

a long time since I first met you. You had been here a long time before you met the Senator from New Mexico. But I have 29 years of activity here of seeing how things are done.

This is a rather unique institution—unique in the very best sense of the word. You really have to be part of it for a while. You can't just read a history book. Many political scientists have written about it, but none have really captured what it is.

What you say about trust and comity is very right. There is no doubt about it. When people ask you how it runs, you say by rules. But by unanimous consent, a lot of the time, Senators can agree. A lot of times they are not here when agreements are entered into. Leadership does that. That is just one example. Everybody trusts them. They trust us who are doing it. We put together a unanimous consent, or my good friend, the ranking member, did, and it sounds right to both sides. Everybody thinks we are not going to cut them out or improperly agree to something. But we run that way.

Unanimous consent is an interesting word. It means a lot of comity, a lot of trustworthiness between individual Members.

I am not as acquainted with the history, but I have known a number of those who are mentioned.

But you took to the floor talking about this great institution of America, and about its moving forward. I thank you.

When I talked about whether your time should come off the resolution and about whether you had 15 minutes or an hour, whatever you needed, you got.

Mr. BYRD. Mr. President, I thank the distinguished Senator from New Mexico, my friend.

Mr. DOMENICI. Thank you.

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CONCURRENT RESOLUTION ON  
THE BUDGET FOR FISCAL YEAR  
2002—CONFERENCE REPORT—Continued

Mr. DOMENICI. Mr. President, so Members on our side of the aisle understand, I want to say that we are going to go on this evening because there is kind of a gentleman's agreement that we are going to use up most of the time tonight; that is, most of the 10 hours allowed, and set a small amount aside tomorrow just before the vote. I am not dictating that. I am merely saying under the rules we can stay here until the 10 hours are used tonight. I hope we don't use all of it. I don't intend to do so. But if there are Senators who would like to speak, and for whatever reason they want to talk about one portion of this budget, they want to talk about defense, they want to talk about taxes, we have time. I don't have anyone planning at this time to address the Senate.

I want to make a couple of comments, however, before I move to the other side to see if Senator CONRAD has

additional speakers. I want to talk about a habit we get into, depending upon what we have been saying and how we have been acting in the past. But, essentially, there were some comments about what the tax bill would look like and how one part of this institution—to wit, Republicans—were for the rich. I assume by that they meant that the other party is for the poor. But, in any event, I think it would be good for the American people, and those who are watching the evolution of a tax bill pursuant to this budget resolution, to know who is going to make the decision about the tax bill. So give me a moment while I tell everyone who is going to make that decision.

The makeup of that bill—that \$1.25 trillion over 11 years and the \$100 billion that is going to go back to the American taxpayers this year and next year—is not decided or determined by this budget resolution. It tells them how much to do. But the Finance Committee of the Senate decides what are the cuts.

I believe it will serve a purpose to read their names. Then people can think about them as a group, and then remember that at least 11 of them have to agree. Frankly, I believe it is a very representative group. I believe it represents the various philosophical and ideological attitudes of Senators from both sides of the aisle, and even subgroups between it as to Senators.

So let me start: The chairman is Senator CHARLES GRASSLEY of Iowa; the ranking member is Senator MAX BAUCUS of Montana. Senator ORRIN HATCH is second on the Republican side; and Senator JOHN ROCKEFELLER is the counterpart on the Democrat side. Senator FRANK MURKOWSKI is a Republican; and Senator TOM DASCHLE, the minority leader, is a Democrat. Senator DON NICKLES is a Republican; Senator JOHN BREAUX is a Democrat. Senator PHIL GRAMM is a Republican; Senator KENT CONRAD, who has been speaking here about the budget, is a Democrat; Senator TRENT LOTT, a Republican, was also here speaking about the budget; Senator BOB GRAHAM of Florida; Senator JAMES JEFFORDS of Vermont; Senator JEFF BINGAMAN of New Mexico; Senator FRED THOMPSON of Tennessee; Senator JOHN KERRY of Massachusetts; Senator OLYMPIA SNOWE of Maine; Senator ROBERT TORRICELLI of New Jersey; Senator JON KYL of Arizona; Senator BLANCHE LINCOLN of Arkansas.

All I want everybody to know is they are going to decide what the tax cuts are. They are going to decide who benefits over the next 11 years and how we give people back money in an urgent manner this year and next year.

Frankly, I believe if we were to decide we wanted a well-balanced committee, that clearly would make its own decisions based upon very big differences of opinion, that is what you would have. Those would be the Senators. And more than half—half plus

one—must agree on what is the tax plan.

I am not fearful they are going to bias this result in favor of the rich against the poor or they are going to bias it in some way that is not common to the desires of this place we call the Senate. I do not see how they could and expect it to be adopted.

So after all the words are finished about who is going to be helped by the tax bill, let me say, no matter what we say in this Senate Chamber in a budget resolution, no matter what we agree to, no matter what we are accusatory about, that group of Senators, with a simple majority required—which means one more than half—will decide what is the tax bill.

Having said that, I want to speak for a moment and then I will yield the floor. I will be pleased, once again, before we finish, to wrap up on what is in this budget and how we got there and how it will be implemented.

I believe it is a good budget. If one were to look at a previous budget and determine that we wanted to look at every single item in it, and analyze it, and take it to the floor and talk about what should have been done versus what somebody else would do, sure, it is subject to others looking at it and saying: We would have done it differently. But I say, whatever the adjectives are that have been used to describe it, it is an honest budget. It may not be what some want, and it may not answer questions the way some would want them answered, but it is a well-intentioned, honest, honorable budget.

I am hopeful that those who helped us get where we are will help us get the vote tomorrow and let the Congress, with the President, decide what is going to happen during the next 8 or 9 months.

For those who are concerned about Social Security or Medicare, let me repeat, on the Medicare side, we have set aside \$300 billion that can be used for Medicare reform and for prescription drugs.

How well did we do? The House had \$146 billion. They went to our number of \$300 billion—a pretty good compromise. We won. They gave up. We have a lot more available if we get a bill.

With reference to farms in America, and the farm program, which clearly, for some reason or another, requires that we supplement the money that would come under the existing law every year by way of emergencies and the like, we have put in a number for the next decade that uses \$5 billion in the first year, \$80 billion over a baseline that would be the law as we have it implemented on the books. The House even asked that we put in more than we had passed which had received very broad bipartisan support.

If you look at education—we will prepare, before we close, a separate chart about it, but I want to repeat, the special ed program of the United States is going up \$1.25 billion year over year. I

know that is not enough for some, but it is a pretty good sum of money for others. The rest of the programs in education, those within the control of the appropriators, surely some that are not real education will come down, but essentially the rest of education will go up 11 percent.

People can say that isn't enough and there are other programs in there that should go up, but let me suggest, as I started today, when might it be right to give the taxpayers back some of this surplus? I think it is now. I think that is what the vote is going to be about: Do we want to really seriously give back to the American taxpayers some of this surplus tax money? And if not now, with a \$5.6 trillion surplus, then when? That is what we are trying to do.

We are very grateful we had bipartisan support, albeit it reduced the tax number from \$1.6 trillion, which the President wanted, to \$1.25 trillion, plus \$100 billion in stimulus this year and next year, which would go into the pockets of American working men and women, those who invest, small businesspeople, and the like.

The President did not get all he wanted. Republicans did not get all they wanted. We came to the floor with a budget resolution with \$1.6 trillion. I just told you what we ended up with.

Let me also say that when it comes to defense, some have continued to speak about this as if we gave a blank check to the military. I want to repeat, what should we have done when there was almost bipartisan concurrence that the President's top-to-bottom review, if it were going to be credible, should ask us to do some things differently but we did not know what they were, and we could not have them for 4 or 5 months. Would we have said, let's wait around and do another budget resolution for defense? I do not think so. So we said, let's use the President's number for this year, which is a low number, I acknowledge. Then let us say, subject to appropriations when the President is finished, we can put his number in and see what the appropriators want to do but not more than the number he recommends.

I guess we could have done it differently. There are a number of ways to do it, but I do not think it is a blank check because I think Congress has to vote on it, on any additions above his request, which is a very meager request for this year.

I want to also close by saying that I think, because some Senators from both sides of the aisle insisted we do something in the field of health care for the uninsured, we did something.

We have an additional \$28 billion over and above the current programs for the uninsured, thanks to Senator SMITH and Senator WYDEN, on which the House had zero. They conceded and said OK. We also have home health care which one of our Senators championed, Senator COLLINS, with support. We put in \$13 billion to complete it

over the decade with the increases instead of the cuts currently contemplated. In the conference they said: We should have give and take. They gave us the whole number and conceded that we could proceed on that front.

Then there is the bill of Senator GRASSLEY and Senator KENNEDY, the Family Opportunity Act. We went into conference with nothing on that. We came out with \$9 billion on top of the other items for just that program. The House gave in and gave us the whole thing.

We had some great successes in the direction of championed causes that came from the Senate to the Senate budget resolution, to conference, and back to us intact.

#### AGRICULTURE RESERVE FUND

Mr. LUGAR. Mr. President, I rise to thank Senator DOMENICI for all his efforts helping to bring about this historic conference agreement on the fiscal year 2002 budget resolution, H. Con. Res. 83. The agreement's reserve fund for agriculture, Section 213, provides the Agriculture Committee with mandatory spending authority totaling \$66.15 billion over fiscal year 2003–2011 in addition to the current law baseline to support the Agriculture Committee's work to formulate a new multi-year farm bill.

I want to make certain that there is full agreement and understanding as to how the Budget Committee will interpret the reserve fund for agriculture on a couple of key points. First, I understand that the \$66.15 billion in new mandatory spending authority over fiscal year 2003–2011 will be available to support reauthorization, modification, extension, expansion, and innovation concerning any or all titles of the Federal Agriculture Improvement and Reform Act of 1996. FAIR Act titles are the Agricultural Market Transition Act, Agricultural Trade, Conservation, Nutrition Assistance, Agricultural Promotion, Credit, Rural Development, Research, Extension and Education, and Miscellaneous. Is my understanding correct?

Mr. DOMENICI. Yes, Senator LUGAR's understanding is correct. Section 213 is intended to give the Agriculture Committee the flexibility to use this additional mandatory spending authority in the ways the Senator mentioned, if it so chooses in reporting a new farm bill.

Mr. LUGAR. I thank the Senator. I also understand that the Joint Explanatory Statement of the Committee of Conference which accompanies this conference agreement suggests that the agriculture reserve fund's \$66.15 billion be divided among two budget functions—\$63 billion for agriculture (budget function 350) and \$3.15 billion for natural resources and environment (budget function 300). It is my understanding that the conference agreement permits the Agriculture Committee to spend more or less in each of these functional areas when it reports

out a new farm bill as long as the \$66.15 billion total is not exceeded over the specified time period. Is my understanding correct?

Mr. DOMENICI. Yes, the Senator's understanding is correct.

Mr. LUGAR. I thank the Senator for clarifying these key points.

Mr. DOMENICI. Mr. President, I hope on our side, if anyone wants to speak, they will let me know. I will be here and try to reserve time. The Democrats can go with one Senator. Then we go with one. In the meantime, if there is none, I will tell Senator CONRAD he can have as many Senators as he wants in a row if he wants to line some of them up. If I don't hear from our side, I may agree in advance with Senator CONRAD.

Mr. CONRAD. Mr. President, we have Senator DORGAN ready to go for 20 minutes and then Senator SARBAKES. If we could put those two in at this point, that would be helpful to moving the process along.

Mr. DOMENICI. Let's agree now so they will know where they are.

Mr. CONRAD. Twenty minutes for Senator DORGAN, and Senator SARBAKES only requested 10.

Mr. DOMENICI. Mr. President, I make that request.

The PRESIDING OFFICER (Mr. ALLARD). Without objection, it is so ordered.

Senator DORGAN is recognized.

Mr. DORGAN. I thank Senator CONRAD.

What I would like to do at the beginning is to ask a few questions and see if I can get some information from Senator CONRAD. It is interesting to me, we now have this budget agreement on the floor of the Senate. We have a Senate that is divided 50/50—50 Democrats, 50 Republicans, elected by the American people to come and serve. We have a Budget Committee, and that Budget Committee worked and produced a budget. We had a vote on the floor. Then we had a conference between the Senate and the House.

I ask Senator CONRAD whether, as the ranking Democrat on the Budget Committee of the Senate, he was part of the conference. Was he, along with the other Democrats, part of the budget conference which produced this conference report?

Mr. CONRAD. No. What happened was, we had an initial meeting in which statements were made, the opening statements that are traditionally done in any conference. Then we were invited not to return. So this is a budget that has been written wholly by the other side of the aisle.

Mr. DORGAN. Mr. President, I further ask the Senator, isn't it the case that at the start of this year we heard all of this talk about, "this is a new day, a new approach; we are all going to work together, have a great deal of bipartisanship; we are not going to do things like we used to do them"?

Isn't it the case that when you have a 50/50 Senate and you have a Budget Committee that is 50/50, equal membership on each side, and then you have a

conference but only one side is invited to the conference, that that somehow sounds like the old way, sounds like the partisanship we used to see? Would the Senator from North Dakota agree with that?

Mr. CONRAD. It certainly is not a new way. It is certainly not what we were given to believe we were going to see when the President came to town, saying he was a uniter, not a divider. We have seen precious little of his moving in any way but insisting that it be his way or no way.

This budget is certainly an example of that. Not only was there no involvement of our side or any Member of our side in the budget conference, there was not even a markup in the Budget Committee—none. There was not even an attempt to mark up a budget resolution in the Budget Committee.

Mr. DORGAN. The reason I ask the question is I think most people would be very surprised by that. They see a Senate that is 50/50, a Budget Committee that has 50 percent of its membership Democrats, 50 percent Republican. Then you go to a conference, and the Democrats are told they are not welcome. The American people would be mighty surprised by that.

Let me ask a couple other questions because this is a very important area. I want to try to understand it. I heard the chairman of the Budget Committee talk about this conference report with respect to defense. He said: This is not a blank check with respect to defense. He said: What we have done is we have created a circumstance where whatever number the President would ask us for will be “subject to appropriation.” In other words, we don’t have the right number in here. Whatever it is the President wants, he is going to get, subject to appropriation.

I ask Senator CONRAD, is there any other area of this budget that is treated quite that way? For example, have they decided that for education we won’t put the right number in, whatever somebody else wants at some point, subject to appropriation? Is there any other area that is treated quite that generously?

Mr. CONRAD. No, not to my knowledge. I find it really rather incredible that we have a circumstance in which one person is going to be able to decide the defense budget for the United States—one person in the Senate, one person in the House of Representatives. In the Senate, the Budget Committee chairman for 1 year will be able to decide what number goes in, and in the House, the chairman of the Budget Committee there can decide for 10 years what the defense budget is going to be. It is fairly breathtaking.

Think about what we read in the textbooks: That we have a representative democracy, that every State has two Senators and they have Members of Congress determined by the population of their States. They come here, they vote, and they decide. But in this circumstance, with the Republicans in

control of the House and in nominal control of the Senate, because they have the Vice President prepared to break a tie, they are in complete control. They are in total control. This is their document.

Mr. DORGAN. Without using all of my time, let me further propound a question on the subject of debt. I have here the conference report, and it says the following with respect to (5), under title I, recommended levels and amounts: (5), public debt, the appropriate levels of public debt are as follows: Fiscal year 2001, \$5.660 trillion; 10 years later, \$6.720 trillion.

It looks to me as if we have gross Federal debt increasing by \$1.1 trillion with this conference report. Would that be accurate?

Mr. CONRAD. The Senator would be correct, if he is on page H1958 of the CONGRESSIONAL RECORD.

Mr. DORGAN. That is correct.

Mr. CONRAD. Dated May 8, it shows there the public debt increasing during this period. There has been a lot of talk out here that we are reducing the debt. That is true of the so-called publicly held debt, that debt which is held outside of Government coffers, outside of Government hands. The publicly held debt of the United States as we sit here today is some \$3.4 trillion. By the end of this year, it will be \$3.2 trillion. That is being reduced to the \$800 billion referred to by the chairman.

But the gross debt, the combination of the publicly held debt and the debt to the trust funds of the United States from the general fund, is actually growing.

Mr. DORGAN. Further asking a question, that gross debt, the debt that is owed to the trust funds, the debt that is a debt that represents a liability by Government agencies, is that real debt or is that just a number someplace? We hear people saying: We can have very large tax cuts; that is not a problem; and we are also paying down the debt.

I look at this and I see gross debt is increasing by \$1.1 trillion. I just heard a statement a few minutes ago by a Senator who said: Here is what we are going to give the taxpayers, referring to tax cuts.

Are we also in this budget going to give the taxpayers \$1.1 trillion in an increase in gross indebtedness in this country during the 10 years?

Mr. CONRAD. I don’t know of any other way to read it. This chart I have shows the two debts that we have.

The debt held by the public is the red line on this chart. The debt held in Government accounts, debt that is owed to the trust funds, is the green line. We see the debt held by the public going down, which is what has been described by the Senator from New Mexico. We see the debt that is owed to the trust funds going up. And the reason for that is, what is being done to pay off the publicly held debt is to use the surpluses from the Social Security trust fund—money that is not used now. That money is going to pay down

publicly held debt—debt that is held by companies and individuals and other countries that is in U.S. securities—that debt is being paid down. But it is being paid down by using trust fund surpluses of the United States and, of course, they are then owed from the general fund of the United States, the money that has been borrowed from them to pay down the publicly held debt. So at the end of this time, the gross debt of the United States—the combined debt—will actually be more than when we started.

