

sometimes—and we will argue about it at great length—the role of the Federal Government vis-a-vis State and local. We will talk about where money ought to go and what ought to be required in terms of accountability. Indeed, we should. But to really know, we should pause for a while and ask: What do we want the outcome to be? What is it that we visualize for ourselves and our family and our community? What do we think education ought to be?

We have a responsibility as parents particularly in terms of determining how that can be accomplished. The role I think for the Federal Government is to help provide some additional funding—be it a relatively small percentage. I think it is important we have some kind of testing that is common throughout the country as most of our kids move around when they graduate from college or high school. We need to ensure our schools in Casper, WY, are preparing students as well as they are in Denver or Los Angeles. That is part of today's world.

I think we have a great opportunity now for better education, and one of which I hope we will certainly take full advantage. As I mentioned before, the Republican plan puts more money in education than the President asked for. But money alone does not provide a good education. I don't think you can have good education without it, but there are other requirements as well.

You have to have some accountability and much more.

I am delighted and excited about the opportunity to deal with this bill, S. 1. Why? Because it was considered to be the most important issue before the Congress. This was the issue that the President talked more about than any other and it is the issue that has more to do with the future of this country. The people run the Government. The people must be prepared to do that as well as being successful in a free country and a free market.

Thank you, Madam President. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. NELSON of Florida). Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, it is good to be back in the Chamber. I don't think we are going to take all of the 4 hours, from what I understand, unless somebody wants to join us. I have two unanimous consent requests, both of which the Senator from North Dakota is aware, and then I will proceed with a few remarks. It won't be much. Then I will yield, unless he prompts me to give a 2-hour speech, and we will be out.

CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR FISCAL YEARS 2001—2011—Resumed

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order of April 6 with respect to conferees to the budget resolution be modified to add Senator BOND and Senator MURRAY.

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

Mr. DOMENICI. Mr. President, pursuant to the agreement of April 6, I now move that with respect to H. Con. Res. 83, the budget resolution, the Senate insist on its amendment, request a conference with the House on the disagreeing votes thereon, and the Chair be authorized to appoint conferees on the part of the Senate.

The PRESIDING OFFICER. There are now 4 hours of debate on that motion.

Mr. DOMENICI. Mr. President, I don't know why we need 4 hours. If any Senator wants to speak to the issue, the appointment of conferees and sending the completed package which we voted on, 65 Senators voted aye on, to the House and seeking a conference agreement with them, that is why we are here.

I understand that under the previous order, we are going to take up H. Con. Res. 83 and that either this Senator or the majority leader will be recognized to make a motion that we insist on an amendment—we have just done that—request a conference, which we have done, on the disagreeing votes and the Chair be authorized to appoint conferees on the part of the Senate. We have done that.

We now have 4 hours, which have been agreed to, to debate this issue. I don't intend to even come close to spending 2 hours on this matter. To anyone on my side of the aisle, if they want to speak, I will be here for a while, as long as my ranking member wants me to be here by virtue of his speaking. If any Republican wants time, I will give it to them. If we run out of time, I will give some of his people some of my time.

Anytime I may have, I will reserve at this time. Essentially, I don't need very much of it.

Now we are in the process of proceeding to conference on two budget resolutions. We begin that process with the appointment of conferees in the Senate. The House has not done that yet. They will appoint their conferees tomorrow. It is my hope that the conference can meet as soon as the House has appointed its conferees, maybe as early as Wednesday.

Over the recess the two staffs of the Budget Committee on the majority side have been meeting to organize the materials for conference, to lay out any technical differences that can be resolved quickly by the conferees, and to highlight the major differences between the two resolutions. I am sure that information will be shared, and wherever the minority thinks there

should be matters changed, added to, or in any way described differently, obviously, we will take that into consideration.

I don't think there are very many big secrets about the differences in the two resolutions. The House budget resolution sticks fairly closely to President Bush's budget submission that was submitted in some detail over the recess period. Everyone knows that over the recess, April 15 came and went, with the American public paying their taxes, with the few exceptions being those who get extensions. Taxes are at an all-time high in terms of the totality of collections by the U.S. Government. The House budget resolution assumes a tax cut over the next 11 years of over \$1.6 trillion.

The Senate-passed budget resolution assumes a tax cut of nearly \$1.3 trillion over the next 11 years, including this year's \$85 billion surplus rebate, or, in some way, a refunding of 85.2, which should be implemented quickly to provide both a stimulus to the economy as well as longer term marginal tax rate reductions and whatever else can be accomplished by the Finance Committee within the agreed-upon tax number.

It is fair to say that the Senate-passed budget resolution provided for more spending than the House-passed resolution, both in the annually appropriated and in the accounts sometimes referred to as mandatory spending, or sometimes referred to as entitlement spending.

