congressional Budget Office told us. They are the ones that made the forecast, and they provided us with this chart, this analysis. They went back and looked over the variants in their previous forecasts. They said: If we apply the difference between what we projected and what actually occurred and we applied it to this forecast, this is what we see.

In the fifth year of this 10-year forecast, they are telling us there could be anywhere from a \$50 billion deficit to more than a \$1 trillion surplus. That is in the fifth year alone. They say this notion that there is a \$5.6 trillion pot of money at the end of 10 years has only a 10-percent chance of coming true, a 45-percent chance there will be less money, and a 45-percent chance there will be more money. That forecast was made weeks ago.

Look at what has happened in the interval. The economy has continued to weaken. We have more announcements of job layoffs and further erosion in the financial markets.

What would a prudent person bet? Would a prudent person bet we are going to have more money or would a prudent person bet maybe we are going to have less money in that forecast, that 10-year projection?

A prudent person would say it is unlikely that all of this is going to come true and that we ought to fashion a fiscal policy that takes account of that uncertainty.

That is precisely what a number of very distinguished Americans said this

morning in the Washington Post. In an article entitled "On Taxes, One Step at a Time," former Senator Warren Rudman, Republican Senator from New Hampshire, one of our most distinguished colleagues, former Senator Sam Nunn, Democrat of Georgia, again, one of our most distinguished former colleagues, who are now co-chairmen of the Concord Coalition, and three fellow officials of that organization, including former Secretary of the Treasury Robert Rubin, former Federal Reserve Chairman Paul Volcker, and former Secretary of Commerce in the Nixon administration, Pete Peterson, said:

...great care must be taken to ensure that any tax cut medicine treats the short-term economic symptoms without adversely affecting the long-term prognosis. We believe an immediate fiscal stimulus can be provided independently of the proposed 10-year tax cut.

That is exactly what we have proposed on this side. Let's take immediate action on fiscal stimulus and then independently address the 10-year plan. When we address it, they advise us:

Any additional tax cuts should be limited to account for the enormous uncertainty of long-term budget projections and the huge unfunded obligations of Social Security and Medicare.

They are exactly right. We ought to be very cautious when we talk about not only the 10-year numbers but when we talk about what is going to happen right when we get past this 10-year period.

This chart shows Social Security and Medicare trust funds face cash deficits as the baby boomers retire. What this shows is that we are in surplus going out until the year 2016. Then Social Security and Medicare start running cash deficits in that year. In other words, these surpluses we enjoy now are going to turn to deficits. They aren't just going to be piddly deficits. They are not going to be little itty-bitty deficits. They are going to be huge deficits. Because when the baby boomers start to retire, the number of people eligible for Medicare and Social Security double very quickly. Then we can see what happens. We see this surplus picture change dramatically. We start running massive deficits. That is why we have said on our side, having a tax cut as large as the President proposes, that uses up all of the non-trust-fund money in this period, digs the hole deeper before we start filling it in.

I will show what I mean by that. This is our analysis of the Bush budget proposal. We have the \$5.6 trillion of forecasted surplus. But \$2.6 trillion of that, according to the President's calculations, are Social Security trust fund money; \$500 billion is Medicare trust fund money. That leaves an available surplus of \$2.5 trillion. That doesn't count a third set of trust funds we have. That is another \$500 billion. Those are the trust funds of civil service retirement, military retirement,

airport trust funds, highway trust fund.

I yield myself an additional 10 minutes.

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

Mr. CONRAD. If the Chair would inform me when I have used 8 minutes, I would appreciate that. I appreciate the courtesy of the Presiding Officer.

As I have indicated, if we just take out the Social Security trust fund and the Medicare trust fund, we are down to \$2.5 trillion. That doesn't count the other trust funds. That doesn't count the airport trust fund, the highway trust fund, the military retirement trust fund, or the civil service retirement trust fund. That is another \$500 billion. If we counted that, we would be down \$2 trillion.

Then let's look at the President's tax plan. He has a tax cut advertised at \$1.6 trillion—not billion, not million, trillion, \$1.6 trillion—a huge amount of money. We know from the reestimates that have been done on just part of his plan that it costs more than \$1.6 trillion.

We know from the reestimates that have been done on just part of the plan with the House of Representatives, it is at least \$1.7 trillion. Then, of course, you have other costs—things that will be necessary to fix because of the President's plan. The alternative minimum tax is perhaps the most significant.

The alternative minimum tax now affects about 2 million American taxpayers. But we have been advised by the Joint Committee on Taxation that if the Bush plan passes, more than 30 million taxpayers will be caught up in the alternative minimum tax. That is almost one in every four taxpayers in America. Boy, are they in for a big surprise. They thought they were getting a tax cut. Instead, they are going to find they are caught up in the alternative minimum tax. That was something designed years ago to prevent wealthy people from paying no taxes. We are going to find a quarter of the American people caught up in it because of the changes the Bush tax cut plan makes that are going to push more and more Americans into the alternative minimum tax.

These aren't wealthy people. Some will be, but many will be middle-class people. Tens of millions of people will be pushed into the alternative minimum tax. That was never the intention of anyone, but that is what is going to happen under the Bush plan. And it costs \$300 billion to fix, according to the Joint Committee on Taxation.

So you have the Bush tax cut at \$1.7 trillion. You have \$300 billion to fix the alternative minimum tax, which is made more necessary by the Bush plan. You have the interest costs associated with the first two of \$500 billion. You spend money and provide tax cuts. That includes the interest costs to the Federal Government because the

money is not being used to pay down debt. So the interest cost is higher than it would be otherwise. That is another \$500 billion. Then we have the Bush spending proposals over the baseline that forms the foundation for this 10-year forecast. That is another \$200 billion, for a total of \$2.7 trillion.

Remember, if we safeguard the Social Security trust fund and the Medicare trust fund, we only have \$2.5 trillion available. We will have \$2.5 trillion available if we subtract out the Social Security and Medicare trust funds. Of course, as I indicated, if we take out the other trust funds of the Federal Government, that is another \$500 billion. So one can readily see that the cost of the Bush budget plan far exceeds the available resources outside of the trust funds.

What does that mean? That means very simply that we are going to be invading the trust funds of Medicare and Social Security under the Bush plan, and they won't say it, but the numbers don't lie: There is no other way to add this up and make it work.

We already see what is happening out here on the floor of the Senate day after day, as they present amendments to try to fix what is wrong in the Bush budget plan.

Yesterday, Senator GRASSLEY of Iowa offered an amendment to add \$150 billion for prescription drugs because the President's plan is insufficient. It doesn't have enough money to provide a prescription drug benefit to the American people. So they offered an amendment to put back \$150 billion. Today, Senator GRASSLEY offered another amendment to more fully fund agriculture, and they add back another \$100 billion.

If you go out and look, year by year, at their budget and you look at the results of these amendments they have passed and you look at the money that is available, what you find is, sure enough, they are raiding Medicare already.

In the year 2005, they are going to take \$15 billion from the Medicare trust fund. In the year 2006, they are going to take \$13 billion. In the year 2007, they are going to take \$10 billion. In the year 2008, they are going to take \$4 billion more, for a total of \$42 billion from the Medicare trust fund.

Some may be watching and wondering: well, what difference does that make? The difference it makes is that it means Medicare goes broke faster. That means Medicare is out of money more quickly. And already Medicare is the most endangered of the Federal programs. We all know Social Security is in trouble. Medicare is in even more trouble. If you start tapping it to fund other things, guess what. It is in trouble even more quickly.

Mr. President, those are just some of the things I think need to be known before people vote on this budget. It is critically important that we make wise choices, that we make choices that add up, that we make choices that reflect

the values of the American people. I hope very much before this debate concludes that we will somehow manage to find a way to change this plan so that it does add up; so that it doesn't raid the trust funds; so that we can provide significant tax relief to the American people but do it in the context of paying down the publicly held debt as quickly as possible and also funding the priorities of the American people, including improving education and providing a prescription drug benefit.

(Ms. CANTWELL assumed the chair.)

Mr. CONRAD. Madam President, we have a circumstance in which we fund those priorities of improving education, providing a meaningful prescription drug benefit, strengthening our national defense, and also set aside some money to deal with this longer term problem.

Our friends on the other side of the aisle haven't provided a nickel to deal with this long-term debt crisis that is coming our way. They haven't provided a dime for that purpose. We have set aside \$750 billion to deal with this long-term budget circumstance, this long-term budget challenge of the baby boomers starting to retire and, when they do, us not having sufficient resources to keep the promise that has been made.

Madam President, I will end on this note as I notice other colleagues have arrived. The fundamental difference between the Democrat budget plan and the Republican budget plan can be summed up on this chart of short- and long-term debt reduction. Of the projected \$5.6 trillion that is available if this budget forecast comes through, we reserve \$3.65 trillion for short- and long-term debt reduction. President Bush's plan reserves \$2 trillion. So while he has a bigger tax cut—about twice as big as what we propose—we have about twice as much money for short-term and long-term debt reduction. That is the fundamental difference between these two plans.

It is up to people to decide what they think is the wiser course. We believe, given the uncertainty of these financial projections, given the magnitude of our current debt and the debt that is coming our way when the baby boomers start to retire, it is much wiser to put more of this money aside for short- and long-term debt reduction than to put it aside for a big tax cut.

Those are the differences. Our tax cut would still permit rate reductions. Our tax cut would permit reforming the estate tax, and addressing the marriage penalty, and an immediate fiscal stimulus of \$60 billion. But beyond that, we think the money is better put to paying down the short-term and long-term debt.

Madam President, I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa seeks recognition.

Mr. CONRAD. Is Senator HARKIN seeking time?

Mr. HARKIN. I inquire; I had to leave the floor momentarily when we were

on the education provision. I am ready to send my amendment to the desk.