So I think it is a little misleading for people just to talk about the publicly held debt.

Mr. DORGAN. Mr. President, I ask how much time remains.

The PRESIDING OFFICER. The Senator has 11 minutes remaining.

Mr. DORGAN. Mr. President, I appreciate the answers to the questions I have raised. They are very important questions. I think it suggests that there is false advertising involved here. In the commercial sector, we have the Federal Trade Commission that regulates that kind of thing, but in politics it cannot be regulated. It seems clear to me that you have a \$1 trillion increase in gross indebtedness.

If anybody comes to the floor of the Senate—and if they would, I would love to spend time with them, and I will be available—to talk about indebtedness and whether the liabilities incurred by Federal agencies and programs that we must meet—whether those are real liabilities—and I think they are—then we have an increase in gross indebtedness by \$1.1 trillion in the next 10 years. At the same time, we have people advertising that there is so much money that we need to create a huge tax cut, the bulk of which will go to the top 1 percent of the taxpayers, and that is fine because we are paying down the debt at the same time.

That is fundamentally untrue. Gross debt will increase by over a trillion dollars. That is the bottom line. Let’s talk about that. I will be here if someone wants to talk about it.

Let me talk about this general budget. Here is a budget written in a conference by the majority party, telling the minority party: You are not welcome. See you later. We are going to write this. It is true that you have 50 percent of the membership on the Budget Committee, but you are not welcome as part of the conference.

That is the way it was written. The way it was brought to us is kind of a virtual budget, in the sense that it suggests certain things that exist that don’t exist.

I was thinking about the story about raccoons and something raccoons do that is quite unusual. They apparently have a tendency—and I watched this as a kid—when they get their food, to take it to a stream and begin to wash it meticulously with their hands. They wash it and wash it. But if raccoons find something to eat and there is no water around, they still walk away and

pretend there is water, and they do the same actions with their hands, pretending they are washing. Somehow it makes them feel they have done the right thing.

We have kind of a pantomime activity in this budget like the raccoons, I guess. We believe if we pantomime it, somehow people will believe it. Let me talk about what this pantomime is about. Education. We have replaced the Elementary and Secondary Education Act on the floor of the Senate—that is what we were debating—with this budget conference report. In the Elementary and Secondary Education Act, we have made commitments as a Senate. We have said we commit ourselves to education. We, by the way, are going to require accountability. We are going to insist on accountability, and we have a whole series of things to do that.

We want better schools and we also say, by the way, we are willing to authorize funding to pay for those schools—at least to pay for the improvement of those schools. We know most of the funding for schools comes from State and local governments and school boards. We know that, but we provide some important niche funding.

We have said we insist on accountability and we want to improve this country's schools and we commit ourselves to authorizing the funding to do it.

Then we bring a budget conference report to the floor of the Senate and say, no; I know we committed ourselves, but we are not going to pay for it. We are going to require these things, but we will not pay for it. Talk about unfunded mandates.

I have been around here year after year when we have had people standing on the ceiling talking about unfunded mandates, how awful that is. Well, the fact is, we are, in the underlying bill—the Elementary and Secondary Education Act—going to make certain representations about what we expect of schools and what we are going to do to help them; and then in this budget we say, by the way, we didn't mean that. That was kind of a virtual argument we made. That is kind of the raccoon washing without water—a pantomime. We didn't really mean that.

This budget would have been a much better budget had that conference been able to get the best ideas that everyone had to offer. We work better, it seems to me, when we take the ideas from all sides and try to find out what works and what doesn't, who has a good idea and who doesn't, gather all the ideas, make it a competition of ideas. That is not what happened. The reason it didn't happen that way is because we had a mission at the start by the President and majority party—I should say the majority party, Republican Party, which has 50 votes in the Senate. They said: We want a \$1.6 trillion tax cut, which got shaved a little bit. We insist on that and we are going to try to make everything else fit in that format.

Well, it doesn't fit. They know it; we know it; everybody knows it. In fact, the gross debt is going to go up \$1.1 trillion, even as we shortchange schools and give a blank check to defense. Can you imagine a city council doing this? Voters would run them out of town. Can you imagine a family making these choices? It doesn't make any sense. It is the wrong way to do business. It is the wrong result. It is not giving anything to the American taxpayers except a future in which we underfund the most important things that exist in this country's future—educating our children.

We underfund a range of areas that are very important to this country, including agriculture, which is critically important to my State. At the same time, we provide substantial room for a very large tax cut, at the very time that our economy is softening, and the tax cut is going to spend surpluses that don't yet exist. It anticipates 10 years of straight surpluses at a time when our economy is beginning to have significant troubles, when yesterday productivity was down for the first time in some long while, and we know and everybody should know that we will not likely have 10 straight years of surpluses. I hope we do. I wish we would. But we may not.

If we don't, this \$1.1 trillion in increased gross debt in the budget will balloon and grow, and we will find ourselves back in the same circumstance we were in during the late 1980s and early 1990s, with a mushrooming budget deficit strangling the economy of this country and driving up interest rates and causing economic havoc.

We worked long and hard to get back to a point where we had a balanced budget. That wasn't easy to do. We ought to have a budget that comes to the floor of this Senate that represents the priorities of a 50/50 Senate and priorities of the American people, and one that doesn't undercut the opportunity for this economy to grow and expand and produce new jobs and new economic opportunity.

Now, this budget was not prepared the right way and it didn't come out with the right answer for this country's future. It is a partisan document, produced by people who excluded half of the committee from the room, and then said to us: We are going to be true to the President's mission by bringing a document to the floor of the Senate that you didn't help write on the other side of the aisle because we would not let you. Now we insist that you accept our representations of what it contains.

We don't accept that. My colleague, Senator CONRAD, describes it very accurately. This issue about added money for education is a mirage, just a myth. I will give you one example.

We have a huge energy problem in this country and we have folks cutting research for renewable energy by 40, 50 percent. That is a small example but an important one. It represents all of the wrong priorities.

We can do much better than this. I hope we will turn this conference report down and say, look, we have a Budget Committee that has half Democrats, half Republicans. Let's get the best ideas that each has to offer. Politics doesn't have to produce the worst of both. You can get the best of each, and it seems to me that we could go back and do this in a week or 2 and come up with an approach that, yes, has a tax cut—I support a tax cut—but not one that crowds out all other opportunities for investing in matters of importance to the country; one that makes the right investments in education; one that says schools for our children are important and we intend to hold them accountable. But we also do intend to help them and to meet our promises to those kids. We need one that says let's fix our energy problem but not cut back on renewable energy research, for example to contribute to solving our energy problem.

We have a whole series of opportunities. We ought not to be wringing our hands and gnashing our teeth and wiping our brow about this. This represents an opportunity. We live in a time and place that is a blessing. We have an opportunity to do the right thing. I fear at this point that if this Senate passes this conference report, it moves this country in the wrong direction.

Let's do it over and do it right. Mr. President, I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from Maryland is recognized for 10 minutes.

Mr. SARBANES. Mr. President, because I know he has a pressing commitment, I yield 2 minutes to the Senator from Delaware.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. SARBANES. I yield him 2 minutes out of my time.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. CARPER. Mr. President, I thank the Senator from Maryland.

I voted for the original budget resolution a month or so ago. I did so because I believe we ought to cut taxes and cut marginal tax rates, eliminate the marriage penalty, and provide estate tax relief. I would like to see us increase the child tax credit.

I also voted for a budget resolution that dramatically increased Federal funding for education. We are in the throes, last week and this week, of redefining the Federal role in education in this country. Part of that legislation says to States: We expect you to narrow the achievement gap for all your students over the next 10 years. We expect your students to perform at higher marks, making progress along the achievement path toward being able to read well and doing math well.

If States, school districts, and schools do not measure up, under the accountability provisions of the education bill on which we are working, there is real accountability and real

consequences for those schools that do not measure up, that do not make progress, and that do not narrow the achievement gap.

Meanwhile, in our Nation's Capital, we fund one out of every three children for Head Start. We do not provide for the others.

We fund one out of every three kids who are eligible for title I funding. These are kids who need extra help, especially in reading and math.

For special ed students, we meet one-third of what we promised to fund. We are supposed to be providing 40 percent. We do about 13 percent. We are pretty good at thirds.

We had hoped the budget resolution that came back to us would meet some of those shortcomings. It does not. Regrettably, there is not more money for Head Start, there is precious little more money for title I, and there is precious little more money to meet our obligations under the Individuals with Disabilities Education Act.

I cannot support this conference report on the budget resolution. I wish I could, but I cannot.

This is what I fear we are going to end up doing. I fear we are going to end up cutting taxes more than we ought to and, in the end, come back and say we are spending more money than we can afford. We went down that path in 1981, and my fear is we are going to go right down that same path in 2001.

We do not have to do it. The real tragedy is we could have had a broad bipartisan agreement on a tax cut of a trillion dollars. We could invest in education, defense, and needed investments in health care, and we could have had a bipartisan majority do that. My fear is we are, in the end, short-changing the States, the schools, and the kids about whom we say we care so much.

I wish it did not have to be this way. Unless we defeat this budget resolution tomorrow, it will be.

I, again, thank the Senator from Maryland for yielding me this time.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, I rise in very strong opposition to the conference report pending before us. Unfortunately, this budget falls far short of the mark in almost every respect.

We had just a brief meeting of the conference committee in which the Democrats participated. We were excluded from everything else that took place. I said then that I thought we were at a crossroads in considering this budget; that I thought we had a historic opportunity before us if we made wise decisions, and that I was fearful we were going to lose that opportunity. This conference report bears out that fear.

If we pass this misguided budget, I have no doubt that in a few years we will all be put in mind of the words of John Greenleaf Whittier, who wrote:

For of all sad words of tongue or pen,  
The saddest are these: "It might have been."

We are throwing away a magnificent opportunity to develop a sane, rational fiscal policy for the Nation which will help to deal with a whole series of problems. We have this unparalleled opportunity to pay down the Nation's debt, to invest in our Nation's future, and to shore up vital programs. If we act prudently, we can ensure that the Federal Government will have the resources in the future to meet our obligations after the baby boomers retire and beyond. We can do a reasonable tax cut in response to the problems confronting working families all across the Nation, and we can do this all in a very balanced way.

Instead, because of this excessive zeal for a massive tax cut, we risk knocking our economy off track and sending ourselves back into the deficit ditch from which we have only recently emerged.

The budget outlined in this conference report would squander our best chance for investing in America's future, lifting the debt burden off the next generation, and providing a reasonable tax cut for our working families.

We are constantly told these revenues are the people's money. Of course they are the people's money. From where else does it come? But the debt is the people's debt. The challenge of educating our children is the people's challenge. Providing Social Security and Medicare for our seniors is the people's challenge. It all flows from the people.

That sort of bumper-sticker comment does not come to grips with the real problems. There are other bumper-sticker comments we can make. Every time they say, "Well, the tax money is the people's money," we can say, "The debt is the people's debt," and on and on.

One cannot use a bumper-sticker slogan as a substitute for tough analysis and a real calculation of what serves the Nation's interest.

I commend the ranking member of the Budget Committee, the very distinguished Senator from North Dakota, for his terrific leadership through this budget process. I know how frustrating it was. He continually implored the chairman of the committee to work together to deal with these difficult problems.

The Budget Committee, the only committee in the Senate that is uniquely focused on the Federal budget, never held a markup. It never held a markup. Thus, the committee was prevented from fulfilling its primary duty of developing a responsible Federal budget. That is what the committee is there for. It was not allowed to do its job.

The budget resolution was debated for the first time in this Chamber before we had even seen the President's detailed budget submission.

Of course, others have spoken about how the conference functioned. We were clearly closed out of the conference. In fact, the chairman, at the

one meeting they had, said there was going to be a meeting over the weekend. I said: "Mr. Chairman, I didn't quite catch that; when will the meeting be and where," preparing myself, of course, to attend the meeting the chairman indicated we were going to have over the weekend.

He was very blunt in his response. He said: "You all are not going to be at the meeting. This is not a meeting for you. This is all going to be done by the Republican side."

I regret that. I thought the ranking member of the House Budget Committee, Congressman SPRATT of South Carolina, a very able Member, made a very eloquent statement about how the product of the conference would be better if it went through a proper conference deliberation. We at least would have had the opportunity to get the benefit of thinking on both sides.

That was really brought home when the House last week had to suspend its consideration of the budget because they left a couple of pages out of the budget document. So much for handling it all on one side.

Surely if there had been a consultative process, it would have been pointed out that these pages were missing. But instead, they tried to rush this through, staying in until a wee hour in the morning trying to pass this thing, and all of a sudden they discovered two essential pages were missing out of the budget document.

That led Paul Krugman in the New York Times to write an article which I enjoyed called "More Missing Pages." I ask unanimous consent this article be printed in the RECORD at the end of my comments.

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

(See Exhibit No. 1.)

Mr. SARBANES. There is a sub-heading called "The Farce is With Us."

It was, if you believe the official story, a case of farce majeure: House Republican leaders had to call off Thursday's planned vote on the budget resolution because two pages that were supposed to be in the document were accidentally omitted. . . .

Whatever really happened, the fundamental cause of the mishap was that the Republican leadership was trying to pull a fast one—to rush through a huge tax cut before anyone had a chance to look at the details.

Krugman, in this column, goes on to talk about, in effect, other missing pages in the budget document.

Now we have had a little chance to look at the details, and I want to ask the ranking member, my good friend from North Dakota, a couple of questions. First, on defense, am I correct in understanding that the way this document is drawn, there is a blank check for a defense figure that will be filled in later? Is there a defense number coming later that will simply be slugged into the budget?

Mr. CONRAD. The Senator is correct. This is a budget with many missing pieces. Not only do we have missing pages, we have missing numbers. The defense buildup that the administration will ask for next week, after we

finish with the budget, will ask for a massive defense buildup. So they have created a special reserve fund with a black hole in this budget that says whatever they decide later—whatever the President recommends—they can stick into this budget. They will not have a vote on it. We will sort of have a vote, we will vote now, before we know what the number is.

Mr. SARBANES. What does this budget do about education? We are voting on education this week, the President says we will not leave any child behind, and everyone is making terrific speeches about education and beating on their chests about education. But to do a lot of these programs, we need resources. What does the budget do on education?

Mr. CONRAD. It is interesting, it is mostly speeches. All the speeches that were given, all the votes that were cast when we had the budget resolution on the floor, all the money added for education, all of it has been taken out.

We are in the middle of a budget debate on the floor of the Senate, last week adding \$150 billion. Meanwhile, we are passing a budget with no new money for education. The President said his top priority was education. The priority is every place but in the budget. There is no new money for education.

Mr. SARBANES. Defense is a missing piece; education is a missing piece. And this tax cut will create a problem, as I understand it, with the alternative minimum tax. I am told that there is no provision in this budget for alternative minimum tax reform, and that such reform may cost as much as \$300 billion over the 10-year-period; is that correct?

Mr. CONRAD. Unfortunately, the Senator is correct. In fact, the alternative minimum tax that affects now 2 million Americans, if the President's plan is passed, will affect 35 million American taxpayers, nearly 1 out of every 4. Just to fix the part of the alternative minimum tax caused by the President's tax bill will cost nearly \$300 billion.

Mr. SARBANES. That \$300 billion is not allowed for in the budget?

Mr. CONRAD. That is a missing page.

Mr. SARBANES. I am told that, while there is some adjustment for inflation in this budget, there is no adjustment for a growing population and the additional stress and strain that places on program levels; is that correct? There is no adjustment for population growth, which we know will happen?

Mr. CONRAD. Not only is there no adjustment for population growth, in truth, there is not a full adjustment for inflation. This was done in the dark of the night in one of these closed rooms when none of us was able to be there. They actually took out another chunk of money, nearly \$60 billion, so they don't even have an inflation-adjusted budget.

Mr. SARBANES. Imagine that. It is incredible to come out with a fiscal

program for the country with all these missing pages and vanished pieces.

This conference report, which provides for this excessive tax cut, is promised on a projected surplus, two-thirds of which is in the last 5 years of the 10-year-period. And now we discover that there is no money for education, and the defense figure will rise by who knows how much? Clearly, it will rise. It will be slugged into this budget. We don't even provide for inflation, let alone a growing population, and there is no allowance for the alternative minimum tax fix.

I ask my friend from North Dakota, given all these missing pages, won't this budget plan eat into the Medicare trust fund and the Social Security trust fund? I don't see any other way. Once all the pieces are put into place, are we not going to be eating into the trust funds?

Mr. CONRAD. I think there is no question that is what will happen. There is no question that is why the budget has been presented the way it has. They don't want all the numbers put together in one place so we can add them up because it doesn't add up.

They have been presented with a difficult problem. They have a budget that does not add up. How do you avoid making that obvious? You avoid making it obvious by not having all of the elements of the budget in the budget resolution. That is exactly what we have. It is kind of a phantom budget. There is the budget we have been presented with, and then there is the real budget. One of them doesn't add up. That is why they don't want to present it to the membership.

Mr. SARBANES. It is absolutely irresponsible to be doing the budget this way. I think we are going to pay the price in the years to come. I thank my very able colleague for his constant effort to try to get the Budget Committee to come to grips with these problems.

