

Five years ago, the Department of Education conducted a review of this program for disadvantaged students known as title I and found:

The progress of [title I, part A] participants on standardized tests and on criterion-referenced tests was no better than that of nonparticipants with similar backgrounds and prior achievement.

When tested, no difference could be found between those inside title I and those outside title I. I want to repeat that. The progress of the participants was no better inside the program than outside the program. In other words, we spent a lot of money on a program that did nothing to improve the situation of these poor children. One hundred twenty billion dollars and nothing to show for it.

How did we reward the system's failure? Of course, with more money. We allowed the establishment to design the system, and we fed the system money hoping that young people would improve, hoping that their scores in reading, math, and science would improve, and it did not happen.

Yes, children have been left behind for a good number of years. We have struggled mightily. Certainly the chairman and the Presiding Officer have struggled mightily to try to reform the primary and secondary education systems of our country. The establishment has fought them openly and aggressively.

Today we have some reform, but we are also putting in a phenomenal amount of new money through authorization with that reform. The question is, What will it yield?

It has been said that the definition of insanity is doing the same thing over and over and just hoping there will be a different result. That is exactly what we have been doing for 30 years.

This is a prescription for mediocrity.

The amendment I offer today will change the way the Federal Government deals with schools that fail to improve. It is a moderate amendment and, I believe, a compassionate amendment.

Decade after decade, as I have demonstrated, at least for the last three decades, schools have failed to improve, and decade after decade, with a wink and a smile, we tell the system: Don't worry about how many children you have left behind, we are still going to give you more money.

The amendment I offer today will stop handing out rewards for leaving children behind. Under this amendment, in order to receive a funding increase under this act, States would be required to make adequate yearly progress in boosting student achievement, as defined in the bipartisan agreement reached between my colleagues from Vermont and Massachusetts, the chairman of the committee and the ranking member.

This is a moderate measure. It will not cut educational spending. It guarantees that a State's funding level cannot fall below its current level but that

a State that does not improve their children's achievement would forgo any reward from the Federal Government until they do.

This amendment even allows the act to adjust for inflation because if we did not, that would be a real cut.

What we have to say to the educational establishment of this country is: If you do not create a system that allows our children to achieve at ever improving rates, then we cannot reward you with more of the taxpayers' money.

Public education is critically important, and a strong public education system in our country has been the foundation of our Republic and, without question, the strength of our Republic.

This is a moderate and compassionate measure, and I believe it is necessary. We cannot reauthorize this act and say that without improvement, the taxpayers of this country will continue to reward the system.

Taxpayers historically have been very generous when it comes to education. Funding at the local and State level over the last several years across the country has rapidly increased. But it is also time to say, as we do with this amendment and with the reauthorization of ESEA, improvement is now a must; it must be measured, and if you do improve, we will reward you. But if you do not, we will no longer use taxpayers' hard earned dollars to buy mediocrity for the young people of America.

Mr. President, I yield the floor.

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

BUDGET CONSIDERATION

Mr. CONRAD. Mr. President, next week we will be considering the budget of the United States. We have gone through sort of the "Perils of Pauline" here crafting the budget for the country. After much talk of bipartisanship, the other side locked out the Democrats from the conference committee. That is the meeting between the House and the Senate budget members to work out the differences between the two sides.

We were invited to the first meeting and told we would not be invited back, that the Republican majority was going to write this budget all on their own, which they have done. So much for bipartisanship.

That is unfortunate. I think we could have crafted a much better result if we would have had a chance to work together. We really had an unprecedented year working on the budget in which there was no markup in the Budget Committee, and now a conference committee to work out the differences between the House version of the budget and the Senate version of the budget completely excluding Democrats from the consideration.

As a result, I think we are going to get an unbalanced budget, a budget

that threatens to put us back into deficit, back into debt, a budget that does not reflect the values of the American people, that does not put a priority on education when everybody is giving speeches about the critical importance of education.

I grew up in a family in which my parents were killed when I was young. My grandparents raised me. My grandmother was a schoolteacher. In our family, education was the priority. It was not just the first priority; it was the second priority; it was the third priority because my grandparents believed that education was what unlocked opportunity for every child. They just did not talk about it; they lived it.

My grandparents, who were successful people but not wealthy by any means, set aside a fund so every one of my brothers and cousins could go on to higher education. As a result, everyone in our family got an advanced degree. There were 13 cousins in my immediate family and everyone got an advanced degree—from a middle-class family. That was because my grandparents truly believed in the value of education. They were right. Those are the right values. Those are American values.