Mr. CONRAD. The Senator from Nevada wants 15 minutes off the resolution.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. REID. Madam President, in the State of Nevada we have a unique situation. We have rural communities. Las Vegas, Clark County, has one of the most unusual situations ever to have occurred in the history of our country. Clark County School District must build one school each month to keep up with the growth. We hold the record. One year, we dedicated 18 new schools. It is a tremendous burden on the people of the State of Nevada to keep up with this tremendous growth. We need help.

I have had lots of meetings with constituents. That is one of our responsibilities. It is something I enjoy, whether it is here in Washington with people coming from the State or when I go home, as we are going to do for 2 weeks beginning next week. We will talk about things they believe are important.

Every time someone talks to me about an issue, I think: What are we doing? For example, a man by the name of Larry Carter came to visit me one day this week. Larry Carter is a State employee. His responsibility is making sure that grants and other moneys that come from the Federal Government for programs dealing with children are distributed fairly.

In effect, he was telling me they do not need less money; they need more money, and that the money we put into programs for children is working. Violent crime among children, for example, has dropped the last 3 years since Congress got serious about this issue and recognized that violent crime among adults was going down because we had 100,000 new police officers, on the streets and it has helped a great deal. Violent crime for juveniles was accelerating. So we decided to do something about it, and it has made a tremendous difference. These preventive programs are like preventive medicine: An ounce of prevention is worth a pound of cure. If we support juvenile justice programs up front when they are the most effective, we save tax-payers' dollars from going to after-the-fact programs. There is some debate about how much it would cost to keep a young person in a reformatory or institution, but it is about \$40,000 a year. A lot of prevention programs are a lot cheaper than that. We spend so much money building jails to house youth offenders who, sadly, become adult offenders when they are caught up in the cycle of violence.

The programs Larry Carter talked with me about are good programs. They are not giveaways. A grant of \$11,000 makes a tremendous difference, according to Larry Carter, in parts of rural Nevada.

I am very concerned about the budget that has been put forth by the ma-

jority. It is not fair. I agree with the ranking member of the Budget Committee, Senator CONRAD. He has done such a remarkably good job of describing the real problems facing this country and that the Democrats want tax cuts.

I had the good fortune a few weeks ago to respond to President Bush's Saturday radio address. I said in the first sentence of my response: Democrats believe in tax cuts, and we want them now.

Everyone within the sound of my voice should understand, we are not saying there should not be tax cuts. We believe there should be tax cuts, but we believe there should be tax cuts that we can afford and that go to the people who need them the most.

The one-third, one-third, one-third program we have suggested is a good program. We would take the surplus and spend a third of it on tax cuts, a third of it reducing this huge debt we have, and a third we should save for programs such as helping the people of the State of Nevada build schools. Nothing is more important to Nevada's future and the future of any State in the Union than educating our young people.

Around most of America, schools are overcrowded and underfunded. We have some schools that do not have the same problems as Nevada. The average school in America is 40 years old. These areas have crumbling schools. In Nevada we do not have enough schools; we need new schools.

Nevada has the fifth largest student/teacher ratio in the Nation. Our schools in Nevada are now facing nearly \$300 million in deferred maintenance costs. Seventy percent of the state's population live in Las Vegas in the Clark County School District. Another 15 percent live in the metropolitan Reno area. The rest of the State needs help. They have no tax base. They literally are without the ability to even repair their schools. We need to help these crumbling schools in Nevada and other places.

In Nevada, we have about 450 schools. As I have indicated, in southern Nevada schools are being built at the rate of at least one new school a month. The sixth largest school district in the nation is in Clark County. In that school district, there are over 230,000 children. Eighty-three percent of schools in Nevada report a need to upgrade or repair a building to good overall condition.

The last year it was reported, 1999, Nevada paid over \$100 million in interest on school bonds, school debt. That is what this school construction legislation addresses. It will not give away money to school districts. It alleviates the burden placed on the schools because of the interest costs on this debt, this bonded indebtedness that school districts all over America are using to construct schools.

It is estimated that Nevada faces another \$6 billion for school moderniza-

tion and construction. This is a tremendous burden. This includes about \$400 million for technology needs.

I talked about the new schools we need to build. And we do need to build new schools in Nevada. The biggest Fourth of July celebration in Nevada is in Boulder City. They have a big parade and all kinds of celebrations that go with the Fourth of July. I was asked by people at the parade to visit Boulder City High School: We want to show you what is wrong with this school.

I said to myself: What is wrong with the school? When I was in high school, Boulder City was one of the best schools, if not the top school. They had more merit scholars and great athletic teams. It was a beautiful place in southern Nevada. They had a lot of grass. We do not have a lot of green things in southern Nevada.

I said: I will go to this school that I thought was always so nice. It has not received the largess of the Clark County School District. It was run down. They had no hot water in the showers for the athletes. Parts of the track were gone. Students could not run in some of the outside lanes.

They could not put computers in that school because it was not wired. It was a mess. This wonderful school that I remember was a mess.

Since I went there, the school district has put a little more money in it to modernize that school.

That is an example of what is happening all over America. We need new schools built, and we need to modernize our schools. That is what the amendment of the Senator from Iowa is about.

Madam President, I have had a lot of dealings with my friend from Iowa since I have been in Washington. He is someone for whom I have great respect. He has for many years been on the Appropriations Committee. I have served with him on the Appropriations Committee. He and Senator SPECTER are the leading Democrat and Republican on the very important committee that deals with Health and Human Services and Education. There is no one in the Senate who has a bigger part than the Senator from Iowa.

I attended a hearing yesterday dealing with Alzheimer's disease. This is a terrible, devastating disease. This Congress is putting huge amounts of money into it as a result of the leadership of the Senator from Iowa and the Senator from Pennsylvania, Mr. SPECTER.

Also, in addition to the work he has done in our search to find the cure for devastating diseases in America, he has also been a leader on education. He not only fought to work on improving education for what some refer to as the regular kids; he has spent months and months of his legislative career dealing with disadvantaged children. I greatly admire and respect him. Senator HARKIN has done many things in this Capitol to make sure that hearing-impaired people can witness and view the

proceedings in the Capitol. He has done a lot for American children, disadvantaged and otherwise.

This amendment he will offer is in keeping with the Harkin tradition, putting money where it is needed. I can't say enough about my support of this legislation.

I have talked about some of the things that will be helpful to the State of Nevada. There is no question this will be helpful to the State of Nevada, but it will help everyone in America because if we help educate our young people, we benefit also.

A tax cut of the magnitude some are talking about will eliminate any increase in funding for the education of our children. I am gravely concerned we will not have the resources that will be needed to properly fund our obligation to education and in effect give back to the American family what they deserve.

We talk about this money, this surplus. Let's remind everyone from where it came. No one more than the Presiding Officer appreciates that in 1993 we had a budget deficit reduction act. On that occasion in the House, without a single Republican vote, it was passed; in the Senate, without a single Republican vote, it was passed. As a result of that very dramatic vote, we stopped spending in the deficits and started having surpluses. We first cut down the deficits and then we got into a surplus situation. We cut down the size of the Federal Government. We had 300,000 fewer Federal employees than in the past. We had record-breaking employment, with unemployment being low. Inflation was low. It was remarkable what happened to the economy as a result of that vote.

We now have that money, that surplus. That surplus, we are told by the other side, is the people's money; give it back. That is absolutely true; it is the people's money. But it is also the people's debt. We have to do something about the debt. That is why when we talk about what Democrats should do, there is a third in tax cuts, a third to continue to pay down that debt, and of course, a third left over to do some things in education that this amendment offered by my friend from Iowa will do.

I agree with Senator HARKIN; we should not leave a single child behind. Part of not leaving a child behind is ensuring that our teachers are trained, our children have access to Head Start, and our children are in safe, well-equipped classrooms. We must invest in higher education for our children through Pell grant programs, loan forgiveness programs for teachers, the TRIO program, and the Federal Perkins loan programs.

Senator HARKIN's amendment invests an additional \$250 billion over 10 years to improve education. With that investment, we can greatly expand child development programs, make Head Start available to all eligible 3- and 4-year-olds, reduce class size to no more

than 18 students, triple Federal funding for school repairs and construction, fully fund the Federal share of the Individuals with Disabilities Education Act, and double spending for after-school programs.

It is not fair what has happened to school districts in Nevada and around the country. It is estimated that it costs an extra 40 cents for every student that is disadvantaged, disabled—physically, emotionally handicapped. What are we paying? Less than a dime of that. The Federal Government should pay the extra 40 cents for every student. If we did that, think of the extra money it would give school districts to do some of the things I have spoken of today.

This amendment of Senator HARKIN is good for the heart; it is good for the head. It is the right thing to do.

After-school programs, we know they work. School districts spend millions of dollars to build schools. These are programs say: Why not use it after school for some programs for kids who may be latch-key children who go home with no parent home. We would have programs there so they would do better in school and in effect keep them occupied. After-school programs are great. They work well.

I support a tax cut. However, we have to have a fiscally responsible tax cut that allows us to fund education and continue to pay down the debt. I know the people of Nevada want a strong educational system. We should not leave any child behind—not a child from Iowa, not a child from Nevada, or anywhere else across this Nation. We must not shortchange our children.

I urge everyone to support the Harkin amendment when it is offered. It is what this country needs. It would improve everyone's life to better educate our children.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

AMENDMENT NO. 185 TO AMENDMENT NO. 170

Mr. HARKIN. I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN], for himself, Mr. WELLSTONE, Mr. KENNEDY, Mrs. MURRAY, Mr. BINGAMAN, Mrs. CLINTON, Mr. DAYTON, Mr. ROCKEFELLER, Mr. CORZINE, Ms. MIKULSKI, Mr. REED, Mr. REID, Mr. SAR-BANES, Ms. LANDRIEU, Mr. KERRY, Mr. DASCHLE, and Mr. SCHUMER, proposes an amendment numbered 185.

Mr. HARKIN. Mr. President, I ask unanimous consent reading of the amendment be dispensed.