We have a budget before the Senate based on projections that may never materialize. They made assumptions about growth and productivity which have been severely undercut by the report of the productivity figures in the first quarter, which failed to grow. They are assuming a growth of 2.2 percent in productivity as we project out, which is a very unusual growth. Now all of a sudden, we have a first quarter figure that was negative. Imagine what that will do to the surplus projections.

We are running the risk, by this excessive tax cut, that we will not pay down the debt at the rate we could have done. We won't invest in a number of important programs for the future strength of the country—education, the environment, health care. All will be undercut. There is no money here for education because instead, we give an excessive tax cut. It will knock the economy off track, and we will lose this magnificent opportunity we had to move forward in a reasonable, sensible, and constructive way.

I thank the Senator for his leadership. I regret this document before the Senate. I urge my colleagues to vote against it.

I yield the floor.

EXHIBIT 1

[From the New York Times, May 5, 2001]

MORE MISSING PAGES

(By Paul Krugman)

It was, if you believe the official story, a case of farce majeure: House Republican leaders had to call off Thursday's planned vote on the budget resolution because two pages that were supposed to be in the document were accidentally omitted. Strangely, the two missing pages happened to contain language crucial to the compromise that had persuaded moderates to agree to the budget. Just as strangely, the budget resolution contained only a 4 percent increase in spending—the amount George W. Bush originally wanted, not the 5 percent he had agreed to.

Whatever really happened, the fundamental cause of the mishap was that the Republican leadership was trying to pull a fast one—to rush through a huge tax cut before anyone had a chance to look at the details. Now the case of the missing pages has delayed things for a few days. So may I suggest that Congress—and Senate moderates in particular—check carefully around that Xerox machine? You see, there seem to be a few other pages missing from the budget plan.

For starters, we seem to be missing the page that factors in the likely cost of a missile defense system. (The page that explains how missile defense will work in the first place is missing from some other document.) Nobody knows how much this system will cost, but few think it will come in under \$100 billion.

We also seem to be missing the page that explains how the conventional defense buildup being planned by Secretary of Defense Donald Rumsfeld—reports suggest an extra \$25 billion per year on weapons systems alone, that is, \$250 billion or more over the next decade—is consistent with a budget that makes no room for increases in defense spending beyond those already proposed by the Clinton administration.

Then there's the page about prescription drug coverage under Medicare—a solemn pledge by Mr. Bush during the campaign. Everyone in Congress agrees that the \$115 billion allotted by the administration is laughably inadequate, that a realistic program would cost hundreds of billions more. But the extra money doesn't seem to be in the budget plan; maybe the missing page explains the discrepancy.

Somewhere near the page on prescription drug coverage we might find an explanation of the administration's position on the Medicare hospital insurance surplus—\$400 billion that both parties have promised to put in a "lockbox," but which the administration plans to devote to other uses. Presumably there's a missing page that explains why this isn't a naked plan to raid Medicare to pay for tax cuts.

Then there's the puzzle of how the administration plans to maintain government services in the face of a growing population while increasing spending no faster than inflation. Either some unspecified drastic cuts are planned or the spending numbers are at least \$400 billion too small. I'm sure there's a page somewhere that explains what's going on.

Not all the missing pages involve spending. Everyone familiar with the issue knows that the Bush tax cut will cause a crisis involving the Alternative Minimum Tax, causing the much-hated tax to apply to tens of millions of additional taxpayers. The inevitable fix will reduce revenue by at least \$300 billion,

but there doesn't seem to be any allowance for that revenue loss in the budget. I guess there must be a missing page that explains why.

Finally, there's the page on Social Security reform. Because Social Security has been run on a pay-as-you-go basis, with each generation's taxes financing the previous generation's retirement, the system has a huge "implicit debt"—the money promised to people whose past contributions were used to support their elders. If Mr. Bush wants to partially privatize the system, he must pay off some of that implicit debt; to make his campaign proposal work would require infusing more than a trillion dollars into the Social Security system. But that money isn't in his budget plan. There must be a missing page with some explanation of the omission.

Oh, and there's one more page missing: the one that explains why moderates should support a tax cut that, while slightly smaller than Mr. Bush wanted, is still irresponsibly large—and why they should put their names to a budget resolution that is patently, shamelessly dishonest.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. I thank the senior Senator from Maryland, one of the most senior Members of the Senate Budget Committee, who has been a strong voice for fiscal responsibility on the Budget Committee of the Senate. He is one of the key reasons that we restored fiscal sanity in 1993 and put us on a program to reduce the deficits, ultimately eliminate them and start running surpluses.

I thank the Senator from Maryland who was named as a conferee on the budget because of the respect with which he is held.

Mr. SARBAKES. Will the Senator yield?

Mr. CONRAD. I am happy to yield.

Mr. SARBAKES. I thought when I was named as a conferee I would have important work to do as a member of the conference committee on the budget. As it turned out, there was nothing to do. We went to one meeting. The chairman told us there was nothing for us to do. He said, you are dismissed, you can leave now. Don't bother to come around again.

It was an incredible way to do business—an incredible way not to do business, to put it more accurately.

Mr. CONRAD. It was a disappointing way to do business. I think the result has suffered.

I will follow up on the point the Senator made about slower productivity growth. We saw in the first quarter, instead of 1 percent increase, it was negative one-tenth of 1 percent. If we were to have 1 percent less productivity growth per year, the projected surplus of \$5.6 trillion would be reduced to \$3.2 trillion. That is the hard reality of how dramatically affected the ultimate results are by very small changes in the assumptions in these forecasts. That is something we should all understand.

How much time is the Senator from Illinois seeking?

Mr. DURBIN. I ask the Senator for 15 minutes.

Mr. CONRAD. The Senator from Illinois wishes 15 minutes. The Senator from Minnesota?

Mr. WELLSTONE. I ask I follow the Senator from Illinois, just for 10 minutes.

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

The Senator from Illinois.

Mr. DURBIN. I thank the Senator from North Dakota for yielding to me.

Mr. President, during the course of this presentation, I would like to call on the Senator from North Dakota from time to time.

Let me thank the Senator from Maryland for coming to the floor. He made an eloquent statement to put in perspective the issue on which we now have to vote. It may be one of the most important votes we will cast this year.

People say: A budget resolution? What in the world is a budget resolution? What does it mean to my family or my business?

A budget resolution is basically the blueprint which says this is how far we can go and no further under the rules of the Senate and the House, in spending. So once you put that blueprint in place, when the Appropriations Committee sits down to put the spending bills in place, they look to this blueprint, this budget resolution, as does the Finance Committee when it looks to the tax consequences of this same budget resolution. So we have to pay careful attention to this blueprint.

I salute the Senator from North Dakota. I tell you, we are fortunate on this side of the aisle. In fact, the Senate is fortunate to have a man of his ability and commitment in the midst of this debate.

I have just spoken to my colleague from Minnesota. I will gladly speak to others and tell them I have been so proud of the job Senator CONRAD has done. He is good at this. He is extremely good at this. I never want to get on the other side of debate with Senator CONRAD when there is a row of numbers up on a page because I am going to lose. He understands them. He doesn't just see the numbers on the page, he sees the policy behind them. He can think beyond the box we are in many times, to the ultimate impact of some of these decisions.

I would like for a moment to reflect on what we have been doing for the last week and a half or 2 weeks on the Senate floor. We have been discussing the issue which the American people identify as their single highest priority, not just this month or this year, but for all time. At every level, when it comes to local government, State and Federal Government, their highest single priority is education—education, our schools. I often wonder why do we always keep identifying education as our biggest issue? I think the reason is fairly obvious. Education really defines this country. Education says we will give you an opportunity as a young child to walk into a classroom and prove yourself and improve yourself and then be a better person for it.

We happen to believe—I do not think it is uniquely American, but we sure

believe in this country—if you give kids the right opportunity to prove and improve themselves, they will succeed. You are looking at one. My mother was an immigrant to this country. Neither my mother or father went beyond the eighth grade and I stand here on the floor of the U.S. Senate. That is because when I brought home a report card, it was an event in my house. We stopped everything and they pored over the numbers and the letters. They gave me a frown or a smile.

A lot of families in America know the same experience. So when we come to the floor of the Senate and debate education, we are debating something we know personally to be important, and every American family will identify as their single highest priority. So it is no surprise Democrats and Republicans come to the floor and want to stand up and talk about how to improve schools and education.

For the last 2 weeks, that discussion has ranged from accountability and standards to teacher improvement, the number of kids in a classroom, the quality of the school, the computers and the technology available to our children, how long the school day will last, will we give the kids an adequate lunch, what will we do after school to improve their lives and keep them safe, what are we going to do during the summer months, how can we recruit new teachers. This floor has just been alive with this debate on both sides and both parties believe they are committed to this.

The interesting thing is that debate for the last 2 weeks has been an important debate, but it may not be as important as the bill on the Senate budget resolution on which we are about to vote. Let me tell you why.

When I served in the U.S. House of Representatives, I served with a Congressman, still there, from Wausau, WI, by the name of DAVID OBEY. Congressman OBEY used to like to take to the House floor and admonish his colleagues for what he called "posing for holy pictures." In other words, efforts made by Members of the House—and it applies as well to the Senate—to be on the side of the angels, to put a halo above their heads, to say they were for all the right things.

For the last 2 weeks, there has been a lot of debate about education and a lot of effort to be on the side of the angels, on the side of American families, when it comes to education.

But mark my words, all of that debate is worth nothing, absolutely nothing, if tomorrow we vote for this budget resolution because this budget resolution which was proffered by the Republicans provides no additional funding for education—none.

You look at it and say, How can this be? President Bush came to office. He invited Senator KENNEDY and Congressman MILLER and all the Democrats. He wrapped his arms around them. He invited them to movies and lunch and gave them all nicknames and he said: I

just love education. I can't wait to make it the lynchpin of my Presidency.

He convinced a lot of people in this town and a lot of people across America that he was genuine. But in this town you have to look beyond the holy pictures. You have to look at the facts. When you look at the facts of this budget resolution, you find there is no money there.

All the promises have been made: We are going to test the kids year after year after year; we are going to hold them to high standards, as we should; we are going to demand accountability; we are going to want the very best teachers, the very best technology. Then take a look at this budget resolution.

I ask the Senator from North Dakota, if I might, if he will answer a question. I want to make certain it is clear on the record. In the budget resolution before us, House Concurrent Resolution 83, which projects spending over the next 11 years, would the Senator from North Dakota, having analyzed this, tell me what commitment is being made by the Republican leadership and the Bush administration to new funding for education to improve the schools and the lives of children across America?

Mr. CONRAD. There is no increase for education beyond simple inflation. I think the most honest direct answer that I can give is that there is no real increase for education, period.

In addition to that, the pool of money from which education spending comes is actually below inflation. The cuts are going to have to come from somewhere.

Mr. DURBIN. I ask the Senator from North Dakota, so there is clarity on the record: We have been debating for 2 weeks about education on the floor of the Senate. But it is a debate about authorizations and this is a debate about a budget resolution.

Will the Senator from North Dakota explain the difference, if we say we are going to commit hundreds of millions of dollars to education as part of the elementary and secondary education authorization, will that money then automatically go to the schools and improve the schools for our children?

Mr. CONRAD. No. The way it works, authorizations mean nothing without appropriations. And the money for appropriations is not available unless it is made available by the budget resolution.

The hard reality here is all of this talk about money for education is just that, it is talk. We can pass 100 amendments that say we are going to provide money for education, but if the money is not in the budget, it does not get allocated to the Appropriations Committee to be available for actual expenditure. We have a lot of great speeches out here, but without the money in the budget resolution, they don't mean much.

Mr. SARBAKES. Mr. President, will the Senator yield?

Mr. CONRAD. Yes.

Mr. SARBAKES. Mr. President, I draw the analogy: For 2 weeks now we have been out on the floor on this education authorization bill. It is like putting the sides of a box into place. You put the sides of a box into place like this. You build up your education box. But then you need a budget resolution because you need the resources to make this work. You look in the box when the budget resolution comes along after 2 weeks of putting up these sides, and the box is empty. It is empty. There is nothing in here for education. It is a phony box. People need to understand that.

Mr. DURBIN. Mr. President, I would like to ask the Senator from Minnesota, because he has followed this education debate. He and I may disagree to some extent on this. We believe testing is an important part of education. It has proven itself in the city of Chicago with our public schools. But if we in fact agree to test students as we have debated for a long time, and don't provide any resources once we have identified the problems those kids are running into so they can improve their reading and math scores, what kind of situation are we going to be in when we talk about education reform? We will have the standards and the testing, but with this budget resolution we will not have the money to provide good teachers, good resources, and good class time to improve the kids.

Is that how the Senator from Minnesota sees it?

Mr. WELLSTONE. Mr. President, I thank my colleague. I thank him for the question.

This also goes to what the Senator from Maryland says. It is not just a question of nothing in the box; it is how it affects the lives of people. I am heartbroken. I don't mean to be melodramatic, but I am heartbroken about what is going on here because I say to the Senator from Illinois that it is quite one thing to have our picture taken with children—we all love to do that; we all love to be in the schools—it is quite another thing to make a real investment to help improve their lives.

The Senator is quite right. If all you do is tell every school and every school district and every State you will have these tests age 3 to 13 every year, and you don't provide the resources, and we don't live up to our commitment, in fact we provide a pittance—next to nothing—to give them the tools so the teachers and the schools and, most important of all, the children, do you want to know something? This is cruel. It will be cruel and it will be punitive. It will be downright dishonest. It is symbolic politics, with children's lives, at its worst.

Mr. DURBIN. The President's motto is "Leave No Child Behind." Only one out of three kids is currently enrolled in Head Start—that early learning experience which gives kids a chance to be successful in the classroom. Only a third of the kids who are struggling in

school because of poverty in their family and circumstances beyond their control receive any help whatsoever from the Federal Government. What we are told by the Senator from North Dakota is there are no additional funds; we will still be stuck at one out of three when this is all over. I say to the Senator from Minnesota, two out of three kids are going to be left behind by the Republican budget resolution which we are going to be asked to vote for tomorrow.

I do not know if the Senator sees it that way. We certainly aren't getting the resources necessary to making sure no child is left behind.

Mr. WELLSTONE. Mr. President, I can say to the Senator from Illinois that at least 100 times I have said on the Senate floor you cannot realize a goal of leaving no child behind if you cut budgets. You can't.

Again, think about it for a moment. Then I will promise not to take much time. We are going to start testing these children. Let's have the best test. Let's make sure it is done the right way so you know how these children are doing. Take 8-year-olds. You have two, and one of them has 4 years of schooling—grades 1, 2 and 3, then also kindergarten. The other child is probably receiving 7 years of early schooling because he came from a family with a lot more income, and you can count on the home. There was all the intellectual stimulation, with reading to them, and where there was really good child care. They came to kindergarten ready to learn.

If you are going to fund Head Start—not at the 50-percent level—and Early Head Start, grades 1 and 2, at the 3-percent level, and that is all, do you know what you are measuring with 1- and 2-year-olds when you do these tests? It is poverty. You are not measuring anything else. This is a really critical time. I hope people in the country will realize that.

I thank the Senator for his question.

This is all about who we are. It is all about priorities and values. This budget reflects the most distorted and perverted values imaginable because it is Robin-Hood-in-reverse tax cuts, with over 40 percent of the benefits going to the top 1 percent, and not the investment in children and education.

Mr. DURBIN. I thank the Senator from Minnesota.

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

The PRESIDING OFFICER. One minute, 10 seconds.

Mr. DURBIN. I ask the Senator from North Dakota for 2 additional minutes.

Mr. DOMENICI. I have no objection. I would like to make sure that under the current time agreement, when the time agreed upon time has expired, the next Senator to speak from our side, Senator INHOFE, has 10 minutes.

Mr. WELLSTONE. Reserving the right to object, I believe I was in order to follow. To give other Senators time, I have had an opportunity to speak. So

if you want to go to the other side after the Senator from Illinois, that is all right.

Mr. CONRAD. After the Senator from Minnesota, because he has time, we will give 2 additional minutes to the Senator from Illinois.

Mr. DURBIN. With my 3 minutes remaining, Mr. President, let me say to my colleagues and those who are following this debate that I want to give you a political science 101 introductory course on how you can evaluate what politicians say and what they mean.

Don't pay attention to the words coming out of our mouths because many times we give speeches that may lead you to conclusions that may not be factual. Instead, look at what we do. Read the conference report for H. Con. Res. 83, the budget resolution. Ignore, if you will, some of the great speeches and some of the posing for holy pictures on the floor of the Senate and this commitment to education we have heard about for 2 weeks. Instead, look at the budget resolution we will vote on tomorrow.

The budget resolution we will vote on tomorrow has no commitment to improving education in America. The speeches notwithstanding, we have walked away from that rhetoric. We have not backed it up with reality. We have not backed it up with facts. We have given our speeches. We have heard the applause. Many of us have been elected and reelected as education Senators. Then tomorrow, watch the roll-call on H. Con. Res. 83 and find out how many are voting yes or actually voting against any increases in funding for education.

Why? Because this White House and this President have a higher priority than education. What is it? A tax cut for the wealthiest people in America. President Bush has proposed a tax cut that gives to people making over \$300,000 a year a \$46,000 tax break. Imagine. You have \$25,000 a month coming in, and the President says you need a tax break.

I will tell you who the people are who need a tax break. It is the folks who are paying for gasoline in the Midwest and heating bills during the winter and families struggling to put their kids through school. We need a commitment in this Congress from Democrats and Republicans to get beyond campaign rhetoric and put money into education.