In the area of appropriated accounts, the Senate-passed budget resolution provided nearly \$688 billion in budget authority, or an 8.3-percent increase over current year funding. The House-passed budget resolution was at the President's request of about \$661 billion.

When I use these two numbers, 688 and 661, the 661 is the President's 4-percent increase. That increase is in the totality of Defense appropriations and nondefense appropriations. And so is the \$688 billion, in which the Senate approved the 8.3 percent. That includes Defense and nondefense.

While the increase or changes in the annually appropriated accounts have received the bulk of the attention in this debate so far, I need to highlight the fact that the Senate-passed budget resolution significantly increased spending for programs we refer to as mandatory spending, compared to the resolution which I introduced and upon which we commenced our debate, and that is before it was amended. We have added nearly \$400 billion in so-called mandatory spending, almost all of this in the area of some kind of educational funding, principally funding for special education.

Again, almost every dollar we added back for mandatory spending we took away from the President's proposed tax cuts. It should be obvious that the major challenge before the conference will be to find a compromise in both the areas of tax cuts and spending.

I don't think it requires a great deal of budget or political skill to figure out that an obvious compromise for the House is to reduce its tax cuts and increase its spending assumptions, and the Senate to increase its tax cuts and reduce its spending assumptions.

Finding that balance will indeed be a challenge, but I am confident that within a week or so we will reach an agreement that meets the challenges of drafting a budget blueprint that will allow us to get on with putting together and implementing legislation to provide a tax cut. There will be plenty of time to argue and debate what kind of tax cut and what will be affected and how soon.

Obviously, we need to consider the reduction of debt held by the public and fund national priorities such as health care, Medicare prescription drugs, energy security needs, defense, and environmental programs.

Mr. President, at the appropriate time, as I said before, I will yield back the remainder of my time. I yield the floor at this point.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, I thank my colleague, the chairman of the Senate Budget Committee. I think neither of us believes we need 4 hours for this discussion. In fact, we need a relatively brief period of time on our side. I just want to go through the decisions that were made in the Senate in contrast to what President Bush proposed and in contrast to what we proposed on our side, just to put in some perspective where we are going as we go into the conference.

I have prepared this chart in order to help me do that in as efficient a way as I can. In this column, we have what President Bush proposed. The second column is what we proposed in the Democratic alternative. The third column is what the Senate passed.

If we look at the top, this is the projected surplus over the next 10 years, and we are all in agreement. The agencies that make these forecasts have told us we can anticipate \$5.6 trillion over the next 10 years. I am quick to point out that I would not bet the farm on any 10-year forecast or any 10-year projection. The agency that made this forecast themselves warned us of its uncertainty. They have said very clearly there is only a 10-percent chance that number is going to come true. There is a 45-percent chance that there will be more money, according to them. There is a 45-percent chance there will be less money.

After the performance of the economy over the last 8 weeks, since the forecast has been made, I would be willing to bet a lot more money that there is going to be less than what is forecast. With that said, that is the official forecast. Then we go to the various elements of the proposals by the President, and by us on our side, and what passed the Senate.

The next major item is the Social Security trust fund. The President fore-

casts \$2.6 trillion of Social Security surplus over this next 10 years. He allocates \$2 trillion of it to paying down national debt. We allocated \$2.5 trillion to paying down the debt.

By the way, we had a somewhat different estimate by the Congressional Budget Office as to the amount of the Social Security trust fund surplus. The President's people said \$2.6 trillion. The Congressional Budget Office said \$2.5 trillion. We are compelled to use the Congressional Budget Office numbers. So we have reserved all of the Social Security trust fund money for the Social Security trust fund because those moneys are not needed immediately. They go to pay down debt. The Senate passed \$2.5 trillion.

In the Medicare trust fund, the President reserved none of it for the purpose of paying down the debt. In fact, he moved all of it—in his forecast, it is \$526 billion. He moved it to an unallocated category. That is something with which we strenuously disagree. We don't believe that money is unallocated, uncommitted. We believe it is fully committed to the Medicare trust fund. Unless you use it for that purpose, you hasten the insolvency of the Medicare trust fund. So we don't believe it is available for other spending. We don't believe it can be used for any other purpose, nor should it be.

So in our alternative—again, there is somewhat of a different estimate from the President's, who estimates there is over \$500 billion in that category, and the CBO estimates \$400 billion—we reserve it all for the Medicare trust fund. That is what the final Senate result did as well.