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

The amendment is as follows:

(Purpose: To make certain that no child is left behind and to maintain fiscal discipline by making a major investment in education, including a new mandatory investment in the Individual with Disabilities Education Act, and a commensurate reduction in the share of tax relief given to the wealthiest one percent of Americans)

On page 2, line 18, increase the amount by \$15,600,000,000.

On page 3, line 1, increase the amount by \$24,700,000,000.

On page 3, line 2, increase the amount by \$34,100,000,000.

On page 3, line 3, increase the amount by \$43,200,000,000.

On page 3, line 4, increase the amount by \$51,100,000,000.

On page 3, line 5, increase the amount by \$59,100,000,000.

On page 3, line 6, increase the amount by \$66,500,000,000.

On page 3, line 7, increase the amount by \$73,000,000,000.

On page 3, line 8, increase the amount by \$80,200,000,000.

On page 3, line 14, increase the amount by \$15,600,000,000.

On page 3, line 15, decrease the amount by \$24,700,000,000.

On page 3, line 16, decrease the amount by \$34,100,000,000.

On page 3, line 17, decrease the amount by \$43,200,000,000.

On page 3, line 18, decrease the amount by \$51,100,000,000.

On page 3, line 19, decrease the amount by \$59,100,000,000.

On page 3, line 20, decrease the amount by \$66,500,000,000.

On page 3, line 21, decrease the amount by \$73,000,000,000.

On page 3, line 22, decrease the amount by \$80,200,000,000.

On page 4, line 3, increase the amount by \$12,200,000,000.

On page 4, line 4, increase the amount by \$16,300,000,000.

On page 4, line 5, increase the amount by \$20,300,000,000.

On page 4, line 6, increase the amount by \$23,800,000,000.

On page 4, line 7, increase the amount by \$27,300,000,000.

On page 4, line 8, increase the amount by \$30,900,000,000.

On page 4, line 9, increase the amount by \$34,000,000,000.

On page 4, line 10, increase the amount by \$37,200,000,000.

On page 4, line 11, increase the amount by \$40,000,000,000.

On page 4, line 17, increase the amount by \$7,800,000,000.

On page 4, line 18, increase the amount by \$12,300,000,000.

On page 4, line 19, increase the amount by \$17,000,000,000.

On page 4, line 20, increase the amount by \$21,600,000,000.

On page 4, line 21, increase the amount by \$25,500,000,000.

On page 4, line 22, increase the amount by \$29,500,000,000.

On page 4, line 23, increase the amount by \$33,300,000,000.

On page 5, line 1, increase the amount by \$36,500,000,000.

On page 5, line 2, increase the amount by \$40,100,000,000.

On page 5, line 8, increase the amount by \$7,800,000,000.

On page 5, line 9, increase the amount by \$12,300,000,000.

On page 5, line 10, increase the amount by \$17,000,000,000.

On page 5, line 11, increase the amount by \$21,600,000,000.

On page 5, line 12, increase the amount by \$25,500,000,000.

On page 5, line 13, increase the amount by \$29,500,000,000.

On page 5, line 14, increase the amount by \$33,300,000,000.

On page 5, line 15, increase the amount by \$36,500,000,000.

On page 5, line 16, increase the amount by \$40,100,000,000.

On page 5, line 21, decrease the amount by \$7,800,000,000.

On page 5, line 22, decrease the amount by \$20,100,000,000.

On page 5, line 23, decrease the amount by \$37,200,000,000.

On page 5, line 24, decrease the amount by \$58,800,000,000.

On page 5, line 25, decrease the amount by \$84,300,000,000.

On page 6, line 1, decrease the amount by \$113,800,000,000.

On page 6, line 2, decrease the amount by \$147,100,000,000.

On page 6, line 3, decrease the amount by \$183,600,000,000.

On page 6, line 4, decrease the amount by \$223,700,000,000.

On page 6, line 9, decrease the amount by \$7,800,000,000.

On page 6, line 10, decrease the amount by \$20,100,000,000.

On page 6, line 11, decrease the amount by \$37,200,000,000.

On page 6, line 12, decrease the amount by \$58,800,000,000.

On page 6, line 13, decrease the amount by \$84,300,000,000.

On page 6, line 14, decrease the amount by \$113,800,000,000.

On page 6, line 15, decrease the amount by \$147,100,000,000.

On page 6, line 16, decrease the amount by \$183,600,000,000.

On page 6, line 17, decrease the amount by \$223,700,000,000.

On page 27, line 3, increase the amount by \$8,300,000,000.

On page 27, line 4, increase the amount by \$1,000,000,000.

On page 27, line 7, increase the amount by \$12,200,000,000.

On page 27, line 8, increase the amount by \$7,800,000,000.

On page 27, line 11, increase the amount by \$16,300,000,000.

On page 27, line 12, increase the amount by \$12,300,000,000.

On page 27, line 15, increase the amount by \$20,300,000,000.

On page 27, line 16, increase the amount by \$17,000,000,000.

On page 27, line 19, increase the amount by \$23,800,000,000.

On page 27, line 20, increase the amount by \$21,600,000,000.

On page 27, line 23, increase the amount by \$27,300,000,000.

On page 27, line 24, increase the amount by \$25,500,000,000.

On page 28, line 2, increase the amount by \$30,900,000,000.

On page 28, line 3, increase the amount by \$29,500,000,000.

On page 28, line 6, increase the amount by \$34,000,000,000.

On page 28, line 7, increase the amount by \$33,300,000,000.

On page 28, line 10, increase the amount by \$37,200,000,000.

On page 28, line 11, increase the amount by \$36,500,000,000.

On page 28, line 14, increase the amount by \$40,000,000,000.

On page 28, line 15, increase the amount by \$40,100,000,000.

On page 43, line 15, decrease the amount by \$8,300,000,000.

On page 43, line 16, decrease the amount by \$1,000,000,000.

On page 48, line 8, increase the amount by \$8,300,000,000.

On page 48, line 9, increase the amount by \$1,000,000,000.

Mr. REID. How much time does the Senator desire?

Mr. HARKIN. I will need 15 minutes.

Mr. REID. Off the resolution, I yield 15 minutes to the Senator from Iowa.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. HARKIN. I thank my friend from Nevada.

Having been to his State and having visited a couple of cities in Nevada and seeing how the increase in population is there, I know Senator REID understands full well the necessity to invest in education. It is a terrible burden they have in the State of Nevada now in terms of building facilities and getting teachers in classrooms they need to meet the requirements of their rapidly growing population in that State.

I appreciate the kind remarks of Senator REID about me, but I want to return it in kind by saying teachers and students, not just in Nevada but all over the country, have no greater friend than Senator REID. I do appreciate his strong support of this amendment.

I also want to mention the cosponsors of this amendment: Senators WELLSTONE, KENNEDY, MURRAY, BINGAMAN, CLINTON, DAYTON, ROCKEFELLER, CORZINE, MIKULSKI, REED of Rhode Island, REID of Nevada, SARBANES, KERRY, LANDRIEU, DASCHLE, and SCHUMER.

I ask unanimous consent to have printed in the RECORD a list of the groups supporting this amendment. It is a lengthy list.

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

GROUPS SUPPORTING LEAVE NO CHILD BEHIND
American Association of Community Colleges.

American Association of School Administrators.

American Association of State Colleges and Universities.

American Council on Education.

American Federation of Teachers.

American Library Association.

Association of Jesuit Colleges and Universities.

Board of Education of the City of New York.

Children's Defense Fund.

The Children's Foundation.

Coalition for Higher Education Assistance Organizations.

Committee for Education Funding.

Council for Exceptional Children.

Council for Opportunity in Education.

Council of Chief State School Officers.

Council of the Great City Schools.

Fight Crime Invest in Kids.

Higher Education Consortium for Special Education.

International Reading Association.

National Association of Counties.

National Association of Independent Colleges and Universities.

National Association of Secondary School Principals.

National Association of State Directors of Special Education, Inc.

National Association for Bilingual Education.

National Association for the Education of Young Children.

National Alliance of Black School Educators.

National Association of Student Financial Aid Administrators.

National Council of Jewish Women.

National Education Association.

National Education Knowledge Industry Association.

National Job Corps Association.

National PTA.

National School Board Association.

New York State Department of Education.

School Social Work Association of America.

Tulare Youth Service Bureau, Inc.

U.S. Conference of Mayors.

U.S. Public Interest Research Group.

Urban Corps San Diego.

University of California.

Workforce Alliance.

Mr. HARKIN. Madam President, our amendment "Leave No Child Behind," the third one says that all students, including special needs students, will master challenging subject matter and Federal education programs will be held accountable and focus on practices proven to work. The title I program provides children who have fallen behind in reading and math with the extra help they need to catch up. However, only one-third of the students who need this extra help are aided.

In addition, the Federal commitment to help educate students with disabilities has lagged behind our goal to provide what we in Congress said 26 years ago, that we would endeavor to provide to the States and local communities at least 40 percent of the average per-pupil expenditure to support the Individuals with Disabilities Education Act.

In our amendment, we have increased investments in title I and in IDEA to help schools meet the tough new accountability standards. I might add, it will also provide much needed relief to local property taxpayers who are struggling to finance their schools.

This amendment we have sent to the desk will fully fund the Individuals with Disabilities Education Act to that level we stated 26 years ago that we wanted to do; that is, provide at least a minimum of 40 percent of the average per-pupil expenditures.

A fourth part of our amendment addresses that all students will attend classes in a school building that is safe, in good repair, and equipped with the latest technology. Fourteen million children attend classes in buildings that are unsafe or inadequate.

Last month, the American Society of Civil Engineers issued a report card on the Nation's infrastructure, on everything from roads and bridges to wastewater treatment, dams, everything—all of the physical infrastructure of America. The one item that got the lowest grade was our public schools, a D-minus. It is a national disgrace that the nicest places our kids see are shopping malls, sports arenas, and movie theaters, and the most run down places they see are the public schools. What signal are we sending to them about the value we place on their education and their future?