This budget resolution does not deserve the vote of those who claim to be standing for education.

I yield the floor.

Mr. WELLSTONE. Mr. President, the Senator from New Mexico wants to go to the Senator from Oklahoma; is that correct?

Mr. DOMENICI. That is correct.

Mr. WELLSTONE. I wonder if I might have 3 minutes after the Senator from Oklahoma.

Mr. DOMENICI. I ask for 3 minutes now and then 3 minutes for Senator WELLSTONE.

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

Mr. DOMENICI. Mr. President, I want to answer the distinguished Senator from Illinois who just spoke.

We haven't said very much about who is responsible for gasoline prices. The fact is we don't have enough electricity for America. But to come down here and talk about it as if this President has anything to do with it or this budget has anything to do with it is absolutely wrong.

What happened is the previous President who was in for 8 years—we don't like to be partisan, but he sure wasn't a Republican—did absolutely nothing to give America an energy policy. It was a nothing policy. It finally caught hold and gave us California, giving us higher prices for gasoline. And we are going to have to fix it—this Congress and this President—because no one did anything about it during the last 8 years.

I gather Senator INHOFE is next.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. INHOFE. Mr. President, I thank the Senator from New Mexico for yielding.

Let me be the first to say, I am not on the Education Committee. I am not on the committees dealing with this resolution. But I have been listening to some of this debate. I feel compelled to at least share some thoughts that I have as someone who does not serve on all these committees.

First, I want to respond to the distinguished Senator from Illinois, who was talking about the tax cuts for the wealthy. I just wish that President Kennedy were still around so he could hear this debate because I can remember so well back in the 1960s when we had new programs. I say to Senator WELLSTONE, they had decided that they were going to expand into areas, expand into the Great Society.

I remember the exact quote, just from memory, of President Kennedy. He said: We have a desperate need for more revenue. We have to have more revenue to take care of some of the needs that we have. He said: The best way to increase revenue is to reduce marginal rates. And he did it. In fact, the tax reduction during the Kennedy administration was twice the reduction that is being advocated by President Bush right now. And it worked. At the end of that period of time, the increase almost doubled over the next 5 years as a result of cutting marginal rates.

Let's remember some of those rates. They were cutting down the highest rate from 91 percent down to 70 percent. It did stimulate the economy. And it did increase the revenues that came from that. But that is not supposed to be the discussion today. The discussion is supposed to be on education.

The budget resolution that we are talking about provides a total of \$661 billion in discretionary spending. It provides an additional \$6.2 billion above the President's request for non-

defense programs. This \$6.2 billion can be used for additional spending on our domestic priorities. Everyone agrees that education is one of these priorities. Certainly we have heard the President say this over and over again, both during the campaign and currently.

At the bare minimum, this resolution will fully fund the President's request for education, which is an 11.5-percent increase over last year, the largest of all Federal agencies.

Just so Senators understand the minimum in education spending they will be voting for if they vote for this resolution, the President's request will support the highest ever level of funding for the education of disabled children; a \$460 million increase for title I, including a 78-percent increase in the assistance to low-performing schools; a \$1 billion increase in Pell grants for low-income college students; \$1 billion for new reading programs, a tripling of current funding; \$320 million to ensure accountability with State assessments; \$2.6 billion for quality teachers, a \$400 million increase; a 14-percent increase in Impact Aid; doubling funds for charter schools; \$472 million to encourage school choice and innovation; a down payment on increasing aid to black and Hispanic-serving colleges and universities by 30 percent by 2005; \$6.3 billion to serve 916,000 children under Head Start; and under the National Science Foundation, \$200 million for new K-12 math and science partnerships.

In addition to all of the above, we have up to \$6.2 billion for further increases to high-priority education programs, such as IDEA, title I, class size, school construction, assessments, and reading—whatever priorities emerge from the current debate on ESEA reauthorization.

For example, the conference report has singled out IDEA as a particular priority, so we say that an additional \$250 million should be added to the President's request of \$1 billion for grants to States to educate disabled children.

I listened to the statements in this Chamber where Senators were saying: We have cut every penny of money to strengthen these programs. That is just not true. We are increasing funding. One of the increases, as I have listed, is a 14-percent increase for impact aid. That happens to be what my amendment did. In looking at impact aid, I think it is very important that we realize this is a part of this program.

Back in the 1950s, we established impact aid. This is a program with which I heartily agree. It said simply that if the Federal Government comes along with either a military base or Indian lands, something that the Federal Government has required to be taken off of the tax rolls, that impact aid should replenish that portion of the money that would go to education. There is not a Senator who would disagree with that. However, because we are all kind

of sneaky, and have been over the years, different politicians have gone down, since the 1950s, and taken money out of impact aid. So it dropped down to about a 20-percent funding level. In my State of Oklahoma, I have five major military installations. We have a lot of Indian land there. It is something where we should live up to the obligation that we said we would live up to back in the 1950s and fully fund impact aid.

I started last year, with the help of some Democrats, and virtually all the Republicans, saying: Let's go ahead and fully fund impact aid over a period of time. I want to do it over 4 years, but it looks as if it is going to be closer to 7 years. I had the amendment last year. I have the amendment this year. It has been very popular.

I have some letters that I pulled out of a long stack of letters coming from the various States. I know the Senator from North Dakota has been in this Chamber talking about it. I have a letter from the superintendent of Garrison Public School district in Garrison, ND, saying:

Again, thank you for taking on the challenge of putting Impact Aid on a time line that hopefully will get it to a point where the federal obligation of full funding is realized.

That is from Garrison Public School district in North Dakota.

Here is one from the Minot public school system in North Dakota:

The amendment you offered on the Senate floor to the Fiscal Year 2002 Budget Resolution is appreciated by federally connected school districts all across the country.

We have another one from Cass School District 63. They are in Illinois. I know that the Senator from Illinois has been talking about this. The superintendent writes: Thank you for doing this.

Mr. President, I ask unanimous consent that those three letters be printed at the conclusion of my remarks.

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

(See Exhibit 1.)

Mr. INHOFE. I guess what I am saying is, we have letters from every State saying this is something that should be done.

This budget resolution stays on line to ultimately fully fund the impact aid.

I want to share an experience that I am going to abbreviate because I know we are short on time. I do not have that much time.

I was having a townhall meeting in Frederick, OK. Frederick, OK, is in the southern part of the State. At the meeting, I noticed on the sign-in sheet—I know the Senator from North Dakota and Senators from all the other States have townhall meetings. People sign in so we know where they are from.

There were two ladies there in Frederick, OK, who were from Texas. I said: I am glad to have you ladies here. You are certainly welcome to stay; how-

ever, I am a Senator from Oklahoma. I don't have a lot of say about what goes on in the State of Texas. They said: No, we want to be here because we want to give a testimonial. These two ladies stood up and they said: We are Democrats. We are very strong supporters of the NEA. When Governor Bush came out with some new programs we were violently opposed to them because they deviated from the programs we have been used to. The values have been increased. And we decided, since we were leading the opposition to what Governor Bush was trying to do in Texas, we would now come up here and say to you, in every place we can, that we were wrong, because essentially what we have been doing—and what I hear a lot of these Democrats over here talking about—is taking a failed system, a system that has not worked, and just pouring more and more money into it.

The criticism I hear on this budget is that we are trying to pour on more and more money without making major changes. I think we ought to have vouchers. We ought to do a lot of things we are not doing. At least we are trying some things that are new and different. That is what President Bush was doing when he was Governor Bush in the State of Texas.

These two ladies, these Democrats came up to make their testimonial at my public hearing in Frederick, OK. They said: What he has done is try new things. It is having a huge, positive impact on the quality of education, on testing in the State of Texas.

We need to try something new and innovative, and we are.

I will share an experience. Some of these things that are new and innovative really go back and latch on to things that have been discarded over a period of time. I happen to have four children and eight grandchildren. Back when my kids were young, I can remember coming home after I had been out of town. My older son at that time, Jimmy, who is now in his forties, was 7 years old or something like that. He came up to me and he had a smile across his face. I said: Jimmy, you look like something good happened.

He said: Yes, you know, daddy, I am in the fourth grade.

I said: Yes, Jimmy, I know that.

He said: Did you know that in reading and in arithmetic I am in the fifth grade?

I said: No, how does that work?

He said: Well, it is something that is brand new and innovative. What they do is, if you excel in one particular area, they move you up a grade so you can compete with those who are at your level, and you are not down there competing with someone who is at a lower level. He said: It is brand new and innovative.

I said: That is really great, Jimmy.

Then I remembered back. I always remember the timeframe of this because it was during the bombing of Pearl Harbor. I happened to be going to a country school. It was called Hazel

Dell. And in this school there were eight grades in one room. There was a big potbellied, wood-burning stove. The school master's name was Harvey Bean, a giant of a man, I thought. Probably he wasn't all that big after all, if I were to meet him again today, if he were still alive. But I remember that they had eight grades in one room.

The first row was for the first grade; second row for the second grade, on up. So my brother was in the second row. I was in the first row. My sister was in the eighth row at this country schoolhouse called Hazel Dell. Every time you missed a spelling word, you would have to go up in front of the class and Harvey Bean and you would have to bend over. He had a big wooden paddle and he would swat you.

I tell my colleagues, I was the best speller in the first row. And so I was moved up to the second row so I could spell with the second graders, with my brother and some of the rest of them. So that program that my son called brand new and innovative was alive and well back in the early 1940s.

I understand in the State of Texas some of these things that they have tried that deviate from what we are trying to do now is just going back and getting things that worked in the past. I have to say that this President is going to do things that are new and innovative. He is going to try things that haven't been tried before. Our system has not worked. Our test scores have not gone up. Rather than just pour more money on a failed system, we need to try these things that worked in Texas. I think they are going to work in our Nation.

It is high time we try something new and that we get in a position where we can actually compete now with some of these other industrial nations.

I yield the floor.

#### EXHIBIT 1

GARRISON PUBLIC SCHOOL,  
*Garrison, ND, April 23, 2001.*

Hon. JAMES M. INHOFE,  
*U.S. Senate, Russell Senate Office Building,  
Washington, DC.*

DEAR SENATOR INHOFE: On behalf of the Garrison School District including the students and the community we serve, I want to thank you for your leadership and support for the Impact Aid Program. The amendment you offered on the Senate floor to the Fiscal Year 2002 Budget Resolution is appreciated by federally connected school districts all across the country. You have consistently been there for the Impact Aid Program, but the leadership you have brought to the Senate floor the past two years has put Impact Aid on the list of priority education programs among your Senate colleagues. Although the program does enjoy a broad base of bi-partisan support in the Senate, because of your role Impact Aid has been taken to a new level.

All of us working with Impact Aid realize that much work still remains if the \$1.293 billion figure you placed in the Senate Budget Resolution is to become reality. Please know you can count on our school district and the community it serves to do whatever it takes to help make that happen. You have been there for us and now is the time for the

Impact Aid community to be there for you. Again, thank you for taking on the challenge of putting Impact Aid on a timeline that hopefully will get it to a point where the federal obligation of full funding is realized. Not since the late 1960's has the program been fully funded, but due to your efforts we find ourselves at the threshold of a new era for Impact Aid.

Sincerely,

MIKE KLABO  
Superintendent.

MINOT PUBLIC SCHOOLS,  
Minot, ND, April 27, 2001.

Hon. JAMES M. INHOFE,  
U.S. Senate, Russell Senate Office Building,  
Washington, DC.

DEAR SENATOR INHOFE: On behalf of the Minot Air Force Base School District, including the students and the community we serve, I want to thank you for your leadership and support for the Impact Aid Program. The amendment you offered on the Senate floor to the Fiscal Year 2002 Budget Resolution is appreciated by federally connected school districts all across the country. You have consistently supported the Impact Aid Program. The leadership during the past two years has put Impact Aid on the list of priority education programs among your Senate colleagues. Although the program does enjoy a broad base of bi-partisan support in the Senate, because of your role Impact Aid has been taken to a new level.

All of us working with Impact Aid realize that much work still remains if the \$1.293 billion figure you placed in the Senate Budget Resolution is to become reality. Please know you can count on our school district and the community it serves to do whatever it takes to help make that happen. You have been there for us and now is the time for the Impact Aid community to be there for you. Again, thank you for taking on the challenge of putting Impact Aid on a timeline that hopefully will get it to a point where the federal obligation of full funding is realized. Not since the late 1960's has the program been fully funded, but due to your efforts we find ourselves at the threshold of a new era for Impact Aid.

Sincerely,

RICHARD LARSON,  
Superintendent of Schools.

CASS SCHOOL DISTRICT 63,  
Darien, IL, April 25, 2001.

Hon. JAMES M. INHOFE,  
U.S. Senate, Russell Senate Office Building,  
Washington, DC.

DEAR SENATOR INHOFE: On behalf of the Cass #63 School District including the students and the community we serve, I want to thank you for your leadership and support for the Impact Aid Program. The amendment you offered on the Senate floor to the Fiscal Year 2002 Budget Resolution is appreciated by federally connected school districts all across the country. You have consistently been there for the Impact Aid Program, but the leadership you have brought to the Senate floor the past two years has put Impact Aid on the list of priority education programs among your Senate colleagues. Although the program does enjoy a broad base of bi-partisan support in the Senate, because of your role Impact Aid has been taken to a new level.

All of us working with Impact Aid realize that much work still remains if the \$1.293 billion figure you placed in the Senate Budget Resolution is to become reality. Please know you can count on our school district and the community it serves to do whatever it takes to help make that happen. You have been there for us and now is the time for the Impact Aid community to be there for you. Again, thank you for taking on the challenge of putting Impact Aid on a timeline that

hopefully will get it to a point where the federal obligation of full funding is realized. Not since the late 1960's has the program been fully funded, but due to your efforts we find ourselves at the threshold of a new era for Impact Aid.

Sincerely,

KELLEY M. KALINICH,  
Superintendent.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Let me say to the Senator, I appreciate his comments. It is good to have somebody who understands the overarching activities that this budget resolution provides, and his constant concern about overspending and his concern about the taxpayers has been evident from the day he arrived. I am very pleased because we need to get this finished so we can start down the path of finishing the year, working with a President who is going to try to help us get a tax bill that is representative of the Senate.

People keep talking about a rich man's bill. Before you arrived, I read the names of the members of the Finance Committee. I think you know it has had a lot of changes of late, but clearly they will produce a tax bill. It is going to be representative of this Senate. It is not going to be one little faction's bill because of the makeup. So that is going to be a good thing. That will prove out the contentions in the Chamber about rich versus poor and what kind of tax cuts we do.

Clearly, it is going to have a marriage penalty. Clearly, it will have some rate reductions. Clearly, it is going to have childcare credits. However they do that, they are going to be there for American families with children. Obviously, there is going to be some estate tax reform of significance because we have already voted on that.

Mr. INHOFE. If the Senator will yield, particularly in western Oklahoma, when I have my townhall meetings, these farmers out there, they work 7 days a week. They are not wealthy people. For 13 townhall meetings in a row in western Oklahoma, at least one person stood up and said: Our family farm has been in our family now for three generations. We won't be able to do it anymore because maybe on paper, maybe on the IRS evaluation it is worth \$1 million but not to us.

Then when all the corporate farms are buying up this land, 25 cents on the dollar, that is the greatest thing we could do for the farmers. It is not just in Oklahoma. I am sure it is in New Mexico and North Dakota, too.

Lastly, I hope you didn't miss the point, it was not a Republican but a Democrat who observed that the best way to increase revenues is to have marginal tax reductions. That was President Kennedy.

Mr. DOMENICI. Joined by Dr. Alan Greenspan, saying that is the best thing for the American economy. I thank the Senator and yield the floor.

What would the Senator like to do next?

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

Mr. HARKIN. Fifteen minutes, maybe.

Mr. CONRAD. And the Senator from Florida?

Mr. GRAHAM. Fifteen.

Mr. CONRAD. I wonder, could we give 12½ to both? Would that be all right? At this point we are starting to run out of time.

Mr. HARKIN. That is fine.

Mr. CONRAD. I yield the Senator from Iowa 12½ minutes and I yield the Senator from Florida 12½. And can we lock that in at this point?

Mr. DOMENICI. We will do that. If we have no Senators to go on our side, they can go sequentially, the two of them? That is our unanimous consent request.

The PRESIDING OFFICER (Mr. INHOFE). Without objection, it is so ordered.

Mr. HARKIN. Mr. President, I understand I have been yielded 12½ minutes. I thank the Senator from North Dakota for yielding me some time to speak on this budget.

I guess you could sum up this budget in very few words. It is bad for what ails us in this country. It is bad for our people. It is bad for our future. It is bad for our kids, and especially bad for our elderly.

Hubert Humphrey, one of my great political heroes, once said that the moral test of government is how the government treats those who are in the dawn of life, the children; those who are in the twilight of life, the elderly; those who are in the shadows of life, the sick and the needy.

Let's be clear: This conference report flunks the moral test of government. It turns its back on far too many of these Americans. And to the extent that it implements the Bush tax proposal, it basically says: If you earn \$1 million a year, if you are very secure, we are going to help you get wealthier. But if you are in the dawn of life and you are a child, perhaps, who needs some help because you are in the lower socio-economic strata of America, if you are poor, sick, elderly, if you are one of the baby boomers getting ready to go on Medicare, well, they are telling you, so long, sucker, we will see you later. That is what this budget to the extent that we stick to the President's plan, says.