I should make very clear that while, in total, they reserve the full amount for the Medicare trust fund, in 4 of the years they have raided the Medicare trust fund. In 2002, 2005, 2006, and 2007, they go into the Medicare trust fund to fund other priorities. We don't support that; we don't believe in it. We don't believe any private sector company could do such a thing. We don't believe we should be doing it either. That left, under the President's proposal \$3.6 trillion and under both the Democratic alternative and what passed the Senate, \$2.7 trillion available for other uses.

The President proposed, of the \$3.6 trillion in his plan that was available, using \$1.6 trillion for a tax cut. We proposed \$745 billion. The Senate passed \$1.2 trillion—roughly halfway in between the two proposals.

Then we go to the question of high-priority domestic needs. The President proposed \$212 billion of spending for high-priority areas. We proposed on our side \$744 billion. The Senate actually passed \$849 billion. The Senate actually passed spending of \$105 billion over and above what we on the Democratic side proposed. If you look at the constituent elements, you can see the President proposed on education over the next 10 years \$13 billion—a very modest sum of new money in the President's plan. We don't believe that is

sufficient. We proposed \$139 billion to strengthen education in the country. The Senate actually passed \$308 billion, which is far more than we proposed and obviously dramatically more than the President proposed.

On prescription drugs, the President proposed \$153 billion over 10 years. We proposed \$311 billion, and the Senate actually passed \$300 billion, very close to what we suggested.

On defense, the President proposed \$62 billion above the baseline. We proposed \$100 billion above the baseline. The Senate actually passed \$69 billion more than is in the baseline assumption.

On agriculture, the President actually proposed a cut of \$1 billion. We proposed in our Democratic alternative some \$88 billion to match what our major competitors are doing for their producers or match it as closely as we can under current trade law. One can see the Senate actually passed an increase of \$58 billion, again somewhere in between our proposal and the President's proposal.

On health care coverage, the President proposed no new money. We proposed \$80 billion to expand health care coverage, to begin to cover additional people who now do not have the benefit of health care coverage. The Senate actually passed \$36 billion, again somewhere in between.

On environment, the President proposed very substantial cuts, \$48 billion in cuts on environmental protection. We proposed an \$18 billion increase. The Senate actually passed cuts of \$41 billion. We believe that goes too far. We believe that is not wise given the environmental threats we face—clean air, clean water—and this is an area that should be addressed in the conference.

In a category we call "other," the President proposed some \$33 billion in spending priorities. We proposed \$8 billion. The Senate actually passed \$119 billion, most of that for our Nation's veterans. Some \$68 billion of what passed in the Senate was for our Nation's veterans, \$14 billion in home health care, and the rest in other items.

Next is the category of strengthening Social Security. This is where we have a very significant difference. The President proposed using \$600 billion from the Social Security trust fund itself to strengthen Social Security for the long term. We believe that is double counting. We do not believe we can take money from the trust fund itself and use it to fund private accounts or anything else. We believe that is double counting, that it hastens the insolvency of the Social Security trust fund itself, and that we ought to reserve every penny of the Social Security trust fund for Social Security, and any additional money to strengthen Social Security should come from outside the trust fund itself.

That to us is the more conservative approach and one that has more prospect of working given the demographic

tidal wave we face when the baby boomers start to retire. One can see under our alternative and what passed the Senate, neither of us agreed to take money from the Social Security trust fund for that purpose.

We proposed using non-Social Security, non-Medicare trust fund money to strengthen Social Security in the amount of \$750 billion. This is the area in which what finally passed is, frankly, most deficient. There is not a dime in what passed in the Senate to strengthen Social Security for the long term other than reserving the Social Security trust fund surpluses for Social Security. That is important. It is necessary. It is not sufficient. We simply must do more.

All of the testimony before the Senate Budget Committee made very clear that we face a demographic tidal wave just beyond the 10-year window of this budget resolution. That is when the chickens are going to come home to roost. That is when we see these massive surpluses now turning to dramatic deficits. That is why we believe not only should we reserve every penny of the Social Security surplus for Social Security, but in addition to that, we ought to take money out of this general fund surplus to strengthen Social Security for the long term as well. We believe that is just common sense.

We hope very much before this conference is done that not only will we reserve the trust fund moneys for the trust funds but that we will make an additional commitment in a contribution from general fund surpluses that are projected.

Remember, these are projections. This is not money in the bank. This \$5.6 trillion is not money in the bank. This is money that is forecast. That is why we think the President's proposal is especially unwise because he is taking virtually all of the non-trust-fund money and committing it to a tax cut. We just do not think that is wise. We do not think that is prudent.

We do not think any institution, if they were faced with a similar set of facts, would make this kind of decision. We do not think they would say we are going to take virtually all of our non-trust-fund money and put it out in a tax cut or, if you were a private sector enterprise, if you were a company promising a shareholder dividend, lock it in now for the next 10 years, virtually every penny outside the trust funds for the retirement funds of your employees and the health care trust funds of your employees. That is what the President has proposed.