This amendment triples funding for the school repair and renovation program that we began in last year's appropriations bill.

Fifth, all students will be able to attend college and get the skills they need to succeed in the global economy without incurring a mountain of debt. Over the past two decades, the purchasing power of the Pell grants has fallen by 25 percent. Loans right now are the principal source of aid for colleges. In this amendment we increase the maximum Pell grant by \$600 next year. I think, again, if you talk to any of your constituents, your families out there who have kids in college, there is a new phenomenon happening in America. Kids are going to college. They want to have a better life. They want to succeed. They are piling up mountains of debt by borrowing money to go to school. This is unlike anything we have ever seen in the past. This addresses that by increasing that maximum Pell grant.

We also increase investments in the TRIO Program to make sure some of our most vulnerable students can succeed in college. We also expand loan forgiveness for teachers and increase our investment in Federal job training programs so every adult will have the skills necessary to compete in a global economy.

Again, we know there are a lot of our young people who will not go to college, will not finish college. There are a lot of people in our workforce today who have not gone to college. They need skills upgrading, job retraining, because they are shifting in their jobs. We cannot forget about them either. So our amendment puts the necessary investments in job training programs.

Last, our amendment also maintains our commitment to fiscal discipline by devoting a commensurate amount to reducing the public debt.

Reaching all these goals will require real investments amounting to \$250 billion over the next 10 years. But dedicating these funds is simply a matter of priorities. Again I repeat, \$250 billion is about one-third as much as the tax cut that President Bush wants to give to the most wealthy 1 percent of Americans.

I will use this chart to show the President's tax cut for the wealthiest 1 percent is about \$697 billion. The President's education plan is \$21.3 billion. The amendment before us provides \$250 billion over 10 years, or slightly more than one-third—one-third of what the President wants to give in tax cuts, just to the wealthiest 1 percent of Americans.

Then, when we consider we are looking at the baby boom generation coming on retirement and the problems we are going to have in Medicare, looking at our economic future, the best investment we can make this decade is to invest in education and make it our top priority.

We are not alone in this. The American people understand this full well. In poll after poll after poll, the American public supports education overwhelmingly. It is not even a close call. These are some of the recent surveys.

In fact, one was done by a polling firm that tends to poll more for Republicans that joined with a polling firm that tends to poll more with Democrats. This is what they came up with.

The question was about promoting teaching as a career and raising teacher pay to keep good teachers—91 percent favored that.

Make college more affordable by expanding loan and grant programs and increasing student aid—91 percent approve of that.

Reducing class sizes, using higher pay to attract good teachers, expanding before- and after-school programs—87 percent approved.

Providing funding to repair schools in poor condition and building new schools and wiring classrooms for computers—87 percent approve.

Providing full funding for Head Start, expanding day-care programs in local schools, providing tax credits to help families pay for kindergarten and preschool—85 percent approve.

Requiring the Federal Government to live up to its obligation of 40-percent funding for special education—85 percent approve.

The way I see it, this is not even a close call. I hate to say this since we are talking about education. This ought to be a no-brainer. The American people are on this side. They are telling us in clear, unequivocal terms: Make education your top priority. Invest in these programs.

I have not seen the polls, but I challenge anyone to tell me that they can get these kind of approval ratings for a \$697 billion tax break to the wealthiest 1 percent of Americans. Yet that is what the budget has before us. We are elected to represent the people of America. We are all Senators. Yes, I represent Iowa, but I represent the people in Minnesota and everywhere else, too. We are U.S. Senators. We represent the country as a whole. What the people of America are telling us is to invest in education.

Madam President, this amendment provides the necessary funds. So over the next 10 years we can fully fund Head Start for all eligible 3 and 4 year olds, double the title I funding for disadvantaged children, and we can fully fund the Individuals With Disabilities Education Act. We can quadruple professional development, teacher training, and skills upgrades. We can reach our goal of hiring 100,000 extra teachers to reduce class sizes all over America so that no class has more than 18 students in all grades 1 through 12.

We can triple the funding for modernization of school repair, and we can raise the maximum Pell grant by \$600 next year.

Mr. WELLSTONE. Madam President, will the Senator yield for a question?

Mr. HARKIN. Yes, I am delighted to yield.

Mr. WELLSTONE. Did the Senator describe the title I program? Did he talk about what title I was? I know he talked about IDEA.

Mr. HARKIN. I talked about helping disadvantaged students with reading and math skills in the title I program.

Mr. WELLSTONE. The Senator pointed out that right now that program is funded about 30 percent. That is about it. Is that correct? He talked about Head Start, but he is also talking about kids who are economically disadvantaged getting that additional help for reading or afterschool through the title I program. We find that it is funded at about a 30-percent level, but now we are going to double it with this proposal. Is that right?

Mr. HARKIN. This will get it to over 60 percent of fully funding the title I program.

Mr. WELLSTONE. In many of our schools in the State of Minnesota—St. Paul, for example—where 65 percent or less of the kids in the free and reduced priced lunch program, do not get a cent from Title I. The state runs out of money.

Again, whether it is about poor children or kids with special needs, or reducing class size, this is the vote in terms of our values.

Mr. HARKIN. I thank the Senator from Minnesota for his strong support of education. No one works quite as hard as Senator WELLSTONE for kids in this country, and especially for disadvantaged kids. He is right. We have to make sure that we invest both in title I and also in the Individuals With Disabilities Education Act.

Again, on the top end of the Pell grant, this is what enables those who are going to college.

The way I see it, this is the vote on the budget and whether or not we are going to have the priority that the American people want us to have or whether we are going to go down the pathway of providing almost unconscionable tax benefits and relief for the wealthiest 1 percent of Americans.

Weigh it. This is the vote. We are not even talking about all of the tax cuts that go to wealthiest 1 percent. We are just taking about one-third of the taxes the wealthiest 1 percent will fund for this education program. This is the vote.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Madam President, I was going to ask the distinguished ranking member if he has somebody now to continue, and then we will complete it in about 15 or 20 minutes when the Senator is finished.

Mr. CONRAD. The Senator from Massachusetts would like 15 minutes.

Mr. DOMENICI. We will wait for that and follow after it.

Mr. CONRAD. We thank the chairman very much for his courtesy. I yield the Senator from Massachusetts 15 minutes off the resolution.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Madam President, I thank Senators HARKIN and WELLSTONE for bringing forward this extremely important amendment. Over the period of

this week we are going to cast some votes here in the U.S. Senate, but I doubt if there is any particular amendment that presents more clearly the question of values and priorities than this amendment does. I doubt if there is any amendment that we will consider that is more about the future of our country and that has a greater relevance to what kind of society we will become over the period of these next several years and into the future.

The numbers that the Senators from Iowa and Minnesota have talked about are very large amounts of money. But when you look at this amount in the context of educational need, these figures are not out of the ordinary. As a matter of fact, they are very modest given the number of children currently attending the nation's schools, and increases in the number of children that are going to be attending our nation's schools and colleges in the coming years.

Senators HARKIN and WELLSTONE are posing a question of priorities. That is, are we prepared to invest in the future of this country and in its children, through reducing the tax breaks for the wealthiest individuals by a third? I commend Senators WELLSTONE and HARKIN for posing that question.

I agree with those who say that money does not solve all of our nation's problems. That point will be debated here this afternoon as this amendment is considered. That point is both valid and worthy of debate. However, money is also a reflection of our Nation's priorities. This is what the budget debate is all about. This is what our votes are all about.

The amendment brought forth by the Senator from Iowa is about placing a priority on what the American family has said is their first priority investment in our nation's children and in our future.

Since fiscal year 1980, the federal share has decreased for education programs. In elementary and secondary education, the investment has dropped from 11.9% to 8.3% in fiscal year 2000, and in higher education from 15.4% to 11%. But, the educational needs of schools and communities are rising.

This chart reflects the number of children who will be entering elementary and secondary schools in the United States of America over the period of the next 90 years. The number of school-aged children will increase from today's enrollments of 53 million students, up to 94 million students in 2100.

This amendment is really about partnership—between federal, State, and local communities. The federal role should lead this partnership through recognizing that the needs of our nation's schools will continue to grow as the population in our nation's schools grows. We must ask ourselves: Does this budget reflect the growing need to invest in elementary and secondary education? Or is it business as usual—a 5.7 percent over last year's funding

level. The Harkin amendment accurately reflects the realities faced by our nation's schools and universities.

Enrollment in higher education has also significantly increased. Our colleges and universities are reaching record enrollments. This year, college enrollment numbered over 15 million students, and is expected to rise over the next 10 years to reach 17.5 million in 2010.

The priority to educate all of our nation's children must begin through an investment in educating children at an early age. Various reports, including those produced by the Carnegie Commission, have shown us what a difference is made through investment at the earliest time in children's lives. Early Start, which is now being funded at 4 or 5 percent of what it should be; the Head Start program at about 40 percent, or 45 percent of what it should be; child care, 17 percent in terms of quality education.

And the list goes on.

As I mentioned, the average annual investment in education has dropped over the past years. Now we are faced, in this budget, with an increase of only 5.7 percent. That is an inadequate amount when talking about the investment needed for the children of this country.

The Senator from Iowa went into considerable detail on a number of features in this amendment, and I would also like to highlight some important points.

I would like to briefly mention the Pell Grant Program. We had a national debate in 1960 regarding aid to education programs. At that time Vice President Nixon was opposed to any aid to education, and President Kennedy supported aid to education. The President believed—and this country went on record during that time—that any student in this country who is able to gain entrance into any college or university on the basis of their academic ability should be able to do so, despite the size of their wallet or the size of their pocketbook. The President believed that students should have access to a range of grants, loans, and work-study programs, and also rely on their own individual efforts, to make up the tuition.

This commitment was reflected in the creation of Pell grants. Over the last 25 years, federal student need has shifted from a grant-based system to a loan-based system. In 1980, 55% of total federal aid for higher education was awarded through grants, and 43% through loans. In 1998, this ratio shifted to 58% through loans, and 40% through grants.