I think stacking the deck even more against those who already have the deck stacked against them, through no fault of their own, is not the purpose of government. It is not why I came here, and I don't think that is what we ought to be about. I hope we will see a strong shift from this Bush budget.

This budget was fashioned under a plan to make room for huge tax cuts that to far to large an extent go to the wealthiest. In my saying these things, you might say that is just rhetoric. I am just saying those things. I am a Democrat, and the people who put this together are Republicans, so I am just saying these things.

But let's look at the facts. Don't accept what I say, look at the facts. This

Senate, by a majority vote, said that we wanted to cut the Bush tax proposal by \$225 billion and put that into education. That was the amendment this Senator offered, and it was adopted by the Senate. Senator JEFFORDS and Senator BREAUX offered an amendment that also put \$70 billion into education over the next 10 years. Well, that adds up to almost \$300 billion—\$295 billion—and that was in the Senate-passed budget. The House of Representatives had only provided \$21.3 billion for education over those next 10 years. That was what President Bush wanted, \$21.3 billion.

Well, now, you would think that, since we passed \$225 billion over 10 years and the House passed \$21.3 billion, they would compromise somewhere. Well, they compromised all right—at zero. Not only did they take out the \$225 billion over 10 years under my amendment to zero, they took out the Jeffords-Breaux amendment of \$70 billion down to zero, and the Bush plan of \$21.3 billion.

They say they put it in a contingency fund. Good luck in getting anything out of that contingency fund. Why do I say that? Because also last week the Senate passed, on a bipartisan vote, a unanimous vote—a voice vote, and no one objected to it—we appropriated for the next 10 years about \$181 billion to fully fund the Individuals With Disabilities Education Act, to move towards and meet our obligation of 40 percent of the average per pupil expenditure for IDEA over 10 years. A welcome sigh of relief echoed from our local school districts and our State boards of education. Finally, the Federal Government was going to provide this money for special education. We just did that last week here in the education bill that is in front of us. But this budget, with its projected contingency fund, is not going to allow us to meet our obligations in other areas.

This is kind of a busy chart. But what this chart really points out is that if we pass this budget as it is presented to us, doing the things that are talked about, we are going to raid Social Security and we are going to raid Medicare. The facts are here. If we take the final conference and look out over the next 10 years to what we are going to spend on defense—we are not going to cut defense; let's not kid anybody around here. We are not going to cut defense below this. The alternative minimum tax is going to be paid by an ever growing number of people exasperated lowering the top tax rates, creating a pressure to change the AMT. Look at special education that we passed last week, which is mandatory. It is mandatory spending. We have to spend this money if we are to meet a commitment that this Senate has voted without objection to finally meet. Think about the emergencies that will occur. We always have to come up with additional money for emergencies. Then there are the interest payments we have to make.

So when you add all of this up, they gave us a \$504 billion surplus in this budget—they say. OK, it looks like a nice little slush fund we can use for all these things, but when you add up all of the mandatory things we are going to be spending over 10 years, it comes to a deficit of minus \$552 billion.

So that means in order to make up this deficit in each of these years, we are going to have to take money out of Medicare for the first 3 years and then, from year 4 on, both Medicare and Social Security. Again, this is not rhetoric; the numbers are there.

What the House of Representatives gave us, what they voted on in the House of Representatives—every Congressman and Congresswoman who voted for that budget voted to raid Medicare and to raid Social Security over the next 10 years. Make no mistake about it. That is what they did, and that is what we have in front of us here.

So if you vote for this budget, you are voting to take money out of Medicare and you are voting to take money out of Social Security, to pay for what? The House has already passed a set of tax cuts that dramatically favor tax break that goes to the wealthiest in our society.

President Bush is always talking about waitresses and the people working out there and how they need a tax break, too. Here is a letter which appeared in the Des Moines Register on May 3. It was written by Deb Stehr of Lake View, IA. She is a waitress. She wrote this. The headline is “Bush’s Tax Cut Won’t Help This Waitress Mom.” I ask unanimous consent that this entire letter be printed in the RECORD.

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

[From the Des Moines Register, May 3, 2001]  
BUSH’S TAX CUT WON’T HELP THIS WAITRESS  
MOM

IF HE’S NOT GOING TO TALK TO ME, SHOULDN’T  
HE STOP TALKING ABOUT ME?

(By Deb Stehr)

President Bush has said his tax plan would be great for a waitress with two kids and income of \$26,000.

I’m a waitress, married, with one child still at home and a family income that’s a little lower than \$26,000 in most years.

If Bush visited the cafe where I work in Lake View, I would tell him that when it comes to my family and folks like us, he has it all wrong.

The fact is, we wouldn’t get anything from his tax cuts. Instead, they would hurt programs we depend upon and gladly pay taxes to support, such as Medicare and Medicaid. They would kill the chances for programs such as prescription-drug coverage for our parents, which would make all our lives a little easier.

I’m the kind of person the politicians woo like crazy when there’s an election coming up, and then forget about the rest of the time. So let me explain a little about my life to help them remember moms like me.

I am a waitress who has worked in the same local cafe for 13 years, and my husband owns a small auto-body repair shop. We don’t have private health insurance so, like lots of working families, we have to rely on Med-

icaid. It has been a lifeline for one family member.

Our youngest son, Jonathan, was born with severe cerebral palsy 18 years ago. He receives Medicaid because of his disability, a program that has covered his extensive health-care needs over the years. For now, it also covers the necessary support services that enable us to keep him at home. Jon, like most young adults, looks forward to finishing his education, getting a job and living on his own. He will need Medicaid to help him become independent.

We’re part of the “sandwich generation”—baby boomers who care for aging parents as well as our kids. For the past year, my dad has been treated for a rare cancer. Fortunately, Medicare has paid for what would have been tens of thousands of dollars of medical bills. Ironically, the largest out-of-pocket expenses he had to pay were for prescription drugs.

That’s my story, and when I hear Bush talk about families who would benefit from his tax plan, I know he’s not talking about me. He might think he is talking about a waitress mom. But I know better. We pay payroll taxes, sales taxes and other taxes. I make more in tips on a bad day than I would ever get back from his tax cut. I don’t think most of the customers who come to the cafe—mostly working people and seniors—would make out any better.

I am afraid that we’d lose out because Bush would have to cut programs that help our families survive. When I read that he plans to cut \$17 billion from Medicaid over 10 years and “borrow” from the Medicare surplus, it makes me scared and angry. What would happen to my son if they cut Medicaid? What would happen to my dad, and many of the seniors I care about, if they cut Medicare?

Bush likes to say that the money the government gets from income taxes is the people’s money. Some of the money in the Medicare surplus came from my payroll taxes and the taxes of workers in situations similar to mine. I’d just as soon see that money help people like my dad who worked hard and paid taxes all their lives.

Worst of all, I’m afraid Bush’s tax plan would make the future less hopeful for working families like mine. This is a good country, with a big heart and supposedly a helping hand. Now that we finally have a surplus, we should use some of it to help seniors buy prescription drugs by adding a comprehensive, prescription-drug benefit to Medicare. We should provide health-care coverage for the uninsured and invest in education for all students. It makes more sense to help millions of people than to give millionaires a tax cut.

That’s what I’d tell Bush if I ever had the chance. Even though he likes to say his plan would help someone like me, he’s not likely to visit with a waitress in a small town in northwest Iowa. But if he’s not going to talk to me, then shouldn’t he stop talking about me?

Deb said:

President Bush has said his tax plan would be great for a waitress with two kids and an income of \$26,000.

I’m a waitress, married, with one child still at home and a family income that’s a little lower than \$26,000 in most years.

If Bush visited the cafe where I work in Lake View—She goes on to say later that she has worked there for 13 years, and she also has a son who was born with severe cerebral palsy and lives at home. She said:

If Bush visited the cafe where I work in Lake View, I would tell him that when it comes to my family and folks like us, he has it all wrong.

The fact is, we wouldn't get anything from his tax cuts. Instead, they would hurt programs we depend upon and gladly pay taxes to support, such as Medicare and Medicaid. They would kill the chances for programs such as prescription drug coverage for our parents, which would make all our lives a little easier.

Deb goes on to say that she has been a waitress for 13 years and her husband owns a small auto body repair shop. They don't have private health insurance. They have to rely on Medicaid because their son Jonathan was born with severe cerebral palsy 18 years ago. He receives Medicaid because of his disability. Medicaid helps him to be independent. She has an elder parent who has cancer, and he relies upon Medicare money.

Well, she said in the end:

That's what I'd tell Bush if I ever had the chance. Even though he likes to say his plan would help someone like me, he is not likely to visit with a waitress in a small town in northwest Iowa. But if he is not going to talk to me, then shouldn't he stop talking about me?

I think that sums it up, Mr. President. If you want to help the working people of America who are out in the small towns and communities, who have their small businesses and are working hard to keep their families together, this is not the budget you want for their future. This budget is going to hurt them. This is not the budget you want to help educate our kids and to make sure they are going to have the funds necessary for their future growth and development.

If you want to make sure our elderly get the prescription drugs they need so that their lives are healthier and better, this is not the budget you want. If you want to make sure that we secure Social Security for the baby boomers and that we have the ability to make sure the Social Security System is sound for the next 40 to 50 years, this is not the budget you want.

This budget has everything in there for people who have everything in this country. The President likes to say he wants to "leave no child behind." I think we have to revise that. What he really is saying is he wants to leave no child in the wealthiest suburbs behind, no child whose parents have a great income; he doesn't want to leave them behind. But if you are poor, black, Hispanic, and you are from the lower socioeconomic strata, if you in elementary school, if you nearing retirement with an average income, you are left behind with this budget.

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

Mr. President, the other thing I want to say is if you are interested in reducing the national debt, because we also put \$250 billion in the Senate bill through the amendment I proposed to reduce the national debt so that our kids are not saddled with interest payments every year of their lives, if you are interested in paying down the national debt, this is not the budget for you because this budget does not pay down the national debt.

I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from Florida is recognized for 12½ minutes.

Mr. GRAHAM. I thank the Chair.

Mr. President, a week ago today on May 2, the front page of the Washington Post had three significant articles about the debate we are conducting tonight.

The first says, "Bush Calls for Missile Shield."

The second says, "Bush to Unveil Panel on Social Security Change."

And the third says, "Tax Cut Compromise Reached."

What is the relationship of those three articles? The relationship is that the decisions we are going to be making tonight, tomorrow, and next week on the tax cut compromise which has been reached will have significant effects on our ability to finance the missile shield and the Social Security changes which, on the same front page, the President has asked our Nation to consider.

Although we do not have a number, we have heard that the Secretary of Defense may be asking for as much as \$250 billion above the amount in this budget resolution for additional defense expenditures. Whether that includes the national missile defense is a question mark.

We do not know the exact number, but the projection is, to pay for the privatization of a portion of Social Security as this Commission has been charged to develop will cost upwards of a trillion dollars over the next 10 years in the transition costs.

What these three stories show is the need to set priorities and to set priorities at the same time so that, just as any family, you would know how much you were going to spend for every component of the family's budget as you started the new year, as you began the new intelligent planning for your family's resources.

I suggest one intelligent step to take tonight is not to take one 10-year tax cut based on projections of what the Federal Government surplus will be from this year through the year 2011 but, rather, to take a step-by-step approach. Yes, passing a significant tax bill—and I will discuss later what I think its components should be—then reviewing what the state of the economy is after that tax cut, evaluating what our projected surpluses would be after that first tax cut, and deciding whether, when, and for what purpose a second tax cut would be prudent.

It has been said that we are engaged in a zero-sum game, and we are. Much attention has been given over the last several weeks to how big a tax cut Congress should build into the budget. Much less has been given to the fact that these budget decisions are a zero-sum game. Every dollar we spend on a tax cut is a dollar we cannot spend for something else. Every dollar we spend for something else is a dollar we cannot spend on the tax cut. The greater

the tax cut, the fewer dollars are available for other priorities.

What are some of those priorities? In my opinion, they would be paying down the \$5.5 trillion national debt we have developed over the last 20 years and have just started the process of reducing so we do not leave to our children and our grandchildren a credit card bill of ours to pay; meeting the No. 1 priority, which the President has stated and which this Congress has reaffirmed, and that is education; providing prescription drug coverage for older Americans; dealing with the serious issues of energy security and the contractual responsibilities we have for Social Security and providing for an adequate national defense.

In addition to being a zero-sum game, there is also a zero-sum minus because one of the flaws in this budget resolution that includes using the Medicare trust fund without a question, and arguably also the Social Security surplus trust fund as a means of being able to finance this enormous tax cut.

This violates the fundamental spirit of the agreement that we have with Medicare taxpayers, with Medicare beneficiaries, and with our Social Security beneficiaries.

Congress, instead of spending those trust funds or making them vulnerable to being spent, should use this opportunity to place the Medicare trust fund in a protected status and to recommit ourselves to do the same for the Social Security trust fund.

Senator STABENOW and I will be offering legislation, to be introduced shortly, which will do just that by providing a point of order against any attempt to use the Medicare trust funds for any purposes other than for paying current Medicare Part A benefits. So part of this game is zero-sum minus, minus the proposal of using the Medicare trust fund and the Social Security trust fund to pay for this.

Another part is zero-sum plus, and that is we are looking at the world as if it ends in the year 2011. Taking such a narrow focus prevents us from addressing the longer term budget challenges facing this country.

I understand that under the Budget Act we look at our Nation's finances for 10 years, but that does not put us in unneeded handcuffs to recognize the fact that there are responsibilities just beyond that horizon.

A very significant event in world history occurred in late March of this year. My daughter, Suzanne, and her husband, Tom, hosted a sixth birthday party for their triplet daughters, my triplet granddaughters. Ansley, Adele, and Kendall Gibson all became 6 years old on the same day. What is the significance of that for this debate? The significance is they are all going to become 16 10 years from now. If the Gibson family looked at the life of their triplets and said, let's just plan for the next 10 years, it would be a fairly smooth ride because the expenses from 6 to 16 are not that daunting.

The problem is that 2 years later, in the year 2013, those triplets are all going to want to go to college at the same time. Anybody who is putting one child through college can appreciate what the challenge is going to be to put through triplets at the same time.

That is almost an exact parallel to what our Nation is facing. We are on the verge of one of the most significant demographic surges in the history of America, and it can be seen in this chart.

If we just use as our amount to pay down the national debt the sums in the Social Security surplus, we are going to go back into deficit in the year 2017. The reason we are going to go back into deficit is because we will be 5 years into the baby boomers reaching their retirement age and starting to draw down Social Security.

Conversely, if we put all of the unified surplus into paying down the national debt, we will stretch that out to the year 2050 before we will be back into a deficit position. But we are just looking at this narrow window into which we are now entering and saying things look great for the next 10 years, but it is the period just after the 10 years that is going to be the challenge for Congress and for this Nation.

What are some of the implications of this chart? In the year 2017, the year we are going to go back into deficit, 52 million Americans will be receiving Social Security retirement benefits. That is up from 36 million in the year 2000, a 16 million increase in the number of Social Security retirees in just a 17-year period. Mr. President, that is 44 percent above current beneficiary levels. In addition, 56 million Americans will be eligible for Medicare benefits, up from 39 million in the year 2000.

Those are some of the challenges in the zero-sum-plus game. We have to add a longer vision to our fiscal telescope than just the 10 years immediately ahead.

I am also concerned in this approach of one humongous tax bill. We are not putting first priorities first in our Nation's economic life. I think the most challenging issue for America today is the fact we are facing the potential of a further and even more serious economic decline. There have been mixed economic figures in the past few weeks. The figures of last week show unemployment has risen to 4.5 percent, with a whole series of major American companies announcing yet another round of layoffs. Certainly that sends alarm signals. We ought to be using our energy and using the people's resources to help buy an economic insurance policy to do everything we can on the fiscal side of the American economy as the Federal Reserve Board is doing on the monetary side in order to give the American people the greatest confidence that they will not be facing a hard, perhaps a crash landing.

My suggestion is rather than pass the \$1.35 trillion, 10-year "spend it all right now" tax plan, which I think will be

seen quickly in history as being the equivalent of the 1981 tax cut which brought these enormous deficits and now a \$5.5 trillion national debt, we ought to be patient and proceed step by step.

I suggest the first step ought to be to buy an economic insurance policy by passing a simple, immediate, broad-based and substantial tax cut of approximately \$60 billion this year and in the next years, which will go, primarily, to American families in a sufficient amount to provide a \$950 per year, or approximately \$35 every other week in the paycheck, increase in the disposable income of American families so they will have not only the additional dollars to contribute to strengthening the demand side of our American economy but also the psychological reassurance that they are going to be that much better off on a permanent basis.

That is the kind of tax plan this Senate ought to be considering. The American people have worked hard for the last few years to get where we are. In 1992, we had the largest single deficit in any year in the history of the United States of America, almost \$300 billion. Now we are in the happy circumstance of surplus. We are facing the prospect of surpluses for the foreseeable future. We have the potential of making that future stretch all the way to the middle of the 21st century if we act prudently tonight, tomorrow, and next week. This is not the time to go back where we have been and where we do not want to go again, a nation on its economic knees through deficits and excessive debt.

Mr. CONRAD. I yield 12½ minutes to the Senator from Florida.

The PRESIDING OFFICER (Mr. ALLEN). The Senator from Florida is recognized.