Is that really what people would do if they were running a company? Is that what they would do? I do not think so. I believe they would pay down their debts to the full extent possible. They would invest in the future. Yes, they would have a dividend for the shareholders, but they certainly would not commit all of their non-trust-fund money for that purpose based on a 10-

year forecast that the people who made the forecast themselves say is highly uncertain.

Then we have the final differences in the interest costs. The President's interest cost is \$461 billion. Ours is \$490 billion. The Senate-passed package will cost \$572 billion.

People say to me: Gee, what are you talking about, interest cost? What is that about?

Simply, to the extent we provide a tax cut or we spend money, that requires additional interest costs because to the extent we have a tax cut, to the extent we have additional spending, that reduces the amount that is going to pay down the debt. That means we have more debt than we would otherwise have. That means higher interest costs.

Most of the President's additional interest cost is generated by his tax cut. In fact, his tax cut that is advertised to cost \$1.6 trillion does not cost \$1.6 trillion. It costs, just with the interest cost associated with it, at least \$2 trillion.

Then, of course, there are other things that have not been factored into the President's proposal because we now know that because of his proposal we are going to have to reform the alternative minimum tax.

The alternative minimum tax currently affects 2 million American taxpayers. Under the President's proposal, 35 million people are going to be affected, and it costs over \$300 billion to fix it. It is nowhere in the President's budget, but we know that cost is there. We know this Congress is never going to allow one in every four taxpayers in America to be caught up in the alternative minimum tax. It makes no sense. It will not happen, and it should not happen. It costs money to fix it. It is not in the President's budget, but it should be because it is a hidden cost.

In addition to that, there are a whole series of other things the President has not included that also cost money. We know that certain tax breaks currently provided in law are going to be extended. Research and development is going to be extended. We certainly are not going to change the energy tax credits that are in current law in the middle of an energy crisis, and we should not.

That costs money, but it is not in the President's proposal. Oh, it is there, it is just not funded, and that is another part of the problem of the President's plan.

He imposes a lot of costs, but he doesn't fund them. You can stick your head in the sand and say we will not fund them, but we know the reality is different.

Finally, on the unallocated category, the President has \$845 billion; we propose nothing in the unallocated category. What actually passed the Senate was \$129 billion. On the President's side of his \$845 billion, I hasten to point out that \$526 billion of that is from the Medicare trust fund. His unallocated

category is really much less than is advertised. About two-thirds of that money is Medicare trust fund money. All of a sudden he uncommits that money. I don't know from where that idea came. You cannot unallocate it. You cannot uncommit it. It is fully committed. Doing such a thing as the President proposes moves up the insolvency of the Medicare trust fund by 16 years. By 16 years sooner the Medicare trust fund goes broke—sooner than if the money is left where it is supposed to be in the Medicare trust fund.

These are the fundamental differences between what President Bush proposed, what we proposed on our side, the Democratic alternative, and what actually passed the Senate. The major differences are in the areas where the President proposed a tax cut, twice as big as what we proposed. On the other hand, we proposed \$900 billion more in debt reduction than the President proposed. That is the biggest set of differences between the President and the Democrats. He has a tax cut that is about \$800 billion more than ours. We have about \$900 billion more in debt reduction than the President. There is the fundamental difference between the two sides.

In addition to that, there are also differences in high-priority areas. Let's review them. In education, we propose far more in new resources for education than does the President. The Senate agreed with us. In fact, it went well beyond our proposal.

On prescription drugs, we proposed twice as much as the President. And the Senate adopted a number very close to what we proposed. There is no magic to this. There is no secret in it. What the President proposed is totally inadequate. Only 25 percent of people who are Medicare eligible get any help under the President's plan; 25 percent of the people would be helped and 75 percent would not be helped. It is no wonder the Senate adopted a number very close to what the Democrats proposed. Most objective observers say that is what is necessary to provide a meaningful prescription drug benefit.

On defense, we proposed more than the President and more than what passed the Senate.

On agriculture, the final result was somewhere in between. The President proposed a cut—a cut when we are in the midst of an agricultural crisis. It is the worst we have seen in 50 years. The President is proposing less resources. He is proposing the Congress not be able to respond as we have in each of the last 3 years to pass an economic disaster bill for our Nation's farmers. It makes no sense. We propose to be able to fund what we have been doing the last 3 years, and the Senate came somewhere in between.

On health coverage, another major difference, the President proposed no new resources. We proposed \$80 billion. The Senate, again, was somewhere in between.

As I see it, those are major differences. Those are the issues that will

have to be resolved in a conference committee. The House plan is close to what the President proposed.