A recent study has found that the maximum award under the Pell grant program has fallen dramatically, from providing 84% of total costs at a public, 4-year university in 1975-1976, to providing 39% of total costs in 1999-2000.

Any Member of this body may visit a college or university in this country and listen to young people. What are

they talking about? Are they talking about their books? Are they talking about their studies or what is happening in their lecture halls? No. They are talking about their loans and how they are going to repay their loans. Students are not talking about whether they are able to go into public service, but instead about what they are going to have to do when they get out of school.

The Harkin amendment is a down-payment for putting this country back on the road, and ensuring that young and talented Americans are not turning their backs on the possibility of higher education because do not want to be in debt, nor put their families in debt. This is wrong. It is clear that students cannot afford not to go to college.

We are all working together to ensure that every child has access to a high quality education. But let's also invest in our nation's children. Let's invest in making sure there will be sufficient resources for children to benefit from elementary and secondary education, and move on the furthering their education in colleges and universities.

We need a plan that makes increasing Head Start a priority over tax cuts for the wealthy.

We need a plan that makes full funding for IDEA a priority over tax cuts for the wealthy.

We need a plan that makes increasing Title I a program that helps disadvantaged students master basic skills a priority over tax cuts for the wealthy.

We need a plan that makes reducing class size a priority.

We need a plan that makes improving teacher quality a priority.

We need a plan that makes expanding after-school learning opportunities a priority.

We need a plan that makes modernizing and rebuilding the nation's crumbling and overcrowded school buildings a priority.

We need a plan that makes increasing the maximum level of Pell grants a priority.

We need a strong investment in education that will ensure a bright future for the nation, not a tax cut that leaves the nation's children and students behind.

We know what needs to be done now in terms of education in America. The real question is, Do we have the will? This particular amendment addresses programs that invest in children, and ensures that our future workers are going to have the skills to compete in a modern economy. It reflects the best values of the American people and the best values of our party. That value is investment in children and their futures. That is what this amendment is about. It ought to be adopted.

Mr. REID. Will the Senator yield for a question?

Mr. KENNEDY. I will be glad to yield.

Mr. REID. I have listened intently to what the Senator has said. I think the Senator has clearly said that a child's ability to be educated should not be dependent on how much money their parents have.

Is that what the Senator has said?

Mr. KENNEDY. That is exactly what I have said.

Mr. REID. Today, this week, is when students all over America are going to get notices in the mail as to where they are going to be able to go to school.

Does the Senator agree that many students who are admitted to some schools are not going to be able to go there because they cannot bear the burden of the cost of going to a finer school; they will have to go to some other school, is that correct?

Mr. KENNEDY. If I could answer the Senator's question this way. 97 percent of students in the highest achievement and socioeconomic quartile go on to 4 year college. On the other hand, only 46 percent of children achieving at the same academic level, but in the lowest socioeconomic quartile, go on to a 4-year college or university.

We, as a country and as a society, understand that education is the great equalizer. When we are faced with these facts—

The PRESIDING OFFICER (Mrs. LINCOLN). The Senator has 2 minutes remaining.

Mr. REID. I yield the Senator 5 more minutes.

Mr. KENNEDY. When we are faced with these facts, we have to ask ourselves, What should be our investment? The Harkin amendment is a comprehensive amendment. It will ensure that children are well prepared, ready to learn, and will benefit from the changes and the improvements we have made in elementary, secondary, and higher education.

The question is, Are we going to take the one-third of the tax program and do what the Harkin-Wellstone amendment has asked, or are we going to provide additional billions of dollars to the wealthiest individuals? It is a clear choice.

Mr. WELLSTONE. Will the Senator from Massachusetts yield for one other question?

Mr. KENNEDY. I yield.

Mr. WELLSTONE. There was one comment the Senator made that I think is critically important. I want to make sure I understand it well and that people understand it.

When we marked up the bill dealing with the reauthorization of the Elementary and Secondary Education Act in the HELP Committee, I think all of us went on record saying we were absolutely committed to accountability and holding students to really high standards. But the Democrats on the committee, did we not also say that we have to make sure the students, the children, and the teachers of the schools have the tools; in other words, that we make the investment so that

they will have, indeed, the same chance to achieve and do well on these tests? Don't the two go together?

Mr. KENNEDY. The Senator is absolutely correct. It will be a sham if we just have the test without having the support services. We are working to ensure these important services that accelerate learning and academic achievement.

That is addressed in the Harkin amendment.

Mr. HARKIN. Will the Senator yield again?

Mr. KENNEDY. Yes.

Mr. HARKIN. I thank the Senator again for his very eloquent statement and his comments. Certainly, there is no one in either body on Capitol Hill who has worked longer and harder and, I might add, more successfully on the education of all our kids than has the Senator from Massachusetts.

When I was listening to the Senator speak, I was thinking about the prospect of kids who do not have a lot of money who want to get an education, who have achieved well in school, have studied hard. They have made their grades. They have made good grades. The Senator pointed that out in his remarks, that they would have the same desire to go to college as anyone else.

Was the Senator saying that because of the financial barriers, these kids who are high achievers—they are bright, they have studied hard, they have gotten good grades—have some shield that keeps them from advancing on?

Mr. KENNEDY. The Senator is correct.

Mr. HARKIN. And that shield is money. There are going to be other amendments that might focus on one thing or another.

My second question for the Senator: Is it his belief, from all of his long experience involving education, that we have to look at the whole? Each one of these parts isn't a whole. It is important to increase Pell grants, but that alone won't solve it. It is important to increase title I, but that alone won't solve it. It is important to increase funding for individuals with disabilities, but that alone won't solve it. Is it the contention of the Senator that this has to be put together?

Mr. KENNEDY. The Senator is absolutely correct. Over the last 15 years, as the Senator is well familiar, we have learned that a child's mind—almost from the time of birth—should have opportunities to develop. Research has shown us that we must take advantage of the new science in ways that are going to enhance the academic opportunities for these children.

The Senator's amendment focuses not only on the early learning, but also on Head Start, which serves 3- and 4-year-olds.

The Senator is familiar with the excellent hearing that was chaired by Senator JEFFORDS, and during which we learned that 98 percent of young children are receiving important sup-

port services at a young age. In Europe, for example, such services have had an important impact on a child's learning ability. That is what the Senator's amendment is about and why it is so compelling.

Mr. HARKIN. I thank the Senator.

Mr. KENNEDY. I yield the floor.

Mr. CONRAD. The Senator from Rhode Island is seeking time?

Mr. REED. Yes.

Mr. CONRAD. How much time would the Senator like?

Mr. REED. Fifteen minutes.

Mr. CONRAD. I yield 15 minutes to the Senator from Rhode Island off the resolution.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. REED. Madam President, I rise in strong support of the Harkin amendment.

Senator HARKIN understands that in America education provides the best opportunity for all of our citizens to achieve and that this country, at its best moments, should always be about opportunity. Senator HARKIN seeks to ensure that every child has an opportunity. He has appropriately titled this amendment "Leave No Child Behind," because he believes sincerely, as do I, that we have to reach out, not just rhetorically but with real resources, to make sure every child can seize opportunity, which is what America is all about.

Unlike the Republican budget resolution before us, which contains only a paltry increase for education—in fact, this increase is smaller than the annual increases in education in the last 4 out of 5 years—the Harkin Amendment provides \$250 billion over 10 years for education, a funding level that would truly leave no child behind.

All of our Nation's students have to be given the tools and the opportunity to excel and be successful, in effect, to live out the American dream. The Harkin amendment provides these tools and the opportunity through high quality education that spans a lifetime—from early childhood education, through elementary and secondary education, through higher education, and indeed beyond to postsecondary, lifelong learning. High quality education costs real dollars. The Harkin amendment puts those real dollars into this budget.

President Bush and our Republican colleagues claim that their proposal will leave no child behind, but simply adding accountability to our elementary and secondary schools without providing adequate resources will not do the job.

I have had many opportunities to talk with the Secretary of Education and other leaders in this administration with respect to their education proposal. They talk a good game. They talk about accountability. They talk about standards. But then when you ask them: Where are the resources? They say: Well, we really don't need resources.

That is just not the case. Every American understands that education is worthwhile and that we must invest in education, not just with words but with dollars, to make a high quality education a reality in the life of every child. Indeed, today, the Federal budget only devotes only 2 cents of every Federal dollar to education. We have to do more—not to dispossess the States and the localities of their responsibilities, but to complement and supplement what they are doing.

Today we live in a challenging, international economic order, and students from Massachusetts are not just competing with students from Mississippi; they are all competing against the very best and brightest around the globe. That requires investment. It requires raising our standards and giving every child a chance to reach those standards to ensure that we have the best-educated workforce so we can compete in this competitive global economy. That is what the Harkin amendment will do.

Specifically, Senator HARKIN would help all children start school ready to learn by funding Head Start to make it available to all eligible 3- and 4-year-olds and to expand learning opportunities under the Early Learning Opportunities Act. Making children ready to learn has been a goal of the Federal Government for more than a decade. When President Bush organized the Governor's conference, they determined that their first goal was to ensure that every child should enter school ready to learn. We have failed to achieve that goal. With the resources this amendment provides, we can strive and, I hope, attain that goal.

We also want to ensure that every child is taught by highly qualified teachers in classrooms that are not overcrowded or in ill-repair. The Harkin amendment quadruples funding for professional development, includes money for increasing our effort to reduce class sizes, and increases the resources going to school repair and modernization.

We all understand, too, that every child, including those students with disabilities, must be a part of the educational experience in a meaningful way. That means fully funding the Individuals with Disabilities Education Act.

We also understand that we have a special obligation at the Federal level to provide the most disadvantaged American children with a real chance, and that is why Senator HARKIN will increase title I funding substantially.