Mr. NELSON of Florida. Mr. President, the chairman of my committee has given courageous leadership in trying to sort through all of the funny money and the distorted figures as we try to make some sense out of this budget resolution. I thank the Senator from North Dakota for his leadership.

I strongly support a tax cut that would benefit all Americans fairly, but I support a tax cut that doesn't sacrifice the fiscal discipline that enables us to provide tax relief for this year. I support a tax cut that doesn't abandon our commitment to such critical areas as Social Security, Medicare, education, national defense, and the environment. I was among those voting for such a tax cut when we first debated the budget a few weeks ago. It would have given taxpayers substantial relief—\$900 billion over 10 years—while enabling us to meet our Nation's most pressing needs.

With the administration demanding \$1.6 trillion instead of \$900 billion, that sensible proposal of a balanced way of approaching the budget for all of these different needs that I want to talk about, and that my colleague, my sen-

ior Senator from Florida, has already talked about, was rejected. Instead, we are now considering a budget resolution calling for a \$1.4 trillion tax cut over 10 years that is certain to cost far more if it is carried out.

We are about to vote for an illusion, a political head fake, because this budget before the Senate provides none of the additional money we approved for educational reform. Every day now we are on the education bill, S. 1. We have added needed money for lowering classroom size, as we are about to vote on the amendment from the Senator from Washington. We have added money to bring title I up, fully funded, over the course of the next decade. We have put additional money into Head Start, to get children ready to start school at the kindergarten and first grade level.

Yet this budget doesn't provide any of that money. This is one of the most inconsistent, legislative decision-making times we have ever seen. On the one hand, we are considering a budget resolution that strips out all of the additional money we promised our people last year in the election that was going to be invested in education while, at the same time, we are voting on an educational bill that adds all of this additional investment into education.

There is no money here for the public school improvements we all agreed were critically needed. This budget conveniently overlooks anticipated costs for such big ticket items as the President's plans for overhauling the military and the President's plans for building a missile defense system. It is based on distant revenue projections that are uncertain in the best of times and, increasingly, revenue projections of surplus that are very unlikely in our slowing economy.

My senior Senator from Florida, who is so kind to be here, knows that I made promises to our people in Florida. I promised to fight any raids on Medicare and Social Security trust funds. Instead of strengthening Medicare and Social Security, which we must do, this unconscionable budget would raid them.

Look at the chart referred to in an earlier speech. With everything in this present budget at the end of 10 years, there isn't enough left in the present budget projections, to the tune of \$½ trillion. At the end of 10 years, where will we get it? We will get it by raiding the Medicare trust fund, \$326 billion over 10 years. I promised I wasn't going to do that.

We are going to get it by raiding the Social Security trust fund, \$225 billion over 10 years. I promised I would not do that, and I will not.

And I promised to give all children a chance for a quality education. And we are stripping out that money for education.

I promised to protect our precious natural resources. There is not any money for that.

I promised to strengthen our Nation's military. And there is not any money for that, either.

I promised to modernize Medicare with a real prescription drug benefit, and there is no money for that. I promised one of the most sacred promises to all of the people of Florida who have labored under budget deficits and who have worried, as they worry about paying off their mortgages on their homes—I promised to pay down the national debt with this surplus so our economy can grow and prosper. We are not doing that with this budget.

No, the budget plan before us would eat up our entire surplus. It would cripple our ability to do all of those things I promised our people in Florida. So I am going to vote against it. Because of the promises I made to our people in Florida, I will continue to fight for reforms and I will continue to fight for tax cuts in the days and the weeks ahead. I will continue to fight for those reforms and tax cuts that will better serve all of our people.

I say to the chairman of our committee, my senior Senator, the distinguished Senator from the State of Washington, it has been a privilege to be a part of this process. Thank you for letting me express some very deeply felt convictions, most of which were discussed in detail as I had the privilege of visiting all of the back roads and cities, the rural areas, and the backwaters of Florida as I traversed the State last year in the campaign. What a high honor it was to be elected to represent the State of Florida. I came here with those promises. I intend to keep them.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. If the Senator will yield for just a moment—

Mr. SESSIONS. I will be glad to.

Mr. CONRAD. I appreciate the courtesy of the Senator very much. I would like to say that Senator NELSON of Florida has been a very valuable member of the Senate Budget Committee. Nobody has been more serious about the work of the committee. I think nobody is more dedicated to fiscal responsibility. His senior colleague as well, who sits next to me on the Senate Finance Committee—I think on the questions of fiscal responsibility, they are two of the most sound thinkers who come before the Senate. I admire the remarks of both tonight.

I especially want to say to the junior Senator from Florida, Mr. NELSON, how much I appreciate the effort he has extended to be involved in the budget process. It has been a great help to me, and I will not forget the assistance he has provided.

I yield the floor. Again, I thank the Senator for his courtesy.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. DOMENICI. How much time did the Senator ask for?

Mr. SESSIONS. I haven't asked but 7 minutes.

Mr. DOMENICI. I yield 10 minutes, if you like. Will you yield me 1 minute of that time—or let me ask consent that the Senator be permitted to speak for up to 10 minutes.

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

Mr. DOMENICI. And then who is next? Do we have another Senator?

Mr. CONRAD. We are ready on our side with Senator MURRAY.

Mr. DOMENICI. How long would she like? Why don't we just set it in place.

Mr. CONRAD. I yield 12½ minutes for Senator MURRAY, and then Senator CORZINE on our side, 12½ minutes as well.

Mr. DOMENICI. We will do that following the Senator from Alabama, and if any other Republicans want to speak, any way that is fair. Does the Senator yield me 2 minutes?

Mr. SESSIONS. Yes.

Mr. DOMENICI. Mr. President, it is just amazing to this Senator. I don't know where they get the numbers. Somebody is giving them to them. Somebody is making a lot of assumptions that are not in this budget resolution.

We do not need a lesson from anyone about whether or not we should dip into Social Security trust funds for purposes of spending in this budget. We were the first to put before the Congress of the United States a lockbox concept. By the time we were finished, everybody took credit for it—lock in the Social Security trust fund. That is a lockbox. Before we were finished, President Clinton was for it. He had not been for it before. We start it; everybody takes credit.

Let me say to the American people, whenever you want to give the American people a tax cut of sizable proportions—not as big as the Kennedy tax cut, not as big as the Reagan tax cut—just try to give the taxpayers some of their money back out of this huge surplus, there is no end to excuses as to why we cannot do it.

The latest one is: Seniors, you ought to be angry about this tax cut, even though it is going to your children and grandchildren and to your friends because, they are saying on that side, we are spending it; we are spending part of your trust fund money for tax cuts.

Not true. And it should not be a condition precedent to cutting taxes.

Next, what do they insist on? You can't touch Medicare. We didn't have to learn that from anyone. We did not, we do not, and wherever those numbers came from, they are not the numbers in the budget. They are not what we assume will be spent. They are assuming the alternative minimum tax will be passed. They are assuming defense will get \$370 billion. They are assuming education will get \$146 billion more. How are we responsible when we do not even have that in our budget? We don't know what is going to happen there. What is in our budget does not use Medicare, does not use Social Security.

I believe every time we have a significant tax cut going to Americans so the economy will keep going, that is the best thing for seniors. Keep an economy that is booming. What do we boom on? Low tax rates. That is what America's economy expects. So you do that to help over the long run, and you get excuses that you have not done everything yet that is necessary.

Mr. SESSIONS. Will the Senator yield for a question?

Mr. DOMENICI. I am pleased to yield on your time.

Mr. SESSIONS. This tax cut that you proposed and the analysis that has been made of it, does it have dynamic scoring? Does it provide any projected boost in the economy by virtue of the tax cut?

Mr. DOMENICI. No, it does not.

Mr. SESSIONS. That is a very conservative posture to take.

Mr. DOMENICI. Also, let me say the economy is not booming as much as we like, and there is \$100 billion in it that was sought after by Democrats for up-front stimulus between this year and next year. That is going to go right into the pockets of Americans. It is going to go into the pockets of the neighbors and nephews and grandchildren of the seniors whom they are trying to scare in that we cannot keep our faith with Social Security and give people back some of their money. We can. We will. And it will not touch Social Security. So don't get worked up about it, our friends who are seniors. If you want to call our offices, we will give you the numbers.

Those numbers are invented. Since they use all kinds of invective here on the floor about our budget resolution, they are invented numbers. That is not accusing anyone. They just borrowed them from somewhere. They are not in the budget.

I will be pleased to yield the remainder of my time, except I want to say we were asked to balance the budget before we would give any tax relief. We have. It will be. We were asked to reduce the debt. We have. It will be. It will be reduced dramatically.

The real numbers are \$3.2 trillion in debt. It will be down to \$0.8 trillion under this budget resolution, a huge reduction in debt. What are we arguing about? It is as big as you can get. Probably you cannot do any more.

Go onto everything they ask, that everybody says this budget should do before we give Americans a tax break. We have done them all. We tried. They are inventing new ones. Every time we are on the floor, they are inventing new ones.

I don't kid anybody. This is not a budget that Senator HARKIN would put forward. This is not a budget resolution he would write. I don't know what he would write, I don't know what he would support. Clearly, he came and spoke his piece, and that is fine. He didn't vote for it even when it left the Senate when 15 Democrats did. Nor did most of the people who are speaking

against it. They didn't even vote for it when it passed the Senate with 15 Democrats in support of it, with a lower tax number than the President wanted and that we wanted.

So I want to wrap my arguments up very simply. Everything a budget could be asked to do before we give any money back to our American people to grow our economy even better, we have done it all.

Every time we try to do a reasonable tax reduction plan, we find new conditions and new things we ought to be doing as a Government. What? Before we can give the American people a tax break? Give us a break. How many more conditions? There will be more tonight. We have a couple of hours. There will be more tomorrow morning. We have an hour or so. There will be more things we should have been doing before we give the American people a tax break. I guarantee you that is what it will be about—more things the Government ought to do and less and less about what people should get. Give back to them some of their money.

I yield the rest of your time. I am sorry I used it. I ask unanimous consent that he have 10 minutes nonetheless.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Senator from Alabama.

Mr. SESSIONS. Mr. President, I thank the Chair and the distinguished Budget Committee chairman. There is no one who has given more of his heart and soul to battling for a sound economy in this country and a sound balance between the individual American citizen and our Government than the chairman of the Budget Committee.

We are looking at numbers. They are extraordinary. Money is pouring into our National Government. Even in this time of slowdown, preliminary numbers I heard recently indicate that we will still have more money coming into the Government this year than was projected even last year. All the projections for the last 4 years have been below the size of the actual surplus.

What are we talking about? We are talking about an unusual period of time in which the Federal Government is growing at an unprecedented rate.

It is a fundamental period for us to make a decision. Are we going to go down the road of the socialistic economic philosophies of European nations and others in the world, or are we going to maintain the great American tradition of individual freedom and free enterprise? It is a fundamental question. There are Members of this body who either have not thought about that, or have thought about it and won't admit it and want to see us go in that direction because every time a tax cut is proposed, they say: No, we can't trust the American people with their money. We have to take it and spend it on this program, this program, this program, and this program.

Are there not families in America and senior citizens in America who

need to put a set of tires on their car and need a \$75-a-month tax reduction to help them do that? Are there not people who will benefit from that? Aren't children going to benefit from the tax credit that families will have with two children with a \$1,000-a-year tax credit?

I don't mean you get \$1,000 and have to pay taxes on it. I mean they get to keep \$1,000, if they have two children, for the year. It adds up to almost \$100 a month to help them raise their children, to take care of us when we retire, educate their children, and raise them in the proper way.

But the most important thing for us to know is that in 1992 this Federal Government alone took 17.6 percent of the total gross domestic product in the form of taxes. Mr. President, 17.6 percent of all the goods and services produced in this country were sent to Washington, DC. Since 1992, it has grown every single year. We are now at 20.7 percent of the gross domestic product going to the Federal Government in Washington.

Is there any wonder why we have a surplus? There is no doubt about it. The Government is taking a larger percentage of America's wealth. Are we going to let it go to 22 percent or 25 percent so politicians can spend it and go out and claim they did great things for you, and have buildings named for them that they built with your money? I don't think so. I think this is a defining moment of great historical importance.

The bipartisan majority, I am confident, will approve this budget of \$1.3 trillion in tax reductions over 10 years, with \$100 billion in the first 2 years for an economic stimulus to help get this economy moving again, and to help do something about these high energy prices which are a direct result of a no-growth environmental extreme policy that did not allow production of energy sources and left us in a shortage and left us with high prices. We do not need that kind of shortsighted mentality, in my view.

We are in a position to do something very special. We are in a position to allow the American people, vis-a-vis their central government, to have a little bit more money, to be able to keep a little more of what they earn, and to reverse that trend. Because when money is taken from an individual, a free American citizen, and is sent to Washington, Washington is empowered. Washington is enriched. Washington is strengthened. And the individual American is diminished. His wealth is diminished; his freedom, his autonomy, his ability to do as he or she wishes is diminished.

I think we are at a point where we are sending enough here. I don't believe the people who elected me said, Jeff, go up there and preside over one of the greatest increases in accumulation of wealth in Washington, DC, in the history of our country. I don't believe that is what I was sent here to do.

The 20.7 percent coming to this Government right now as a percentage of gross domestic product is the highest figure since the height of World War II. One year in World War II it hit 20.9 percent.

We are drifting into a state-dominated, socialist-type economy, if we don't watch it. The trends are not healthy. Let's slow that down.

Compared to the Reagan tax cut, this one is small. Compared to the John F. Kennedy tax cut, this is small. It is not a breathtaking tax cut. We are looking at it over 10 years. But it is significant. I believe it will help contain that trend of ever increasing concentration of wealth in Washington, with more and more Federal programs—all for the greatest sounding good that seldom produces the results they set out to do.

I think we are on the right track. I believe we are going to have a strong vote for this. I think it is the right direction for our country to go in. I could not be more excited about it.

I have no doubt that we will not cast a more important vote. We will not deal with a more important governmental issue than trying to contain this powerful growth in spending and wealth in this Nation's Capital.

By the way, we are paying down the debt as fast as it can be paid down without paying penalties on the Treasury bills that are out there. It is a tremendous reduction of wealth. The estimates are that instead of paying 14 percent down now to fund our debtload, we will be down to under 2 percent at the end of this budget projection at the rate we are going. It is a good trend to be on. Less than 2 percent for debt service is a healthy trend for us. In a couple more years, we could have all the debt eliminated. That is a wise economic step for us to take at that time.

I certainly believe in paying down debt. I certainly believe we ought to lock up the Social Security surplus and not spend it.

Senator DOMENICI is correct. Senator DOMENICI founded the idea of a lockbox, and fought for it on this floor. I supported him. Senator Spence Abraham of Michigan supported him. We worked hard on the lockbox. We didn't get it passed. The Democrats opposed it. The Democrats opposed that lockbox.

Then, stunningly, we were in a political campaign and the Vice President said he was all for a lockbox. He should have told some of his friends in the Senate.

But we are going to do that. We are locking that money up.

I will say one thing. I am not voting for a budget that is going to spend the Social Security surplus. That debt needs to be paid down. It should be for that purpose and should not be spent. I will oppose any spending or any tax program that reduces or spends any of that surplus. It is not going to happen. It is a commitment on both sides of the aisle not to allow that to happen. We are not going to allow that to happen. That would be wrong. We have done

that too long. It is time to end that. In fact, a good frugal congressional battle has resulted in better spending ideas and the containment of spending which has helped produce this surplus.

The budget is pretty good on spending increases. The President wants us to hold to 4 percent. It looks like the budget is going to have us at a little over 5 percent. We have to watch ourselves. It is so tempting to spend. If we can just maintain spending at the rate of inflation, or only slightly above the rate of inflation, I think we can do well. But if we go crazy and we spend like we did last year—nearly an 8-percent budget increase in spending—and do that every year, we are not going to have any Social Security or tax cut possibilities.

I am excited about what is happening. I think we will have bipartisan support for this. I know some people just cannot stand the thought of a tax cut. I think it is a great idea. I think it is time, and we have the money to do it. We ought to let the American people keep some of their money, and quit this unprecedented growth in the accumulation of wealth going to Washington, DC.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. I thank the Senator from Alabama.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. I ask if Senator MURRAY will yield to me briefly, so I can respond to a number of points that have been made.

The PRESIDING OFFICER. Does the Senator yield?

Mrs. MURRAY. Yes.

Mr. CONRAD. Mr. President, the Senator from Alabama used some pretty strong language out here. Socialistic? Please. I do not know of a single socialist in the Senate or anybody that has any thought of proposing anything socialistic in this Chamber. That is talk that is a little beyond the pale.

Let's review what has happened in fact—not the rhetoric, the fact. This chart I have here demonstrates what has happened to Federal spending as a share of national income since 1966. Ronald Reagan took over in 1980. I do not think he was a socialist. But look what happened to Federal spending as a share of national income under Ronald Reagan and, effectively, Republican control of both the House and the Senate. Federal spending as a share of gross domestic product shot up under President Reagan.

Now look what happened when a Democrat took over in 1992. Federal spending as share of GDP plunged. We have gone from 22 percent of GDP going to the Federal Government when Bill Clinton came into office to last year going down to 18 percent—a dramatic reduction of money coming to Washington for the Federal Government as a share of national income. Those are facts. As President Reagan used to say, facts are stubborn things.