I say to the conferees, you will have to come pretty close to what the Senate passed or the conference report simply will not pass in this body. That tells me we will have to make adjustments. The President's tax cut plan will have to be reduced. There will have to be more resources for education, prescription drug benefits, our Nation's defense, and agriculture than what the President has proposed and what the House has adopted.

Also, I hope we come out with a result that is better than what passed the Senate or the House with respect to strengthening Social Security for the long term. Nothing has been done—nothing in the House or Senate versions—to strengthen Social Security for the long term. It has gotten almost no attention. It is going to receive attention. It will receive attention at the end of this 10-year period when the baby boomers start to retire and the surpluses today turn into massive deficits. That is why we ought to take this opportunity with our surpluses to strengthen Social Security for the future. That is our responsibility. That is our obligation. We ought to take it seriously. I hope the conferees will.

With that, I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, obviously I have on numerous occasions in the Senate Chamber discussed these issues, and on many of them I disagree with my friend. On some I agree. I certainly appreciate his thoughts as to what kind of conference report we will have to have in order for it to pass. He suggests it will have to be close to the Senate version. I don't know how anyone expects the House to accept something like the version passed in the Senate. Nonetheless, we will proceed. We will work carefully to make sure we have enough people in the Senate willing to vote on final passage.

I certainly don't go there operating on the premise discussed with the ranking member on how to get that done. We have to be careful and accept some of the Senate wishes. We certainly don't have to accept them all.

I will go back in history for a moment. The Presiding Officer is a member of the committee and will probably recall on January 23 Dr. Alan Greenspan appeared before the committee. That was the first testimony before a committee by Alan Greenspan, Chairman of the Federal Reserve, during this post-December era, where some serious changes in the American economy became very public and notorious. I have confidence that Alan Greenspan is correct in suggesting the "new" economy is here to stay and the comeback will be in the new economy along with the old economy. The future is built on the new economy which took us through these years of prosperity

and which he assumes will come back in due course and lead us to prosperity for a very significant period to come.

In this budget, we have to decide how we can be helpful. The Federal Reserve Board seems, to this Senator, to be doing everything it can to reduce short-term high interest rates. That is very important. It is important because it is also affecting long-term rates. Money is being made available. What is thought to be the biggest problem is investment, capital investments by business—both the new economy businesses and the old economy businesses. It is thought by some that perhaps the new economy has too much inventory around to invest in new capital and new production. We will see. We keep abreast of it as best we can.

Now, what should we do? The Senate had a vote on a Hollings amendment. I am not sure we can come out of the House with \$85 billion from this year's surplus because I am not sure they can figure out a way to get that to the people. I submit we ought to get this conference completed; we ought to direct the Finance Committee to start with a tax cut plan. Obviously, I don't know from where that will come.

We are, under our numbers, the way we figure it, at a tax level of 1.28. I round that to say 1.3. Every time I say 1.3, I hope everyone knows the exact number is 1.28.

The House is a little higher than 1.6 in total taxes for a 10-year period. They don't have very much allowed for this year, the year we are in, in which we have a very large surplus for the rest of Government. It does not take anything out of Social Security or Medicare.

What ought to happen is we ought to get out of this conference quickly, resolve that tax issue, resolve some of the other issues where clearly we disagree, and then we ought to prove to the American people that we can get something done. I think getting something done means a tax bill that will come out of the Finance Committee under our reconciliation instructions, which we debated thoroughly and the Senate decided to do that by a 51-49 vote. We decided our committee would work under the expedited process and get us a tax bill.

I am very hopeful they will find a way to allocate back to the American people as much of the surplus that exists for the year 2001—which we said in our Senate resolution was up to \$85 billion, which actually in the resolution I introduced we said up to \$60 billion—but somewhere in that area. I hope they will find a way. I hope they will apply their wills to finding a way to get back in circulation somewhere between \$60 billion and \$85 billion, meaning this year Americans will get some tax money back in their hands.

I do not hear anybody who thinks that is anything but the right thing to do. We ought to show the American people we are working in harmony with the Federal Reserve Board to affect the

current short-term problems in the economy, hoping if we right them, and if there is a way, that will bring into play a long-term growth all of us very much desire for our people.

In addition, with that same bill under the expedited process—kind of the hurry-up-and-get-it-done process to show Americans you can do it in a timely manner, the part which is called reconciliation—I hope we will produce a tax bill for the remainder of whatever we agree upon.

In the House they say \$1.6 trillion over 11 years. We say \$1.3 trillion over 11 years. Whatever the number, I hope they do the early stimulus as I have described and then proceed to give us some marginal rate reductions.