Then in order to complete the job, we have to ensure that all of our children with talent and ambition coming out of secondary schools have the resources and the opportunity to go to college. So, Senator HARKIN is calling for an increase in the maximum Pell grant by \$600 to \$4,350. He is also calling for a significant increase in other need-based student aid programs, such as LEAP, TRIO, and GEAR UP.

All of these proposals go to the heart and soul of what we should be about:

giving every child the chance to learn; making them ready for school; giving them good teachers and good facilities; and then giving them the opportunity to go on to postsecondary education.

I cannot think of a more important task, one that is more central to the concerns of all Americans, and one that is more fully realized than this amendment proposed by Senator HARKIN. I support him strongly.

I will be offering two amendments with respect to education. The first I will offer, with my colleagues Senators KENNEDY and BINGAMAN, would support recent initiatives sponsored by the administration and supported by the Health, Education, Labor, and Pensions Committee, that involves testing of our students. The President has called for the testing of all students in grades 3 through 8. I understand, as so many of my colleagues do, that testing is an important aspect of education, not the sole aspect of education, but an important aspect of education. But, I have raised concerns, as have others, that these tests can dominate curriculum so that essentially children are narrowly being taught the test. And one graver concern is that these tests, because so much rides upon them, would be dumbed down or otherwise compromised so that they are not really a valid tool to assess a school's performance. They simply become a routine way to secure Federal funding.

Nevertheless, I believe we should provide the States with the resources if we require them to test every child in reading and math in grades 3 through 8.

The HELP Committee passed the BEST Act under a unanimous vote, 20-0. The bill authorizes \$510 million to help States meet this mandate—\$400 million for the development and implementation of annual State assessments and \$110 million for administering State assessments under the National Assessments of Educational Progress. The National Governors' Association, however, has expressed concern that this level of funding is likely not enough to cover the costs. In fact, with an average testing cost of \$50 per student, the real cost may be well over \$1 billion. While the amount authorized under the BEST Act is a start, it is really only an initial downpayment on the true cost of implementing these tests.

From what I am hearing from colleagues in Rhode Island, high quality tests are very costly, and the State will need money to implement and administer these tests. It costs a great deal of money to administer and score the tests, to prepare schools and teachers to administer the tests, and to perform other tasks necessary to ensure an appropriate testing regime that will adequately assess the progress of children and will contribute to their education, not distract them from their education.

In Rhode Island, it has been estimated that the cost of an annual testing regime as contemplated by the

BEST Act will be about \$4 million a year. That is a great deal of money in the State of Rhode Island for education. That money could be used for other purposes in education. I believe if we are mandating these tests, we should at least provide for these resources.

I know a few years ago it was quite in vogue for Republican colleagues to talk about "unfunded mandates," how the Federal Government was imposing these restrictions and requirements and not giving the resources to do it. I can't think of a more transparent and obvious unfunded mandate than to require each State to test each child in grades 3 through 8, which is a traditional province of the States in terms of curriculum, and not give them the Federal resources to carry out that mandate.

So my amendment would, in fact, provide the downpayment on the costs of these tests. I hope it will be agreed to because, right now, this budget does not put the dollars behind the rhetoric when it comes to State testing.

I will offer another amendment along with Senator KENNEDY that would increase our commitment to opening the doors of higher education to our neediest students. Senator HARKIN has indicated in his amendment that he understands the need to increase Pell grants and to support need-based programs. My amendment also would do this. It would increase significantly those resources that are going to programs that are designed to assist talented Americans who are economically deprived. It would increase the maximum Pell grant by \$600 to \$4,350, something Senator HARKIN also supports. It would increase the LEAP program, a partnership between the Federal Government and the States to provide income-based grants and aid to students going to college by \$45 million to \$100 million. It would increase the supplemental educational opportunity grants. It would also increase the Federal Work-Study Program to provide students with more resources as they work their way through college. It would increase the TRIO program, designed to identify talented young people, assist them to get into school, and mentor them and help them as they progress through college. It would also increase the Perkins loans capital contribution to assist universities and colleges as they reach out to individual students who need help. It would also help on the loan cancellation part of the Perkins program for reimbursement to colleges for loan forgiveness.

The amendment would also increase funding for the GEAR UP program, another early intervention program. It would also address teacher quality and recruitment through title II of the Higher Education Act by providing additional resources to help teachers better prepare themselves and help communities recruit better teachers.

All of these programs are designed to be consistent with the theme that has

been struck by Senator HARKIN in his amendment. If we believe in opportunity, we really have to invest in education. When you get down to the practicalities of school systems in this country, the rhetoric doesn't work. When you get down to the notion that they will simply reorganize themselves effectively and that will make up for additional resources, that clashes with the reality of local education.

What is the reality of local education? Well, the school committees strive for months to come up with a budget. They go ahead and they want increased professional development, and they want increased funds to improve their facilities, to fix roofs. They have made political compromises and struggles to get there. They are just about to announce it, and then they get a call—the superintendent gets a call; it is their health insurance company. They have just announced that premiums are going up 45 percent. So guess what happens to all that money for professional development, library books, and school construction; it is gone.

The virtue and the value that we offer is that we can provide these funds and fence them off, if you will, commit them to libraries, school construction, reducing class size; and by doing that, we can make real progress working with local communities.

The Harkin amendment is the most important amendment in this whole budget because it would put us on record again as saying that we believe in education, in opportunity, and we will support it with dollars and not just words.

I yield the floor.

Mr. CONRAD. Is the Senator from New York seeking time?

Mrs. CLINTON. I am, Madam President.

Mr. CONRAD. Would 7 minutes be all right?

Mr. GREGG. I ask the Senator from North Dakota, are we going to go back and forth on the time?

Mr. CONRAD. There has been no real formality here. If the Senator from New Hampshire would like time at this point—

Mr. GREGG. Why don't we have the Senator from New York speak, and then I will seek recognition after her.

Mr. CONRAD. That is very gracious. I yield 7 minutes to the Senator from New York, and then we will go to the other side.

The PRESIDING OFFICER. The Senator from New York.

Mrs. CLINTON. Madam President, I rise in support of Senator HARKIN's effort to make sure that we as a nation keep our word and that we do, indeed, make education a national priority.

The Senator has called for investing \$250 billion in education programs for our children over the next 10 years. I think that is a smart investment. I think that is a sound investment. I think it is a prudent investment. I know that improving education has bi-

partisan support, as I know from my work on the Committee on Health, Education, Labor, and Pensions, where I serve with the distinguished Senator from New Hampshire, where the Elementary and Secondary Education Act reauthorization—now called the BEST Act—passed with unanimous bipartisan support.

I think we need to put the resources behind the title of that act. If it is to be the BEST Act, if it is, indeed, to promote education and provide the kind of opportunities that our children need in the 21st century, then we have to be sure it is not an empty program.

Higher standards will mean absolutely nothing unless we provide our schools and our students—particularly in underserved urban and rural areas—with the resources and support necessary to meet those goals. We have to ask ourselves whether this budget, absent an amendment such as that of Senator HARKIN's, will reflect and meet those priorities.

When we talk about our children's education, we know we have to start early. Does this budget include funding for Head Start, Early Start, the Early Learning Opportunities Act to the extent that our children and families need them? We don't know the details yet, but I am very concerned that what we do know seems to indicate that important programs such as Head Start and the Early Learning Opportunities Act may well be at risk.

In fact, according to the Congressional Budget Office, the administration's spending on education, training, employment, and social services does not actually include a real increase in spending. The numbers have only been adjusted for inflation, which is important and necessary to do, but that means there hasn't been money added to cover the additional children who attend our public schools and rely on these important programs. In fact, I believe it is correct to say that we now have more children in school than we have ever had at any previous time in our history. And in the absence of adding real resources, we are going to find ourselves, once we do get this budget, which I hope will be soon, having to take money away from programs such as Head Start in order to provide services for the elderly, or vice versa. Those are not the kinds of Hobson's choices, at a time of surplus, we want in order to make the best investments, pay down the debt, and provide affordable tax cuts that I think are available to us.

How do we expect children to enter school ready to learn if they don't have the best of resources at home, which many of our children don't have, and we don't help provide them through partnerships in our communities?

It is obviously clear, as Senators HARKIN, REED, and KENNEDY pointed out earlier, the research is absolutely positive that a nurturing, stimulating child care environment has enormous positive impacts on our children. I

would like to see us meet the goals outlined by Senator HARKIN of providing eligible 3- and 4-year-olds the opportunity to participate in Head Start.

I also know that once our children get to school, if the classrooms are so crowded, if the teacher cannot even get to all of the children during the day, then many children who come with a disadvantage are never going to catch up. I believe we should continue the efforts we started of reducing class size and putting dollars into getting more qualified teachers into our classrooms.

With both Federal and State funding, for example, New York City has been able to reduce class size for approximately 90,000 students in the early grades. That is nearly 30 percent of our entire K-through-3 population. We know from the research that we are getting better results because of it.

Also, what we claim to be our priorities should be reflected in the school buildings for students to see. We talk about how important education is, and yet I know throughout New York and throughout America, based on my own visits, there are children going to schools in deplorable condition. We have many school buildings that are very old that need to be upgraded.

Modernization costs are soaring. This administration's budget wipes out the \$1.2 billion partnership with States and localities for emergency school renovation and repair. I do not believe this is the time to be cutting funds that will help us modernize our schools, equip them with the technologies that are needed—in fact, in some instances, make them safe enough for the children and teachers who spend their days in them.

It is not enough, though, just to reduce class size and have modern, well-equipped schools. We also have to have teachers in those classrooms. We are seeing shortages throughout America. For example, in Buffalo, 231 teachers retired last year, compared with an average of 92 in each of the preceding 8 years. Most telling, Buffalo lost 50 young teachers who moved on to other jobs or other school districts.

Buffalo happens to have the oldest school stock in America. Some of the schools were beautifully built, but their walls are so thick that they cannot be wired. I have seen schools where the wires for computers come out the window and down to be hooked up.

For many teachers, these are impossible circumstances. That is why I introduced the National Teacher and Principal Recruitment Act which I believe will bring up to 75,000 qualified teachers into our highest needs school districts.