The Senator from Alabama said the Democrats defeated the lockbox. You bet we defeated the lockbox they proposed because the lockbox they proposed would have prevented us from honoring our national debt. The Secretary of the Treasury wrote us and said that would endanger the ability of the United States to meet its financial obligations. I was the author on this side of the lockbox legislation that passed, with the strongest vote in the Senate on a bipartisan basis. That lockbox passed.

So when they say the Democrats opposed the lockbox, we opposed a fiscally irresponsible lockbox, and we supported the lockbox that with bipartisan support passed in the Senate. Facts are stubborn things. Senator DOMENICI said, in answer to Senator NELSON, that Senator Nelson put up a chart that had things that were not in their budget. That is exactly the point. The defense buildup they are calling for, this administration is calling for, is not in the budget. The strengthening of Social Security that this President is calling for are not in the budget. The additional resources for education this President is calling for are not in the budget.

That is the problem with this budget: It is not a true accounting of what is going to happen here. The result is precisely what Senator NELSON described: We are going to be deep into the Medicare trust fund, deep into the Social Security trust fund, because what we have here is not a real budget.

I thank the Senator from Washington for the time.

Mr. President, I ask unanimous consent that the Senator from Washington be given an additional 5 minutes because I used her time.

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

The Senator from Washington.

Mrs. MURRAY. Mr. President, how much time do I have total at this point?

The PRESIDING OFFICER. The Senator from North Dakota used 3½ minutes. The Senator had 12½ minutes reserved. So now the Senator has about 16 or 17 minutes.

Mrs. MURRAY. I thank the Presiding Officer. And I thank the Senator from North Dakota for his tremendous leadership on this issue and for working with us who serve on the Budget Committee in one of the best ways I have ever seen, including, in the process, helping us to understand the true impact of this budget. I really want to let him know how much I appreciate that.

Mr. President, as my colleagues know, the budget resolution before us provides the framework for Federal budget priorities for the coming fiscal year. In fact, this debate and this budget are the most important things the Senate will do this year. The vote we take will have a significant impact on our Nation's ability to meet our challenges and to provide opportunity for America's working families.

But this vote isn't just about what happens to Americans a year from now. It is about what happens to our country generations from now because this budget will have a major impact on the projected surplus and on future budgets.

Over the last 8 years, we learned what a difference a responsible budget can make. We learned it starts with the basics—such as using real numbers and not “betting the farm” on rosy projections. We learned that if we invest in the American people and their needs, our country and our economy will also benefit. We learned we need to be fiscally responsible. That means making tough choices and holding the line on deficit spending. And we learned that we have to work together to get things done.

The last 8 years have shown us that if we follow those lessons—using real numbers, investing in people, meeting our needs, being fiscally responsible, and working together—we can turn deficits into surpluses, and we can transform the American economy into a job-creating machine.

Today, there is a new President in office. There is a new Congress. And there are new economic challenges as our economy slows and an energy crisis grows.

Mr. President, the times are different, but the lessons are the same.

This isn't the time to throw away the handbook we have used for the past 8 years. It is time to follow the lessons it offers. Unfortunately, the administration and the Republican leadership are running in the opposite direction. And I fear we are going to repeat the same mistakes of the past—mistakes that we are just now getting over. Let me say that again. The Republican budget ignores the lessons of the last 8 years. Instead of focusing on real numbers and realistic estimates, the Republican budget puts all its faith in projected surpluses that may never materialize.

The things we know so far about this budget are disturbing. We know it is based on surplus estimates that may not come true. We know that it abandons fiscal responsibility in the name of a tax cut primarily benefitting a few. We know that it fails to adequately meet the priorities and needs of the American people and the people of my home State. We know it fails to invest in our future economic security and competitiveness. And we know it fails to eliminate the \$5.3 trillion in debt that has accumulated over the past 20 years.

What we already know about this budget is enough to give us pause, but what we don't yet know about this budget is enough to stop it cold. We don't know what the surplus or the overall economy will look like a few years from now. And today there are very real reasons to be concerned. In my home State, and up and down the West Coast, we are experiencing an energy crisis. Gasoline prices are skyrocketing, factories are closing down,

and energy bills are up significantly. This energy crisis is having a negative impact on the economy of the country—but this budget resolution and its projections do not take any of that into account.

This budget resolution is also silent on two major Bush proposals: developing an unfettered missile defense system and privatizing Social Security.

Now, what is significant about these announcements is not just that they represent major departures from past policy, but that they came with no price tag. So, we have the President proposing to spend huge sums on these initiatives, but they are not accounted for in the budget proposal, that he presented, nor in the one being considered by this Congress.

Why would we as a country pass a budget that we know is based on shaky projections, that excludes huge bills we know we are going to have to pay, and that forces cuts in vital services just to fund a tax cut that is tilted to just a few? Why are we proceeding down the slippery slope of rosy predictions and fiscal irresponsibility? Frankly, it is because it is the only way this President can pay for his tax cut.

Democrats support a fair tax cut. All of us have been working on that. We want a fair tax cut for middle-class Americans, and we are fighting for an immediate tax rebate that would put an average of \$600 in your family's pocket this year. A tax cut is one of the many things Americans deserve, but it is not the only thing. We also deserve a Government that stops corporate polluters, that supports the hiring of more police officers and good teachers, and that strengthens Medicare with a real prescription drug benefit. Americans do deserve to get a tax cut this year. After all, it is our money. But it is also our national debt, our overcrowded classrooms, our prescription drug costs, and our drinking water. And we cannot walk away from those responsibilities.

Finally, this budget does not address the needs of the American people. I want to talk about some of those.

This budget eliminated the amendment that this Senate passed to increase our investment in education. This budget falls short of our targeted debt reduction goals. It fails to give communities the tools they rely on to prepare for natural disasters and to limit their damage. In fact, President Bush's budget eliminated a program called Project Impact, which is a predisaster program that saved lives and prevented damage during the February 28 earthquake that occurred in my home State of Washington.

The President's budget also cut the Federal share of a program that helps communities rebuild after disasters strike. The Senate passed my amendment to restore those vital programs, but this budget resolution took them out.

This budget eliminates the successful community-oriented COPS Program

and other law enforcement programs that have helped thousands of communities achieve some of the lowest crime rates in a generation. The police on our streets have worked to restore a measure of safety and security in our communities, and this budget takes away that funding.

This budget also cuts the budget for Eximbank which allows our Nation's industries to compete with highly subsidized foreign competitors. This budget also jeopardizes the Federal class size initiative which has helped school districts hire 40,000 new qualified teachers so our kids can learn in a safe environment.

This budget cuts rural health care initiatives, including telemedicine grants that literally provide a lifeline for remote and underserved areas, and it cuts support to our family farmers who need it now more than ever. This budget does not invest enough in environmental restoration and conservation. It cuts research and development of renewable energy sources and energy conservation efforts.

This budget does not provide adequate funding for veterans programs for which the House and the Senate voted. In fact, both Chambers told the budget conferees to do better than the President's funding level. The Republicans met behind closed doors and stuck us with the President's insufficient number. Not only did the conferees refuse to honor the increases for veterans programs that were approved by both the House and Senate, but they also discarded an amendment that I proudly cosponsored about concurrent receipt. The amendment that was offered by Senator REID would have allowed our military retirees to collect both their retirement pay and their disability benefits. Today, we single out veterans by denying them these benefits.

The Senate passed an amendment that would have corrected that injustice, but the Republican conferees, behind closed doors, when no one was looking, dropped that critically important provision. America's veterans are big losers in this budget.

To me, that is another example of why this process should have been bipartisan and open from the start. By closing the door on bipartisanship, the conferees have left America's priorities behind.

Let me mention two more: prescription drugs for seniors and the Federal Government's obligation to clean up nuclear waste. On prescription drugs, we all know that the lack of affordable drug coverage is a problem not just for those with low incomes, all seniors and the disabled face the escalating costs of prescription drugs and lack of affordable coverage. This issue did not go away the day after the election. We know that a prescription drug benefit was estimated to cost \$153 billion; that was originally. Now estimates show that it will take about twice that amount to provide a real benefit. We

know that seniors need an affordable drug benefit that is part of Medicare. The Republican budget that we are looking at does not set aside enough money to provide that budget and that benefit. That is a promise all of us made in the last several years.

Let me turn to another example. This budget reduces the Federal Government's responsibility for the cleanup of nuclear materials and waste. In Washington State, we face a tremendous challenge of cleaning up the Hanford Nuclear Reservation. Hanford cleanup has always been a nonpartisan issue, and I hope we can keep it that way. There were some press reports back in February that the Bush budget was going to cut these important critical cleanup funds. I talked to the White House budget Director, Mitch Daniels. He assured me there would actually be an increase in funding for the Hanford cleanup.

The President's proposed budget cut the nuclear cleanup program, which is assumed, by the way, in this conference report, and that would make it very difficult to meet the Federal Government's legal operations in this area. Any retreat from our cleanup commitment will result in a legal action by the State of Washington. To avoid that and to meet our legal obligations to clean up the Hanford Nuclear Reservation, we need an increase of approximately \$330 million. The price of America's victory in World War II and the cold war is buried in underground storage tanks and in facilities, and we have a responsibility, both morally and legally, to clean it up. That is not in the budget we are considering.

As you can see, this budget leaves a lot of American priorities behind. It takes rosy projections. It leaves out major bills we know will come due, and it puts a squeeze on hard-working families. We can do a lot better.

We ought to be working together to come up with a proposal that is fair and balanced, that meets the needs of the American people.

This administration came to town and promised to restore bipartisanship and promised to reach across party lines to meet the challenges of governing. This budget doesn't do that. As a member of the joint House-Senate conference committee, I can tell my colleagues, Senator CONRAD and I were not invited to that table. We were told our presence was not necessary. This partisan, back room dealing spells disaster for the entire budget process. Adoption of this budget resolution is only the first step in a lengthy budget process. It is far too early for this bipartisanship to break down now.

I am really disappointed in the decision to ignore many of the bipartisan amendments that were adopted in the Senate. As a member of the Senate Appropriations Committee, I fear this kind of partisan tone will make past budget battles pretty mild.

We have learned a lot about responsible budgeting over the last 8 years. I

think those lessons are being ignored in this budget resolution. I fear that it is going to put us on the road to repeating the same costly mistakes of yesteryear.

I urge my colleagues to reject this budget agreement. I hope we can sit down and work on a budget agreement that is bipartisan and that works for the needs of the American people.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I thank the Senator from Washington for her contribution tonight and, more importantly, for her contribution on the Senate Budget Committee. She is one of the most valued Members on our side of the aisle. I believe she could have made a significant contribution in the conference committee but, of course, we were excluded from the conference committee.

Again, I thank Senator MURRAY for everything she has done as a member of the Budget Committee.

I believe the Senator from New Mexico wanted to deal with a unanimous consent request.

Mr. DOMENICI. Would the Senator permit me to talk to Senator MURRAY about a mutual problem?

Mr. CONRAD. Certainly.

Mr. DOMENICI. I know we have an area of mutual concern with reference to defense cleanup that has to do with your State and has to do with two or three others, not as much with my State as other defense issues. I told you awhile ago that I was going to do my very best. We are short a significant amount of money in the President's budget in terms of cleanup which will have a big effect on Idaho, your State, and South Carolina. I want you to know, I am still working on that.

Contrary to what some people would think, we can do it under this budget. We are going to work very hard with you to see that we can.

Mrs. MURRAY. Mr. President, if I could respond quickly, I thank the Senator from New Mexico. He has been a champion for our State in assuring that we have the cleanup dollars that are so drastically needed. I know he understands the moral obligation we have to clean up that site. So I thank him for his comments.

Mr. DOMENICI. On behalf of the leader, I have a unanimous consent request in hand. I ask unanimous consent that all time be used or yielded back by the close of business this evening with the exception of the following: 40 minutes under the control of Senator CONRAD or his designee, 30 minutes under the control of Senator BYRD or his designee, and 40 minutes under the control of Senator DOMENICI or his designee, with 15 minutes of that time consumed just prior to the vote.

I further ask consent that when the Senate resumes consideration of the conference report at 9:30 a.m. on Thursday, tomorrow, the vote occur on adoption of the conference report following

the use or yielding back of the time as described in this unanimous consent agreement.

The PRESIDING OFFICER. Is there objection?

Mr. CONRAD. We have no objection.

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

Mr. DOMENICI. Mr. President, in light of this agreement, there will be no further votes this evening. I think most Senators will not be surprised by that announcement. The next vote will occur at 11:30, or thereabouts, on Thursday, on the adoption of the budget resolution conference report. It is also my understanding, and the Senators should note, that the two leaders would have leader time available for their use prior to the vote. However, we would still expect the vote to occur at 11:30, or shortly thereafter, if the leaders use their allotted time.

Mr. President, with that, I inquire, how many more Senators might speak tonight?

Mr. CONRAD. I am pleased to report that Senator CORZINE is next for 12 and a half minutes, and then we have Senator LEVIN, who has reserved 12 and a half minutes. We are told by his staff he should be on his way. So then we will be able to wrap up quickly thereafter.

Mr. DOMENICI. Fine. I have no objection to finishing up with two more Democrats in a row. We have no Senators desiring to speak. They may speak as part of my 40 minutes tomorrow.

With that, I thank the Senator for his cooperation today and his side of the aisle for the way they have handled the use of time, and I thank my side of the aisle for placing so much faith in me that you left it all up to me. I wish you could have come down and I could have taken a rest.

I will have substantially more to say tomorrow with reference to education, and one other item—the \$500 billion contingency fund that remains in the budget to be used for other items beyond this budget. That will be part of my wrap-up tomorrow.

I yield the floor.

Mr. CONRAD. Mr. President, I yield 12 and a half minutes to the Senator from New Jersey, Mr. CORZINE. Before he starts that, I say to my colleague, Senator DOMENICI, I think we have moved pretty well today. I thank the Senator very much for his leadership and his graciousness during the day.

Mr. DOMENICI. I thank the Senator.

The PRESIDING OFFICER. The Senator from New Jersey is recognized.

Mr. CORZINE. Mr. President, I rise in strong opposition to the conference report on the budget resolution.

Before I make specific comments on the resolution, let me express my sincere appreciation to the distinguished senator from North Dakota for his leadership in revealing the hard truth about this budget. He has done a truly outstanding job of analyzing, clarifying and revealing this budget proposal for

what it is—a overreaching, transparent defense of a misguided and oversized tax cut.

I know all of us on this side of the aisle are grateful for Senator CONRAD's and his staff, disciplined and intellectually honest efforts.

I am new to the federal budget process. But I find virtually everything about this resolution, and the so-called process by which it was developed, utterly mystifying. It appears to have been produced in a partisan way with no meaningful input from Democrats—and with little regard for the Senate-passed version of the budget resolution. The conference report now has been put on the Senate floor with little opportunity to study the final numbers and language. And it leaves more questions than it answers.

What we do know, is that its numbers are based on surplus projections that are little more than guesses based on assumptions with incredibly real world variability. What we do know, is that the resolution puts no new money into education, the environment or other priorities. What we do know, is that the resolution raids the Medicare Trust Fund.

What we do know, is that it does nothing to prepare for the future of Social Security and the retirement of the baby boomers. And if changes in productivity and economic growth lead to a reduction in future revenues, and Congress later, as expected, increases defense spending substantially, we clearly will be invading the Social Security Trust Fund—an outcome anathema to senators on both sides of the aisle.

Mr. President, as most of my colleagues know, I used to run a major investment banking firm. We didn't plan with abstract numbers or set inflexible budgets that fixed policies for ten years without review. And I can tell you that if I ever presented a prospectus or budget plan to my management team or the investing public, and gave them 24 hours to review and approve it, I'd be opening myself up to an enforcement action by the SEC. And if I produced prospectus which ignored major costs or risks that I knew our company would be facing, I could have faced potential criminal liability.

Unfortunately, that's what's happening here in the United States Senate as we debate this budget resolution. And it's simply wrong.

We haven't had time to study it. There are a whole bunch of risks that are ignored, and we are making commitments that go on far too long relative to the priority mix that I think the country needs to address.

There are so many unanswered and unaddressed issues in this resolution that it's hard to know where to begin. But I'm profoundly concerned that it fails to make needed investments in education. In my view, the people of New Jersey believe that nothing is more important for the future of our country than investing in our kids, and

they want a real partnership between the federal, state and local governments to pay for that investment.

New Jersey's citizens are fed up with property taxes having to bear the major brunt of the costs of education. They want relief. They expect the unfunded mandate of special education to be paid for by those who create the mandates.

Unfortunately, the conferees rejected the Harkin amendment, a bipartisan effort to increase the Federal government's investment in a variety of education programs. And the end result is a totally inadequate commitment to the many educational needs facing our country, from dilapidating schools to the need to reduce class sizes, to the need to fully fund IDEA and Title I.

Unfortunately, education is just one of many priorities being ignored by this conference report. It also does too little to move forward in protecting our environment, to keep our air and water clean, too little to provide prescription drug coverage for our seniors, too little to expand health care coverage for the uninsured, and too little to strengthen our national defense.

And, incredibly, we are turning our backs on the successful economic formula of the last few years: paying down the debt, and keeping interest rates low so that the private sector isn't competing with the federal government for scarce investment dollars.

All of these priorities have been sacrificed on the alter of huge tax breaks—tax breaks that, in all likelihood, will be provided disproportionately to the top one percent of tax-payers in our nation—the most fortunate—those who have done the best, and who need help the least.

I support cutting taxes—cutting them for the middle class. But the proposed mix of tax cuts we are about to debate and the subsequent limitations on priority investments is flatout irresponsible.