Why did I start with Dr. Alan Greenspan? Because I want to close with him. This year, on January 23, and previously to this on two occasions, addressing the issue of surplus and what we should do with it, he said: You should pay the debt down as much as possible, No. 1; No. 2, he did not just say cut taxes, he said reduce or cut marginal tax rates. We asked him, How do we help the economy? That was the precursor question to the answer I just gave. First, pay down the debt as much as possible. Second, reduce or cut marginal tax rates.

I know a lot of people say: Let's help the economy. But then they say: I don't know about this marginal rate business. We would like to do other things.

It would be nice to do other things, but the truth of the matter is we are hearing from the very best that if you do have a surplus that you are going to give back to the people, and you are not in a mode of doing right-now stimulus because we already addressed that issue, do that as much as you can, the answer has been: To help the economy, reduce marginal rates.

I regret to say what was not said was reduce marginal rates for halfway up the tax structure and not the other half. What has been said is reduce the marginal rates. We hope when we are finished under this expedited feature we will get an early stimulus and we will get a bill that helps with the long-term economy in the mode and manner discussed by Dr. Greenspan every year for the last three when we addressed surpluses.

I do not choose today to get into an argument about how much debt reduction is the right amount. My good friend thinks we should have more than we voted in in the Senate, we should have more than I provided in the underlying proposal, and more than the President suggested. But we think we have a very good debt reduction proposal and still can have a good number for tax cuts. We believe when you start with debts—the U.S. Government has debts taking about 17 percent of the budget—and we can say to the public at the end of this time it will be down to between 5 percent and 7 percent, we think we are making a giant stride in reducing the public debt.

I have in my mind showing a pie graph of where the Government money goes. People always say: Why so much to the debt? Because we have a lot of debt. How much are you going to reduce it? We are going to reduce it down to where that sliver, that piece, is going to be between 5 percent and 7 percent; that is going to be the cost remaining. In my opinion that is exactly what we ought to do.

I want to close with one thought. Frankly, I hear the ranking member from the other side, whom I admire and respect, I hear him talking about whether we want to agree and believe that we have the surplus of \$5.6 trillion over a decade. I want to remind everybody, when the chips are down and you have sitting before you in the committee those who have figured the numbers and the variables on what might be the case, when you finally ask them which is it going to be, the \$11 trillion that it might be or the \$1.6 trillion that it might be or the \$5.6 trillion—that 50 percent or 75 percent, I think, where the lines end up when you do a model and ask them—if you have to decide which one is right the answer is, use \$5.6 trillion.

We can do anything we would like. We could use \$2 trillion as the starting point and say that is all we can expect. Some might say, instead of \$5.6 trillion, you ought to use \$7.5 trillion or \$8 trillion because it could be much higher. I think the number that has been chosen, \$5.6 trillion, from which you will pay Medicare for sure, from which you will pay for all the Social Security indebtedness that we have—every penny that belongs in that trust fund is used to pay that debt down—when you end up doing that, I think you have a very balanced package and that leaves open the issue of how much do we spend.

Those who are interested have seen the divergence of how we spend, how we spend under what I will call the Democratic proposal, how we would do it under the Domenici proposal, and how we would do that under the proposal that passed the Senate. Clearly, in the Senate, many amendments were accepted on the side of either entitlements or appropriation expectations—the amount we can use in appropriations. Many were accepted on the floor and nobody should believe we are going to take all of those and accept them all in a conference with the House which has started with the President's number. There has to be some give and some take. I think that will happen.

I look forward to chairing the conference in a spirit of getting it done as quickly as we can so we can get on with passing the bills that will carry it out and stopping as quickly as we can the debate of what we ought to do and get into a mode of what we are going to do.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, there is clearly an area of major agreement be-

tween the two sides. That is the need for fiscal stimulus now. We had in our budget resolution \$60 billion in budget stimulus this year, in the year 2001. Maybe it will be helpful for people to understand the differences between what I was talking about and the budget for the years 2002 through 2011. But we are in the year 2001 right now. So when we compare the tax cut under the Bush budget and our proposal and what passed the Senate, we are talking about the 10 years from 2002 through 2011. The President proposed \$1.6 trillion. For that period we proposed \$745 billion. The Senate passed something roughly in between. But this does not cover the year 2001, the year we are in right now.

Both Senator DOMENICI in his budget proposal, and me in ours, proposed \$60 billion of budget stimulus this year, financial stimulus this year, fiscal stimulus now to give a lift to this economy. What actually passed the Senate was even more generous, \$85 billion of fiscal stimulus for the year 2001.