We hear a lot of Senate speeches about education being the priority. When they go to the back room and write a budget, all the speeches are right out the window. It is all hot air. It is all fluff. It does not mean a thing. It is all words—words and not deeds.

That is not right. In fact, it is misleading people to stand up and say they are for education and then go in a back room and cut out every penny of money to strengthen education. They ought to be ashamed of themselves.

We are going to have a real chance to compare votes on education in this Chamber with votes on the budget, and we are going to see how they match up. We are going to see who is being straight with the people they represent and who is not.

Here is what we have learned of this conference report. This is what the President's budget was. This is the Democratic alternative. This is what the Senate passed. This is what is coming out of the conference committee. It is very interesting.

The tax cut has gone up from what was passed in the Senate. But when you look at education—this is the education line. We passed \$308 billion of funding for education, new money for education. What came out of the conference committee? Zero. No money.

It is not just there that this budget fails us. On the environment, the President proposed a huge cut. What came out of the Senate was a substantial cut but not as big as the President's. What has come out of the conference committee? Zero. No new money for protecting the environment.

It does not end there. On strengthening Social Security—to me, this is, along with education, the most valuable because we know—there is not a

Senator who does not know we are headed for a crisis when the baby boomers retire.

We know that. This is not a projection. The baby boomers have been born. They are alive. They are going to retire. And they are going to dramatically increase the draw on the Federal Treasury and the programs of Social Security and Medicare.

The President has a big event at the White House saying he is for strengthening Social Security. Then when you go to match the words with the deeds and you look at the bill coming from the conference committee, do you know what you find that has been a set-aside to strengthen Social Security? Nothing. Zero. No money. It is all words about how education is a priority. It is all words about how strengthening Social Security is a priority because there is no new money for either one—nothing for education and nothing to deal with the long-term debt that is facing this country in Social Security.

I think we probably know, as I reviewed before and as this chart details, what happened in the Senate. In the Senate, we passed the Harkin amendment that provided \$225 billion over 10 years to improve education in America, money that is desperately needed. My colleague from Idaho said money doesn't make a difference. It doesn't in and of itself solve the problem. We all understand that. It takes more than money to improve education. We will have a hard time getting the best people to be teachers in this country if we don't pay them decently.

What is happening all across America is that many of the best teachers are leaving education because they are not being fairly compensated. I have a cousin who was a teacher on an Indian reservation in North Dakota—a wonderful teacher, absolutely superb. But she was being paid so little money she really couldn't make ends meet. So she left to go to the private sector, started a store and became a small business person. That is terrific. But education lost a star performer.

It is just not here, but across America people are leaving education for higher paying jobs somewhere else, and we are losing some of the best.

We can either say it doesn't matter or we can respond. We have schools all across America that were built in the 1950s that are not prepared for the high-tech world of today. We turned our back on that and said: Well, tough luck, kids. You are not going to be educated for the world that is to come. We are going to leave you out of the high-technology workforce.

That is a mistake. We know that classrooms have too many students in them. We know that every objective standard has indicated that if you have smaller classrooms and fewer students, the individual student who gets more attention does better. It costs money.

Here is what we did in the Senate. We said we are going to put the money

where our mouth is. We are going to put some money into education: \$225 billion. We are going to reduce the tax cut by \$450 billion. We are going to put half of it into education. We are going to put half of it into further debt reduction.

Look at what came out of the conference committee: Zero. They took out every dime of additional money for education. We passed in the Senate the Breaux-Jeffords amendment for IDEA funding. That is the disabilities act. Congress made a promise when it passed the disabilities act that they were going to fund 40 percent of the cost. They did not do it. We said: Let's provide the money to keep the promise. And we did it in the Senate.

It goes to the conference committee, and they come back with a big goose egg.

Why is this being done? I believe it is being done because the overall budget doesn't add up. It doesn't add up. If you include an education initiative, if you include the money that is being asked for by the Defense Department to strengthen America's defense, then you have a budget that doesn't add up. You have a budget at that point that is raiding the Medicare trust fund and the Social Security trust fund. Of course, everybody says they do not want to do that.

Our friends on the other side of the aisle have produced a budget that is kind of a hide-and-seek budget. It hides big chunks of spending that all of us know are going to occur.

For example, there appeared in USA Today on Friday, April 27, "Billions Sought For Arms. Secretary seeks to reduce role of ground troops," talking about the Secretary of Defense.