In light of my experience in the private sector, it is hard for me to comprehend why we would make such enormous long-term commitments based on 10-year projections that nobody accepts as reliable.

After all, 1 year ago, CBO's then 10-year projection was lower by \$2.4 trillion than this year's. Think about that. One year ago, we were projecting \$2.4 trillion less than what we are now using as the baseline to make these tax cuts and set our investing priorities.

If last year's projection was so far off, for the life of me, I do not understand why we can be so certain about this year's, and we want to set all these variables in place.

I also think it is remarkable that, even as we vote to establish this budget, many around here already are talking about pushing beyond the resolution's limits. This conference report says we should have \$1.35 trillion of tax cuts over the next 11 years. I believe that is more than we can afford. Yet many assume that Congress will soon

violate even that limit with a series of additional tax breaks beyond those anticipated in this resolution, sort of the Lego approach to how we build things.

Forgive me for asking the obvious, but what is the point of having a budget if you know you are going to ignore it? I am new around here; I admit it. I am reluctant to cast aspersions based on only a few months of Senate service, but the more I see, the more I share Americans' deep frustration with the political rhetoric that does not match the discipline that I think they expect us to bring to this budget process.

No legitimate business, no individual, no family would budget this way. None would completely ignore such huge unfunded liabilities. None would rely on speculative 10-year projections to lock itself into vast, permanent commitments. None would adopt a budget knowing that it later would be ignored. In the real world, it just would not happen. People would get fired and creditors would just say no.

I hope my colleagues will forgive my frustration with this process and substance of this budget resolution. Maybe that is the way it works around here, but I believe this budget is wrong for our Nation and wrong for our future. I suspect it will pass, but for me I think we are making a very serious mistake—a serious mistake with regard to priorities, a serious mistake in locking in on a plan that gives us very little flexibility down the road.

Simply put, I hope that many of my colleagues will rethink their views, bring some flexibility to their own thinking and have a truly bipartisan approach to putting together this budget resolution.

The Senator from North Dakota has done a terrific job of informing us. I appreciate his help. I thank the Chair and yield the floor.

**THE PRESIDING OFFICER.** The Senator from North Dakota.

Mr. CONRAD. Mr. President, I thank Senator CORZINE from New Jersey for his remarks. He brings a special credibility to financial questions given the fact he was one of the most successful businessmen in America before he came to this Chamber, and given the fact that he was known for his brilliant financial analysis. I thank him for commenting on this process and outlining to colleagues the extraordinary divergence from how things would be done in the private sector, the really almost breathtaking decisions that are being made based on a 10-year projection that the people who made the forecast warn us of its uncertainty, the people who made the forecast telling us there is only a 10-percent chance of this number coming true, a 45-percent chance there will be more money, a 45-percent chance there will be less money, and we are rushing and betting the farm that it all comes true on a 10-year forecast.

If that is conservative, I do not understand the meaning of the word. It is not conservative. I think what is being

done here borders on radical. I do not think there is a company in America that would make decisions in the way they are being made in this budget.

Mr. President, the Senator from Michigan was recognized to be the next speaker on our side. Does the Senator from Michigan seek 10 minutes?

Mr. LEVIN. I would appreciate 10 minutes. That will be fine.

Mr. LEVIN. Mr. President, the budget resolution before us does not offer a fiscally responsible budget, and it should be rejected. It uses most of the projected surplus for tax cuts that not only go mainly to upper income people but are also based on surplus projections which are highly speculative.

I want to turn the attention of the Senate to this chart for a moment. In 1985, we projected a deficit 5 years hence, in 1990, of \$167 billion. It turned out the deficit was much worse—by \$50 billion. That was an error rate of 30 percent in this 5-year projection.

Every single year in the last 10 years that we looked at these projections, the error rates have averaged over 100 percent, with the smallest error rate being 28.1 percent and the largest error rate being the most recent one, a 268-percent error rate.

We talk about speculative projections. This is a 5-year projection. That is how far off these projections have been for the last 10 years using a 5-year projection. The budget resolution before us has a 10-year projection. A 100-percent-plus error rate for the last 10 years and we are betting the economy on that kind of a wildly speculative projection of surpluses down the road. To base permanent tax cuts on such projections is simply fiscally irresponsible.

Tax cuts should be based on real surpluses, not on far-off projections. It would be far preferable to use most of the projected surplus for debt reduction and a smaller immediate tax cut which would give our economy a boost. That way, if the surplus projection is wrong, we will not go back into a deficit ditch out of which we just climbed.

As for tax cuts beyond this year, we should have a smaller tax cut which helps middle-income and lower income people more and upper income people less than the Bush tax proposals, and we should also give tax relief to the 25 million working Americans who pay Federal payroll taxes but who get no tax cut at all under the Bush proposal.

The budget resolution before us is fiscally irresponsible for other reasons as well. It is timed to be passed before we receive an expected request for a huge defense spending increase, which is going to follow the strategic review due to be completed by the Secretary of Defense in the next few months. The request for added defense dollars could well be \$250 billion over 10 years. It is going to be in that range, reliable reports indicate; \$250 billion more for defense is likely to be requested by the administration following the strategic review which is going to be completed

within the next few months. It just is simply not sound planning to rush to a judgment on a tax cut, as this resolution forces us to do, with its 8-day deadline to the Finance Committee to write a huge Tax Code when we know, with reasonable certainty, that the administration will be seeking a huge increase in the defense budget.

Because the projected surplus will have been used for the tax cut, the defense increase will dig further into Medicare and Social Security surpluses. I say “further” because does anyone here really seriously doubt that there are going to be tax extenders which are going to be added to the tax cut? Does anyone doubt that the tax-writing committees are going to avoid pushing additional millions of people into paying alternative minimum taxes? Does anyone here really doubt that there is going to be added interest costs that result from the budget resolution and its tax cuts?

I think it is clear, almost beyond any doubt, that there are going to be tax extenders, there are going to be further interest costs as a result of this budget resolution and its tax cuts, and that we are going to force millions of Americans to pay alternative minimum taxes. When all that happens, we have additional huge raids on Medicare and Social Security. That is before the expected defense increase is presented to this Congress by the administration.

The budget resolution also violates the pledges to add money for education. For instance, the Senate version of this budget resolution included the Harkin amendment and the Breaux-Jeffords amendment. Those two amendments alone projected \$300 billion in added spending for education. They were summarily dropped in conference.

The budget resolution will result in significant cuts in renewable energy funding. Funds for energy research will be cut. There will be cuts in clean water infrastructure. It provides for cuts in clean air research and investment. All the rhetoric about a prescription drug program will go up in smoke because other Medicare programs are used in this resolution to pay for the prescription drug benefit.

The opportunity to keep our economy sound, keep Social Security sound, to keep Medicare sound, to keep education commitments to our children, and to keep the commitment of a prescription drug program to our seniors, to keep our promises of environmental and alternative energy initiatives—they are all thrown out the window in the frenzy of this administration to give big tax cuts to upper income people.

This budget resolution represents a terrible application of fiscal and social responsibility. And it should be defeated.

I thank the Chair. I not only thank the ranking member of the Budget Committee, but I know that I add my voice to probably every voice on this

floor, even those who may vote for this budget resolution, but particularly those of us on this side who rely so heavily on the ranking member for his tenacious determination to simply get to the facts—just the facts.

The good Member of this body from North Dakota has spent a huge amount of his time and his life looking at numbers and looking at the facts. He has given us some unvarnished information which is of immense value to this body. And as time goes on, I think we will realize the truthfulness of it, and the honesty of those facts will regard him in greater esteem, even if that is possible, for the courage that he brings to this process, and the determination that this body, before it votes on a budget resolution, understands fully the implications of what it is voting for and the fundamental underlying numbers which are either there or hidden and which are an important part of the future economy of this country.

I want to add my personal thanks to him.

Mr. President, I ask unanimous consent that a chart setting forth the history of the unreliability of budget projections over the 10-year period I referred to be printed in the RECORD.

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

HISTORY OF UNRELIABILITY IN BUDGET PROJECTIONS:  
FIVE-YEAR PROJECTED V. ACTUAL SURPLUS OR DEFICIT

(Projected in 1985 for 1990, 1986 for 1991, etc.—\$ billions)

	Projected	Actual	Difference	% error
1990	—167	—220	—53	31.7
1991	—109	—269	—160	146.8
1992	—85	—290	—205	241.2
1993	—129	—255	—126	97.7
1994	—130	—203	—73	56.2
1995	—128	—164	—36	28.1
1996	—178	—107	71	39.9
1997	—319	—22	297	93.1
1998	—180	—29	151	83.9
1999	—182	124	306	168.1
2000	—134	236	30	276.1

Source: CBO.

Mr. LEVIN. I thank the Chair and thank my good friend from North Dakota for his extraordinary effort.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I thank my colleague, the senior Senator from Michigan. Praise from him is high praise indeed. There is nobody that I respect more in this Chamber than the Senator from Michigan. The Senator from Michigan is the ranking member on the Armed Services Committee. He is our leader on defense issues.

Mr. FEINGOLD. Mr. President, I rise with regret to oppose this conference report on the budget resolution. I regret this Congress appears willing to turn its back on 8 years of fiscal responsibility and prudent stewardship of our Nation's resources.

The favorable surpluses that we enjoy today did not come quickly or easily. Many of our citizens experienced cuts in their benefits, and many Members of Congress took some hard votes to get there. Regrettably, this Congress seems all too willing hurriedly to dissipate that achievement.

The fiscal responsibility over the last 8 years has allowed the Government to pay down hundreds of billions of dollars of Federal debt, and it has allowed interest rates to remain lower than they otherwise would have been, saving so many Americans billions of dollars on their mortgages, car loans, and student loans. We should continue to pay down the debt.

Yes, taxpayers deserve tax relief. The surplus does give us a golden opportunity to cut taxes. I supported Senator CONRAD's proposal to cut taxes by \$745 billion over the next 10 years. With its associated interest costs, that package would have devoted roughly \$900 billion to tax relief.

The tax cut in this conference report is too large and not responsible. It seeks to devote \$1.35 trillion to this one purpose. Interest costs could add another \$400 billion to the cost. The budget resolution tax cut is thus almost twice the size of Senator CONRAD's more measured approach.

The budget resolution seeks to commit these resources all in one fell swoop before the projections of future surplus dollars have proved real, before we have ensured the long-term solvency of the vital Medicare system, before we have brought that program up-to-date with needed prescription drug and long-term-care benefits, and before we have done a single thing to prepare the vital Social Security safety net for the impending retirement of the baby boom generation. This budget resolution addresses the Nation's needs in exactly the wrong order.

Some on the other side of the aisle have argued that we need to engage in this rush to cut taxes because if we don't, then Congress will simply spend the money. I share the concern of many of my Colleagues that the Government will spend more than it should.

But it appears that this massive tax cut is by no means abating the Government's appetite for spending. Just last Tuesday, for example, the Wall Street Journal reported that the Pentagon wants \$25 billion more a year for new weapons alone a whopping 42 percent jump in the Pentagon's procurement budget. And almost unbelievably, this budget resolution gives the Pentagon what amounts to a blank check to spend just what it wants. It contains a special reserve fund that allows for increases in military spending if the President's National Defense Review just asks for them.

Some argue that this tax cut will prevent unconstrained government spending. I am concerned that we will end up with both.

I share the unease expressed by Senator SARBANES at a Budget Committee hearing earlier this year, when he said that the powers-that-be here in Washington appear to be taking the lid off of the punch bowl. Remembering the party that Washington had with the taxpayers' money in 1981, I am concerned about the hangover that will follow these festivities today.

Recall that back in 1981, they had surplus projections, too. In President Reagan's first budget, incorporating his major tax cut, the administration projected a \$28 billion surplus in the fifth year, 1986. In the actual event, the federal government ran up a \$221 billion deficit in 1986. The Reagan budget was thus off by \$249 billion in its fifth year alone. Over the 5 years covered by the Reagan budget, its projections were off by a total of \$921 billion.

Expressed relative to the government's total outlays, the first Reagan budget's surplus projection for 1986 was off by an amount equal to fully a quarter of all the government's spending. Expressed as a share of the gross domestic product, the first Reagan budget's surplus projection for 1986 was off by 5.6 percent of the economy.

If this budget resolution conference report is off by the same share of the economy as President Reagan's budget was, it will miss the mark by \$744 billion in the year 2006 alone and \$2.9 trillion over 5 years.

As both Senators CONRAD and BYRD have ably pointed out, the people who make the surplus projections, the Congressional Budget Office, say in their own report that they regularly miss the mark in their projections. CBO says that over the history of their 5-year projections, they have been wrong in the fifth year by an average of more than 3 percent of the gross domestic product. Thus, CBO says right in their own report that just their average error in the past would lead you to expect that they will be off by \$412 billion in 2006.

We should not commit to massive tax cuts of the size in this conference report on the strength of these flimsy projections. Rather, we should enact a moderately-sized tax cut now, and revisit the possibility of additional tax cuts in a few years if the projected surpluses actually materialize.

And this budget resolution conference report also puts the Nation's needs in the wrong order by committing to these massive tax cuts before we have updated and ensured the long-term solvency of the Medicare system. In their 2001 annual report, concluded under the Bush Administration, the Trustees of the Medicare Hospital Insurance trust fund project that its costs will likely exceed projected revenues beginning in the year 2016. The Trustees say: "Over the long range, the HI Trust Fund fails by a wide margin to meet our test of financial balance. The sooner reforms are made the smaller and less abrupt they will have to be in order to achieve solvency through 2075."

This budget resolution conference report puts the Nation's needs in the wrong order by putting these massive tax cuts before extending the solvency of Social Security. Social Security's Trustees remind us again this year that when the baby-boom generation begins to retire around 2010, "financial pressure on the Social Security trust

funds will rise rapidly." The Trustees project that, as with Medicare, Social Security revenues will fall short of outlays beginning in 2016. The Trustees conclude: "We should be prepared to take action to address the OASDI financial shortfall in a timely way because, as with Medicare, the sooner adjustments are made the smaller and less abrupt they will have to be."

We know, these are not alarmist projections. These projections were signed by, among others, Secretary of the Treasury Paul O'Neill, Secretary of Labor Elaine Chao, and Secretary of Health and Human Services Tommy Thompson. If the right hand of this Government knew what the left hand was saying about our future commitments, we would not be acting first to cut taxes and only later taking steps to extend the lives of Medicare and Social Security.

This budget resolution addresses only one side of the Nation's needs. It is a lopsided budget. And we can do better.

Let us not neglect our long-term commitments to Medicare and Social Security. Let us not squander years of efforts to balance the budget in one great fiscal jubilee.

I urge my Colleagues to reject this conference report. And let us begin to address the long-term needs of our Nation.

The PRESIDING OFFICER. The Senator from Nevada, Mr. ENSIGN.

Mr. ENSIGN. Mr. President, on behalf of the leader, I have a number of items for wrapup. I ask the following consents as in morning business.

#### EXECUTIVE SESSION

#### EXECUTIVE CALENDAR

Mr. ENSIGN. Mr. President, in executive session, I ask unanimous consent that the HELP Committee be discharged from further consideration of the following nominations, and, further, the Senate proceed to their consideration: Pat Pizzella, PN296; Ann Combs, PN354; David Lauriski, PN324; Shinae Chun, PN370; and Stephen Goldsmith, PN222. I further ask unanimous consent that the nominations be confirmed, the motions to reconsider be laid upon the table, any statements relating to the nominations be printed in the RECORD, the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

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

The nominations considered and confirmed are as follows:

Pat Pizzella, of Virginia, to be an Assistant Secretary of Labor.

Ann Laine Combs, of Michigan, to be an Assistant Secretary of Labor.

David D. Lauriski, of Utah, to be Assistant Secretary of Labor for Mine Safety and Health.

Shinae Chun, of Illinois, to be Director of the Women's Bureau, Department of Labor.

Stephen Goldsmith, of Indiana, to be a Member of the Board of Directors of the Cor-

poration for National and Community Service for a term expiring October 6, 2005.

#### LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

#### TEACHER APPRECIATION WEEK AND NATIONAL TEACHER DAY

Mr. ENSIGN. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Res. 85, submitted earlier by Senator WARNER for himself and others.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 85) designating the week of May 6 through 12, 2001, as "Teacher Appreciation Week", and designating Tuesday, May 8, 2001, as "National Teacher Day".

There being no objection, the Senate proceeded to consider the resolution.

Mr. ENSIGN. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and any statements relating to the resolution be printed in the RECORD.

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

The resolution (S. Res. 85) was agreed to.

The preamble was agreed to.

(The text of the resolution is located in today's RECORD under "Statements on Submitted Resolutions.")

#### HONORING THE NATIONAL SCIENCE FOUNDATION

Mr. ENSIGN. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H. Con. Res. 108, which is at the desk.

The PRESIDING OFFICER. The clerk will report the concurrent resolution by title.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 108) honoring the National Science Foundation for 50 years of service to the Nation.

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. ENSIGN. Mr. President, I ask unanimous consent that the concurrent resolution be agreed to, the preamble be agreed to, and the motion to reconsider be laid upon the table.

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

The resolution (H. Con. Res. 108) was agreed to.

The preamble was agreed to.

#### AUTHORIZING THE USE OF THE CAPITOL GROUNDS

Mr. ENSIGN. Mr. President, I ask unanimous consent that the Senate