What Senator DOMENICI is saying is perhaps we cannot do quite that much in conference, and perhaps we cannot. But we do have \$96 billion available outside of the trust funds of Medicare and Social Security, so we know we have budgeted already enough money to accommodate a fiscal stimulus of up to \$85 billion without invading the trust funds of Medicare and Social Security, and we are obviously in very close agreement on this question. I think the American people should take heart from that, that we are going to be working together, fighting together, trying to put together a fiscal stimulus package for this year, the year we are in right now, 2001, to get out to the American people to give some lift to this economy. And that would be a good thing to do.

The chairman made mention of a number of other issues that we have talked about in the past—how much debt reduction can you do? We have a disagreement on this question. We believe we can do more debt reduction than they have proposed, certainly than the President has proposed.

I note that the Senate agreed with our position. The Senate provided a good deal more debt reduction than the President has said that he believes is possible. That was a good outcome. I hope we do not shrink from that.

But the place we really did not do as well is in strengthening Social Security for the long term above and beyond the trust funds themselves. All of us know just saving the trust fund money for the purposes intended is important, but it is not enough.

That is why on our side we believe not only should we reserve all of the trust fund money for the Social Security and Medicare trust funds, but then, in addition to that, we ought to take some of the general fund money and use that to strengthen Social Security for the long term because that is what it is going to take to do the job

and to prevent a massive buildup of debt from occurring.

I think one thing that often gets lost in the debate is the current indebtedness of our country. The gross debt is \$5.6 trillion. Under the President's plan, the gross debt of the United States is going to grow to \$7.1 trillion. The gross debt, under his plan, is not going to be reduced; it is going to grow. Under our plan, we are able to keep it about where it is because we are putting more money into debt reduction—both short-term and long-term—than is in the President's plan. We believe that is a wiser course.

We are reserving about 70 percent of this projected surplus for debt reduction. He reserves about 35 percent of the projected surplus for debt reduction. So that is the major difference. That is where we really have a difference of opinion.

We think we ought to put more emphasis on debt reduction because, frankly, given the uncertainty of the forecast—and that is another area where we have a disagreement. Senator DOMENICI says \$5.6 trillion is the number. Well, he is right in the sense that is the number that has been given to us by the Congressional Budget Office and the Office of Management and Budget. That is a very professional forecast. I will not argue with that for a minute. It is well done. But it is a 10-year projection—10 years. The people who made the forecast said there is only a 10-percent chance that number is going to come true.

Let's not cast that in concrete. Goodness, that should inform us; it should not lock us into decisions to use every penny of that money. I think what it should tell us is that we should be cautious. That is why we put a greater emphasis on debt reduction because, then, if the forecast does not come true, the worst that has happened is you have reduced the debt less than you anticipated. That is the worst that happens.

Under their plan—because they are using all the money, between their tax cut and other priorities—what happens if that isn't true? It risks putting us back into deficit. It risks us raiding the trust funds of Social Security and Medicare all over again. Goodness knows, we have been down that road. Do we have to repeat the 1980s all over again? I hope not. Can't we learn from the 1980s—the time we had a rosy forecast like this one, had a big tax cut, big defense buildup, and wondered why the deficits and debts of the country multiplied geometrically? I do not want to repeat that exercise. That put our country in a deep hole. It took us 15 years to dig out. I do not want to be digging out for the next 15 years.

The difference between the 1980s and now is that in the 1980s you had time to dig out. If we make a mistake now, there is no time to dig out because in 11 years the baby boom generation starts to retire, and then these surpluses turn into big deficits as the number of people eligible for Medicare

and Social Security double. That is what is going to happen. We know it. It is not a projection. The people are alive. They have been born. They are living today. They are going to retire, and they are going to be eligible. And it is going to cost the Government a lot of money, much more than we are currently having to pay out.

So let's be cautious. Yes, let's be conservative. The conservative thing to do is emphasize more debt reduction and to curtail our appetite to spend and curtail our appetite to have tax cuts, which are both living for the moment. It is fun to live for the moment; especially if you are a politician, there is nothing better than to have tax cuts and spending. That is the best of all worlds. The problem with that is that we have a need to be responsible to future generations. Our generation ran up this debt. We have the obligation to pay it down and to do it before we start to retire. Goodness, the last thing we ought to be doing is shoving this debt on to our kids. We ran it up. We ought to retire it.

Mr. President, with that, I yield the floor.

Mr. DOMENICI. Mr. President, I have nothing further to say. I do not think there is anyone on our side who wishes to speak. If the Senator is ready, we can yield back our time.

Mr. CONRAD. Yes. We are prepared to yield back our time on our side.

Mr. DOMENICI. I yield back any time we have reserved under the previous order.

Mr. CONRAD. I do as well.

The PRESIDING OFFICER. Under the previous order, the motions are agreed to.