Later this week, I will offer an amendment to the budget resolution to reserve funds specifically for teacher recruitment. We have to ensure that all our teachers get the professional development they need.

My friends tell me it is just harder teaching these days. There are a lot of

circumstances that make it harder, but the fact is, if we are going to put our money where our words are, then we need to invest in our teachers, in their professional development, in their recruitment, and their retention.

We also need to be sure the Federal Government lives up to its responsibility to fully fund IDEA. Special education students should be provided with the assistance they need to meet the academic standards they are required to meet. I support Senator HARKIN's amendment which will work toward the goal of fully funding the Federal Government's share of IDEA.

Finally, I do not think there is a more important obligation than to make sure those doors to college are wide open to anyone who is willing to work and study hard. I support increasing the maximum Pell grant. I support expanding programs that will help our low-income and minority students get the assistance they need while they are still in high school, and even junior high and middle school, so they are ready to go on to college, by investing in programs such as TRIO and GEAR UP. It is imperative, especially in this economic time, to increase job training by nearly \$1 billion a year. These are the investments we should be making.

I urge my colleagues to truly leave no child behind and vote in favor of Senator HARKIN's amendment.

I thank the Chair.

Mr. GREGG. Madam President, I yield myself such time as I may consume off the resolution.

The amendment offered by Senator HARKIN and Senator WELLSTONE has a number of facets to it. The first, of course, is it reduces the tax cut as proposed by the President by \$450 billion over 10 years. That means it is taking money out of the taxpayers' pockets and putting that money somewhere in the Federal bureaucracy.

One of the priorities that has been set out is a desire to take from the taxpayers money the Federal Government does not actually need because the Federal Government is running a rather dramatic surplus, \$5.6 trillion over the next 10 years.

The first priority the Senators laid out is education. The second priority is debt reduction. It takes \$450 billion. It takes \$225 billion of that and applies it to what they claim to be debt reduction as the first element.

We need to understand that under the President's proposal, all the debt that can be paid down is being paid down. President Clinton, before he left office, sent us a budget submission which told us how much the non-marketable debt was, debt which could not be bought down by the Federal Government over the next 10 years.

I have a chart that reflects that number. President Clinton said that number was \$1.2 trillion. That is debt that cannot be retired over the next 10 years. We are talking about public debt. President Bush has suggested that the nonretireable debt is \$1.15 tril-

lion. Those two numbers are important because President Bush reduces the retireable debt the maximum amount it can be reduced. In other words, he reduces it down to the \$1.158 trillion.

There is not any more debt that can be bought. We cannot go into the marketplace and buy more debt unless we are willing to pay a very significant premium. The practical implication of the Harkin-Wellstone amendment is that they want to pay a higher premium to buy back debt than would have to be paid by the American taxpayers if it were purchased in the regular order of events. To accomplish the goals of the Harkin-Wellstone amendment, we would have to, as a Government, take Federal tax dollars and say to people who own American debt: We are going to pay you a premium to buy it back; we are not going to retire it in the regular order of events; we are actually going to require or we are going to ask you to pay it back to us, and because you do not have to pay it back to us and you may not want to pay it back to us, we are going to give you a premium. We end up spending more money than is required to pay down that debt. That makes no sense at all.

What the President has proposed is that we pay down the maximum amount of debt that can be paid down over this period. He has proposed buying back more debt faster than at any other time in history. This is a very significant point because there has been a lot of debate about this in this body over the last few months as to how much debt can be paid down. The problem is there does not seem to be an agreement on this point.

However, if we look at the numbers, we can conclude pretty clearly that the President has chosen a reasonable figure. Why is that?

These are the types of debt, if we were to buy them down today, on which we would have to pay a premium. The first is coupon issues, and that is \$670 billion. The second is inflation-indexed issues, and that is \$113 billion. The third is savings bonds, and that is \$170 billion. Then comes State and local government series; that is \$86 billion; bonds backing up emerging markets, the Brady bonds, \$19 billion; and bonds issued as part of the S&L cleanup is \$30 billion, and other bonds that are nonretireable at \$63 billion, adding to \$15 billion. This was not a number the President picked out of the air. It is tied to specific obligations of the Federal Government which have been determined to not be retireable.

The practical effect is you cannot get below that number when you are buying back debt. The Harkin-Wellstone amendment has proposed we go below that number; that we take the nonretireable debt number down to about \$900 billion. To do that will cost probably another \$50 billion. We will have to tax the American taxpayer more in order to raise money to buy back debt at a premium.

Mr. CONRAD. Will the Senator yield?

Mr. GREGG. I am happy to yield when I finish my statement.

Mr. DOMENICI. When you finish, don't yield to him. I want to be recognized.

Mr. GREGG. I will yield to the Senator from New Mexico.

Let me complete this thought. It is so important I have to complete it.

The practical implication of the Harkin-Wellstone amendment is this: The American taxpayers will have to be taxed further to pay down debt which isn't available to be bought back today because it is not retireable. So we end up, instead of saving money, costing the taxpayers money by doing it this way.

That half of the Wellstone-Harkin amendment makes no sense on its face.

I yield to the chairman of the committee.

Mr. DOMENICI. I thank the Senator for coming to the floor and spending so much time while I could not be here.

The poor American taxpayer. Every amendment from the other side wants to spend the surplus so they won't have it. Those on alert out here ought to be the taxpayers. Every time we turn around, a huge amount of money that is scheduled under our President's proposal to go to the taxpayers of America is taken away from them for another program, another activity. Another Senator comes to the floor and talks about how fixing up America will require us to do another 10 things.

Where do you think all those new things come from? They come right out of the surplus that was going to the American taxpayers.

On this particular one, listen up; the President's \$1.6 trillion is diminished, not by a little bit but by \$450 billion. For those who expressed a desire to have a tax cut, if you had the slightest sympathy toward the President's tax cut, understand that all of these goodies talked about don't come free. They come from somewhere. In this case, they come from the taxpayers of the United States who were going to get a \$1.6 trillion tax cut.

Who knows what would be in it? Great Senators with more wisdom than I and more clairvoyance have told you how the tax cut will look. With this surplus we are sending to the tax-writing committee, the \$1.6 trillion that the President is suggesting we send to the people of this country instead of spending it, we have no idea what the tax cuts will look like. No idea. That money goes to a Finance Committee that is split even between Democrats and Republicans. They have to get together and write a tax bill. How do we know how it will come out? It will require Democrats to vote with Republicans for a tax bill. What will those people vote for? When the taxpayers of America hear the debate, and there is this huge song, "don't give the rich a tax break," maybe they won't even give the rich a tax break. Maybe they won't even give the rich a tax break. Who knows? They will be given

a \$1.6 trillion cut, if you adopt these budget numbers. Now they will be given \$450 billion less.

All the Senators who spoke of all the good things we could do, they are all good things, but remember, they are not free. In this instance, they come out of a surplus that is \$5.6 trillion. And we can't give the taxpayer back \$1.6 trillion? We will collect \$27 trillion in all kinds of taxes during that period of time. Can we not give them back 6 percent when we have this huge surplus?

I heard the other day that I have been working on budgets when they were mostly in deficits. I find it much easier to handle a budget that is in deficit than I do one that is in surplus. When we have one that is in surplus, everybody wants their hands on the surplus. I am here, maybe the only one, saying \$1.6 trillion of that should go back to the taxpayer. I hope I have 51 Senators agree that is what we ought to do.

There are plenty of things that could be done by the tax-writing committees for the American taxpayer that would be very good. I will talk about one right now because it gets a lot of attention from the other side. The other side of the aisle would not argue that the beneficiaries of a growing, prospering American economy are the people. In fact, the more growth for the longest period of time, the more poor people get out of poverty, the more middle-income people climb to a higher middle income because you have prosperity and growth. When you have a surplus, what should you use it for so you can be sure you are providing prosperity and growth, which every single American, rich or poor, certainly would like? Rich, poor, middle income, whoever is sitting around their breakfast table talking, whether they are finishing up right now for April 15 with a \$75,000 income or \$150,000 income, what do they want? They want to keep on earning money and keep on getting more in their paycheck over the next decade.

How will that happen? It will happen if the American economy is growing so everyone has a real interest in growth, in the innovation that has led to productivity increases—everybody, rich and poor.

The average household in America is going to participate in something called marginal rate reduction. Every level of taxation will get reduced, with the bottom level getting reduced twice as much as the top level. As a candidate for President and as President, why would one ever have dreamed up that in marginal rate cuts everybody gets a tax rate cut. Would he dream it up to help one group of citizens over another? The very best advisers that we could put together were used, and we heard testimony from one in committee, Alan Greenspan.

What kind of use of a surplus is recommended? Pay down the debt as much as you can, they say. Then, surprise,

surprise. They don't say, spend it, like we are. They say, if you are finished paying down the debt, cut the marginal rate for Americans under the American tax system. Why do they say it? Because if you want prosperity and you want growth and most of all what you need in today's economy is investment. Ask anyone. Ask some of your Senators, ask their friends, perhaps somebody they trust on Wall Street, ask them what is needed the most. They will say investment. How do you get investment? By cutting the marginal rates.

So everybody has a stake in it no matter what the other side chooses to call it. It is the very best thing we can do with the surplus.

Now, regarding the \$1.6 trillion tax cut, since there is a continual carping about who gets the breaks, the average across America is \$1,400 in the hands of the taxpayer to use for what they would like, \$1,400 on average. In my State, it is \$1,800 on average. I wonder what it is in the State of the occupant of the chair. I would guess it is somewhere between \$1,400 and \$1,800 because of the level of income. But anyway, that is speculative. The others I know.

In any event, the issue is are they apt to use that money right or are we apt to use it more right by spending it the way that is being proposed in this amendment?

I believe I do not have to answer that question. I believe the American taxpayers will answer that question: You give us our \$1,200, \$1,400, \$1,600, or whatever we get in a marginal rate cut. We will spend it better than the Government is going to spend it on new programs or additions to programs that are already adequately funded.