The story goes on to say, "As Defense Secretary, Donald Rumsfeld, nears the end of a top-to-bottom review of Pentagon, he is expected to seek a large boost in defense spending—\$200 billion to \$300 billion over the next 6 years."

Is that in the budget? Is that big defense buildup in the budget? No. None of it is in the budget. They do not have \$200 billion to \$300 billion of new money in the budget for defense. Why not? Because if they put it in before the tax cut passes, the budget doesn't add up. They are into the Medicare trust fund and the Social Security trust fund.

What is going on here is a giant scam. That is what is happening. It is a giant scam to mislead the American people—pass the tax cut, and then come back to Congress and say: Oh, by the way, we forgot about the money that we need for defense. We need \$200 billion or \$300 billion just for the next 6 years.

Remember, this is a 10-year plan on which we are working. They say they are going to need another \$200 billion to \$300 billion just for the next 6 years, only it is not in the budget that we are going to vote on next week. Not a penny of it is in there. Why? Because, if they put it in, the budget doesn't add up.

That is their problem. As soon as you are honest with people about the true costs of funding defense and of improving education, then you are raiding the Medicare trust fund, the Social Security trust fund, and doing it in a big way. These aren't the only items left out.

Let me conclude on the defense item. This is a story that ran in the Wall Street Journal. This was May 1st. "Pentagon plan sees 42 percent rise in the arms budget."

Is there a 42 percent rise in the budget we are going to vote on next week? No, there is no 42 percent rise. They have not put this money in the budget. They are going to announce the week after next, after we have passed the budget with the big tax cut in it, because they don't dare show the true budget, the true spending, or the true plan until they get their tax cut passed because if they show the true numbers, it doesn't add up. It doesn't come close to adding up.

They are raiding the Medicare trust fund to the tune of \$250 billion. They are raiding the Social Security trust fund to the tune of \$50 billion. That is what is really going on in this town.

It is a hide-and-seek budget. They are going to hide the true effects of this budget until after the tax cut passes. Then they are going to come back to us, and they are going to say: We have to do something more for defense. We have to do something more for education. We have to do something to fix this alternative minimum tax problem.

That is a big one they aren't talking about. The alternative minimum tax today affects about two million taxpayers. The Joint Tax Committee has told us that if we passed the Bush plan, 35 million people are going to be caught up in the alternative minimum tax.

Boy, they are in for a surprise. They thought they were going to get a tax cut. But instead, one in four American taxpayers will be caught up in the alternative minimum tax. They will be paying more. It costs \$300 billion to fix it.

Do you see that anywhere in the budget? It is nowhere in the budget. They don't have a dime in this budget to fix the alternative minimum tax. They don't have a dime for this big defense buildup they are getting ready to announce. They don't have a dime of new money for education. Why? Because, if they did, they would have a budget that doesn't add up. It is right back into deficit. It is right back into the bad old days of deficits and debt and decline.

The harsh reality is, unlike the 1980s, if we go back to deficits and debt now, this is no time to recover, because the baby boomers start to retire in 11 years. Then all of this changes. We go from big surpluses today to massive deficits in that 10-year period.

That is the Comptroller General of the United States warning us of where

we are headed. He says we face a demographic tidal wave that is unlike anything we have ever seen in this country. That is because the baby boomers are such a large group, when they retire, the number of people on Medicare and Social Security double in very short order.

We ought to be setting aside money today to deal with the problem we know is coming tomorrow. This budget does not do it. This budget does not set aside a dime to strengthen Social Security for the long term. There is no money in the budget for that.

In our budget, we propose setting aside \$750 billion to strengthen Social Security for the long term. But the conference committee comes back and there is no money, just as they came back with no new money for education, no money for this big defense buildup they are going to be asking for week after next, no money for area after area that we know is going to be a real cost—no money to fix the alternative minimum tax. The reason is simple and clear: It is only by showing a false budget that they can get it to add up.

If they put the true costs in, if they put in the defense buildup, if they put in the cost of alternative minimum tax reform, if they put in new money for education, then they are heavily raiding the Medicare trust fund, heavily raiding the Social Security trust fund. That is the truth.

This is exactly how we get into trouble in the country: betting on a 10-year forecast that even the people who made the forecast warn us is unlikely to come true. In fact, we have a projection of a \$5.6 trillion surplus over the next 10 years—\$5.6 trillion. But that is just a projection. That money is not in the bank.