The PRESIDING OFFICER (Mr. NELSON of Florida) appointed Mr. DOMENICI, Mr. GRASSLEY, Mr. NICKLES, Mr. GRAMM, Mr. BOND, Mr. CONRAD, Mr. HOLLINGS, Mr. SARBANES, and Mrs. MURRAY conferees on the part of the Senate.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

MORNING BUSINESS

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

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

APPRECIATION OF SERVICE BY THE DRUG ENFORCEMENT ADMINISTRATION, UNITED STATES CUSTOMS SERVICE, UNITED STATES COAST GUARD, AND THE NATIONAL GUARD

Mr. GRASSLEY. Mr. President, as chairman of the Senate Caucus on International Narcotics Control, I rise to highlight some of the recent interdiction and investigative successes by the men and women of the Drug Enforcement Administration, DEA, the United States Customs Service, the United States Coast Guard, and the National Guard.

These men and women, and their agencies, are dedicated professionals committed to protecting our great nation from the devastating affects of the illegal drug trade. They are frequently called to place their lives in harm's way in an effort to keep our national secure.

As announced by the Attorney General in January 2001, DEA successfully concluded a 10-month narcotics trafficking investigation named Operation White Horse, that involved the movement of heroin by "swallowers" from Colombia to the United States via the cities of Philadelphia and New York. Sixty-five members of the organization, from the Colombia headquarters of the street-level dealers, were arrested in what was described as a "wholesale dismantling" of the smuggling organization.

The United States Customs Service also had an impressive spring 2001, including a recent week on the Southwest border that netted 61 drug seizures, yielding 5,449 pounds of marijuana and 82 pounds of cocaine, as well as 16 export violations, 6 seizures of prohibited medications, and additional seizures of undeclared merchandise, stolen vehicles, counterfeit credit cards, and illegal fireworks. The Customs Service is rapidly distinguishing itself with the front-line use of X-ray, Gamma-ray, and other non-intrusive technologies at their inspection stations and ports of entry. Customs also completed major domestic and international child pornography cases involving Germany and Russia, as well as continued interdiction of large amounts of the drug Ecstasy.

Coast Guard successes, supported by the Department of Defense, include a 6-day period in February 2001 when it seized 28,845 pounds of cocaine and arrested 24 smugglers, on numerous vessels in both the Caribbean and Eastern Pacific. To date, the Coast Guard has seized 60,636 pounds of cocaine, 20,194 pounds of marijuana, as well as interdicted 1,681 illegal migrants at sea, all in a period of 10-percent operational reductions due to budget constraints.

Finally, I appreciate the superb job the National Guard does in operating the four domestic counterdrug training schools, and hopefully soon a fifth one in Iowa, throughout the country that provide much needed training of Federal, State, local, and community personnel in various counterdrug topics.

I am extremely proud of these successes and the personnel involved. As we consider the budgets for these agencies in the weeks ahead, we need to remind ourselves from time to time that it is real, flesh-and-blood individuals out there on the front lines and not bland numbers on spreadsheets and in our briefing books. Their commitment does us all proud.

NURSING SERVICES QUALITY IMPROVEMENT ACT

Mr. DORGAN. Mr. President, on April 6 my colleagues and I introduced the Medicare and Medicaid Nursing Services Quality Improvement Act of 2001. This legislation is intended to help address a problem currently facing nursing homes in North Dakota and Wisconsin and potentially other nursing homes across the country.

We all know that nursing homes nationwide are facing a looming staffing crisis that is expected to worsen as the baby boomers reach retirement. An American Health Care Association report, entitled "Staffing of Nursing Services in Long Term Care," estimates that the need for registered nurses will grow 66 percent between 1991 and 2020 and the number of licensed practical nurses needed will grow by nearly 72 percent over the same time. Likewise, the number of nurse aides who will be necessary is projected to grow by 69 percent.

In my State, nursing home administrators have a thousand open nurse aide positions that they have been unable to fill. A number of nursing home administrators in North Dakota have told me that they have had to refuse patients because they do not have adequate staff to care for them.

Unfortunately, a problem has arisen in my State that will exacerbate this staffing shortage. By way of background, North Dakota nursing homes have been using trained resident assistants—called feeding assistants in North Dakota,—to help feed nursing home patients. This has been the practice for the last decade with positive results. The data in North Dakota indicates that our nursing home patients experience less weight loss and dehydration than patients nationally, and nursing home officials in North Dakota attribute this to the use of resident assistants.

The problem, however, is that the Health Care Financing Administration has told North Dakota and other nursing homes that they can no longer continue to use these trained resident assistants because they lack certification. In North Dakota, this means that hundreds of resident assistants may need to be laid off later this year, even while my State's nursing homes are experiencing difficulty finding certified staff.

The bill that I introduced along with Senators KOHL and CONRAD would allow