I want to look at this one more time for anybody who has listened to those on the other side of the aisle. Here are President Bush's numbers. We have done it as well as we can to put it in our budget. The first number in red, \$5.6 trillion, is the surplus, an incredible surplus—in this Senator's opinion, a credible surplus. If we argue which is most apt to happen, I would say that is most apt to happen, \$5.6 trillion, because there are others that might happen. It might be \$12 trillion—that is what the economists say—or it might be \$1 trillion or \$800 billion. But if you ask them what is it the most likely to be, they say use that number.

We take Social Security out of it and that leaves a surplus for the rest of Government of \$3.1 trillion. The Bush-Domenici budget said there was plenty of support for it. I could name everybody else on it; it is just I happened to put his budget into language in a resolution.

So the next thing we do is take off the \$1.6 trillion we want to give back. Write the tax bill however you want. We send an even number of Democrats with an even number of Republicans to the Finance Committee and they will have to worry about how to spend that \$1.6. So anybody who thinks they have

that formula, they have to wait around for a couple of months and see what that next group of Senators does with the tax bill.

I repeat, the numbers are even Stephen in that committee: 11 Democrats, 11 Republicans.

Just follow down. The rest of these are pretty obvious: Available for other priorities, \$1.5 billion: Medicare/prescription drugs. Make sure you keep the surplus in the health insurance program. And then debt service, for \$400 billion, and, lo and behold, there is \$500 billion of contingency fund left over.

Let me repeat. Whenever you have a surplus and whenever you plan to give some of it back to the American people, rest assured, it will be a very hard fiscal policy—it will be very hard to get the work done on the floor because everybody wants a fistful of that surplus. Not for the taxpayers; it is for other things that they are certain the Government will fix if we just have more money for the Government to spend.

I will give one other example. You might wonder, hearing the debate, how much more we need. Somebody out there watching might have said it would be interesting to know how much you are spending. Since we are talking about what you want to spend in addition, it must be in addition to something. I thought we would just say what has happened to education nationally and what is going to happen under President Bush, so everybody who has been hearing these debates about all we want to do for education, remember, it all comes out of the taxpayer's hide. Here it is, starting in 1998, 29.9; 1999, 35; 36, 42, and then the President's request of 44.5. That is a 10.6-percent average increase. So education is getting a pretty good chunk of money and the President has asked for \$2.5 billion more than we are spending this year.

I could get up here and list 25 new education programs and say we need more. But let me see the next chart and I will be finished. President Clinton requested \$34.7 for education. Congress gave him \$35.6. In 2001, he requested \$40 billion; we gave him \$42 billion. In 2002, he asked for \$40.1 billion—interesting, no increase in President Clinton's budget—we increased it from 42.1 to 44.6.

There was a whopping 25-percent increase. If there is anybody who thinks we are not helping education, from 2000 to 2002, we will have increased it 25 percent. I am not standing here saying education does not need more money, but I am wondering, when the Federal Government is putting in the largest share each year in education, largest increase in decades, whether or not the taxpayer ought to not be looked at to get the next piece of money out of that surplus, when we are already taking care of education quite well.

So everybody ought to know when my friend Senator WELLSTONE gets up

and talks about all the things he would do, I say to Senator LOTT, he has 20, 30, 40 things the Government ought to do that he thinks would make life better. Let me remind everyone, you have to get that from somewhere, and there are only a couple of places to get it. One place to get it is to reduce what the taxpayers are going to get; just take it out of that pocket and decide we have something much better to do with it than do the taxpayers.

We plan to give back to the American people over a decade—not tomorrow, not the next day—over 10 years, \$1.6 trillion out of a surplus of \$5.6 trillion. This amendment, with all the things that have been spoken about that we will be able to do, takes \$450 billion right out of the taxpayers. The taxpayers had a little pool of money they thought they were going to get back. It amounted to \$1.6 trillion. This will cut it to \$1.150 trillion—just like that. If you do not think this is an important amendment for the taxpayers, just think about that. It is a pretty big change in what they might have been expecting, what the business community, through the lowering of marginal rates, might have expected to get the American economy going permanently. That is going to be reduced by \$450 billion.

Think carefully, Senators, when you vote on this. Have we increased education? Absolutely. Does the President intend to increase it? Absolutely. Does he intend to increase special ed? Absolutely, to the highest levels, percentages in many, many years.

You have seen them up here. The facts are the facts. The Senator from New Mexico is not saying you could not spend more on education, but I suggest it is time to put the taxpayer right up there with any new program add-ons and ask: Don't they deserve to be considered up there with any program? It is their money and they clearly ought to have a chance to spend it.

With that, I yield the floor.

Mr. WELLSTONE. Mr. President, this amendment includes provisions that I believe, as the Ranking Member of the Senate Health, Education, Labor, and Pension Committee's Subcommittee on Employment, Safety, and Training, are an essential part of fulfilling promises we have made to the American people. As part of changes we made to the welfare laws, we said to families who were on welfare that if they went out to look for a job, we'd make funds available for training and counseling to help them reach that goal. We have said to workers who have lost their jobs through economic dislocation and down turns that we would make funds available for training and counseling to help them find a new job or start a new career. We have said to the young people in our communities that we'll make funding available to help them reach their full potential and become productive members of their communities.

This was our promise, training, counseling, and other services to help fami-

lies move out of poverty, move off of welfare and into good paying jobs.

And we funded that promise, last year in the amount of \$6.1 billion.

Now, however, although it is somewhat difficult to tell because we have not seen the President's budget, it appears that this Administration wants to cut these funds by nearly \$1 billion.

That is totally unacceptable. We need an increase in funding for these important workforce training programs—not a decrease. We need to fully fund our promise to working families. We need to tell the working men and women of this country, and the young people seeking to better their lives, that we believe in them, that we will support them.

That's what this amendment does. It fully funds our promise to the working families of this country. In particular, it 1. restores the nearly \$1 billion that we believe may be cut from workforce training programs in this resolution and in the President's proposed budget, and 2. adds an additional \$900 million a year for ten years to fund adult, youth, and dislocated worker training programs under the Workforce Investment Act.

These Workforce Investment Act programs that we're trying to protect, and expand funding for, make a huge difference in people's lives. Let me give you just a few examples.

Judy Lundquist from the Minnesota Workforce Center in Grand Rapids shared this story with me:

For less than \$1,000 we were able to train Bridget as a Nursing Assistant, she had been a seasonal cabin cleaner earning less than \$2,000 a year, living in housing without electricity or running water. Her husband had injured himself while working for an employer that did not carry worker's compensation and was unable to work in the logging industry as he had been prior to his injury. On the day she passed her Nursing Assistant Certification Test she obtained full-time work. I saw her just before Christmas at Wal-Mart with a shopping cart full of low cost Christmas Presents. They have moved to housing that is more appropriate and actually has running water. Once they moved and were able to afford a telephone, Bridget's husband was also able to find appropriate work.. We have more than recovered the cost of her training in taxes on her earnings. We also trained someone to help fill the urgent need in our community for qualified Nursing Assistants.

And from Hennepin County's Training and Employment Assistance office comes this account:

Timothy, a 41 year old unemployed factory worker, applied for WIA services hoping to obtain any type of work quickly. He had left his assembly job after ten years because he was very discouraged about continuing this type of work. Timothy had been unemployed for four months and was despondent about his situation.

Through WIA counseling and assessment, it was determined that Timothy had skills and aptitudes for a new career. Timothy had obtained a degree in Divinity 17 years earlier, but had never attained a position related to this degree. He had, however, been active as a church member in many service activities.

Timothy established a job goal of human service counselor. His WIA counselor as-

sisted him in revising his resume and conducting a job search using the career resource room, job opening information and internet job search engines. After three months of participation in job search workshops and interviewing, Timothy was hired as an admissions counselor for an education institution.

And from Workforce Solutions in Ramsey County, we hear this about assistance to dislocated workers:

Our federal dislocated worker program is funded to serve, in this current program year, 277 individuals. One of those individuals, Steven E. came to us having been laid off by a health care institution. He originally worked in the nursing field. When he reached our counseling staff, not only was he suffering from nearly 12 months of unemployment but chemical dependency and the impact of a recent divorce. Our staff, through intensive and support services, managed to get him into chemical dependency treatment and worked to upgrade his nursing certificate and licensure. He also participated in grief and stress support groups to address his personal life issues. Because of the WIA funding, he successfully completed his nursing licensure upgrade, and the chemical dependency treatment. Four months ago, he was hired by the American Red Cross working for their blood collection and distribution program.

And finally, from Central Minnesota Jobs and Training Service in Monticello, I hear this about the need for funding of youth training programs:

[A] decrease in funding to the youth programs has a significant effect on the number of youth that are able to be served and the amount of services that are provided under the WIA program. Offering long term services, meeting performance standards, offering at a minimum of 12 month follow-up and retention services, and incorporating all of the new WIA youth elements, has increased the amount of staff time per participant and has limited the number youth to be served compared to past practices. All of the new initiatives are necessary to meet the needs of the youth and long term services is beneficial to their success. Without additional funds, there will be a limited amount of new participants being enrolled into the program in the coming years. The funds will be used to work with youth already enrolled in the program for many years and to offer comprehensive follow-up and retention services.

The State of Minnesota included the need to increase funding for Workforce Investment Act activities in their "Federal Priorities for 2001." These programs are vital to meeting our promises to the American people, promises to move families out of poverty, off of welfare, and into good paying jobs where they can earn a living wage. We must honor those promises by supporting this amendment.

Mr. BAUCUS. Mr. President, today I rise to express my strong support for adequately funding federal education initiatives.

"Education is," as historian Henry Steele Commager said, "essential to change, for education creates both new wants and the ability to satisfy them." In this ever-changing world, it is vitally important that we make sound investments in education. The investments we make today will count every day in our kids' lives.