In fact, the people who made the forecast said that number only has 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.

That forecast was made about 10 weeks ago now. What has happened in the interim? The economy has weakened. We have a jobless report today that suggests quite dramatic weakening in the economy. So do we bet there is going to be more money or less money? I would say all the signs are there is going to be less money. That puts us in grave danger of going back into deficit, going back to the bad old days of raiding every trust fund in sight.

I say to you, the thing that is most wrong about that approach is that in the 1980s we had time to recover. This time, if we get it wrong, there is no time to recover. The baby boomers start retiring in 11 years, and all of these things that have been working in our favor start to turn the other way. There is not a Member of this body who does not know that is true.

I just hope that before we vote on this budget, people will think carefully about the implications, and they will

think carefully about the risks, and they will think carefully about the danger of going back into deficit, back into debt, just before the baby boomers start to retire; and we know these surpluses of today turn into massive deficits tomorrow. That would just be a serious mistake.

Mr. President, I yield the floor and I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

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

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

Mr. GRAHAM. Mr. President, I ask unanimous consent to speak for up to 15 minutes as in morning business.

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

THE ECONOMY

Mr. GRAHAM. Mr. President, we have been receiving a disturbingly consistent and an increasingly high volume of bad economic news. Even what appeared to be good news at its base is bad news.

In today's Washington Post, is an article—and I ask unanimous consent that this and the other articles to which I will refer be printed in the RECORD immediately after my remarks.

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

(See exhibit 1.)

Mr. GRAHAM. There was considerable enthusiasm a couple of weeks ago when the Federal Reserve Board reduced interest rates for short-term interbank borrowings by .5 percent. Today, we learn why the Federal Reserve Board acted in that manner in an unusual format between its regularly scheduled meetings.

The background is that the Federal Reserve Board Chairman, Alan Greenspan, had, for weeks, directed the Federal Reserve staff to closely track company earnings announcements and business executives' comments about their plans for such things as capital spending.

Staff members have been working the phones, asking companies specific questions about their future intentions. What the Federal officials and the staff found out by early April was a disturbingly sour attitude among corporate executives, suggesting that many of them were hunkering down, concentrating on cutting costs and slashing investment plans. The policy planners concluded that quick Federal Reserve Board action was needed to try to break the psychological mindset lest it undermine the drag we pick up in economic growth later this year. Many Federal officials are hoping there will

be a turnaround and that this action was necessary in order to turn that hope into reality.

Unfortunately, today we have received some additional bad economic news. To quote from the report of the New York Times:

The Nation's unemployment rate shot up by 4.5 percent in April, the highest level in 2.5 years. Businesses slashed their payrolls by the largest amount since the recession of 1991.

The Labor Department report of Friday—today—was the freshest evidence that the economy, which started to slow in the second half of the last year, continues to weaken. The increase of .2 percentage points in the unemployment rate marks the second straight month the jobless rate had gone up. In March, it had ticked up by 4.3 percent. April's rate was the highest since October of 1998 when unemployment also stood at 4.5 percent.

Similar reports are in today's online news reports from USA Today, the Washington Post, all of which I have submitted for the RECORD.

Nobody likes to talk about bad news. I think what we need to be talking about now is common sense.

What are likely to be the consequences of this accumulation of bad news? I am afraid the consequences will include a further assault upon consumer confidence, which has already declined precipitously, and a further assault on the willingness of consumers to undertake serious expenditures. We know that about two-thirds of our economy is predicated on consumer spending. As the willingness of consumers to spend is undermined by the kind of bad news they received this morning, that will have an immediate and significant adverse effect on our economy.

How have we been reacting—we Members of Congress and the new administration—to this bad news? In my judgment, we have been responding inadequately. We have been responding based on a denial of the changes that are occurring in our economy and an unwarranted commitment to pursue the ideas that were the product of a different economic era.

I believe we should be seriously looking—not only looking but acting—to provide new levels of economic assurance to the American people and the economic capability to take advantage of that reassurance. We should immediately institute a tax stimulus designed to encourage consumers to increase their spending and, therefore, begin to counter the softening consumer demand in our economy.

Unfortunately, the tax stimulus has been the stepchild of tax policy. Why has it been the stepchild? I think, first, it has been the stepchild because there has been an undue commitment to policies that were developed in another time.

I remember a statement made by President Bush, which was a statement made to indicate his constancy, his degree of unwavering support, for his \$1.6