

signed into law by the President's father during his term in office, in November 1990.

That dramatic turnaround in events followed a period of rapidly falling deficits in the 1990s and 4 years of surpluses. In total, as a result of the fiscal discipline put in place in the 1990s, we paid down \$400 billion of publicly-held debt and were on the path to eliminate our debt in preparation for the retirement of the baby boom generation. What a sad turn of events we now face today.

It is imperative that we find a way out of this mess. Last week, we were close in the Senate on adopting a bipartisan deal to restore budget discipline and prevent us from digging the hole any deeper. That deal would have extended PAYGO and the Budget Act points of orders, and set a cap on discretionary spending for 2003. Unfortunately, our Republican colleagues blocked its consideration. It seems that many in this chamber are still in denial about the dire position we find ourselves in today as a result of last year's tax cut, the brutal attacks on this nation last September, and the slowdown in the economy.

Let me state again that the Congress has an obligation to ensure that the government avoids default, an event that would have severe consequences for our financial markets and for the government's cost of borrowing funds. However, I feel just as strongly that we should either have passed a much smaller increase—in the range of \$100 billion to \$200 billion—or passed the current bill in conjunction with the adoption of bipartisan budget measures that would help us stop the fiscal bleeding and return the budget to a path of balance. Simply increasing the debt limit does nothing to force the President and this Congress to deal with the very real fiscal problems we now face today, problems that will only worsen as the baby boomers begin retiring over the next decade. I feel we missed a great opportunity today to adopt those measures as part of the increase in the public debt limit.

Mr. DORGAN. Madam President, today the Senate voted to increase the debt limit by \$450 billion. I agree with many of my colleagues that raising the debt limit is the responsible thing to do. We must protect the full faith and credit of the United States government and we are dangerously close to debt limit. The Department of Treasury has already used extraordinary measures to avoid a default. The time for action is now.

However, I also believe that we must put pressure on the Congress and the Administration to find solutions to our budget problem. We must work together to restore fiscal discipline to the Federal government. The bill approved by the Senate would raise the debt limit by \$450 billion which will provide sufficient funds for the government to operate through next spring. I opposed this increase. I would have

supported a smaller increase in the debt limit—\$150 billion, for example—that would prevent a default but would force an agreement on our budget issues this fall. It would have given us leverage to force a solution to our budget problems.

The debt limit must be raised. It is the responsible thing to do. However, a smaller increase would have kept the pressure on the Congress and the Administration to come to agreement on a long term solution to put our fiscal policy back in touch and develop a plan to eliminate our budget deficits.

Mr. HATCH. Madam President, as a longtime proponent of a balanced budget amendment to the Constitution, I rise to speak concerning S. 2578. While we are told that this bill will increase the Nation's debt limit, what we really voted on today was whether to keep the statutory commitment that Congress has made to the Social Security trust fund.

Social Security's current surplus is the main reason we need to raise the debt limit. Every single dollar of that surplus goes into the Social Security trust fund, and by law, every single dollar of the trust fund counts as part of the total Federal debt. Social Security is expected to run a \$160 billion surplus this year, with an even higher surplus next year. Ironically, in order to place that surplus in the Social Security trust fund, the law requires us to increase the debt limit. Only in Washington, DC, can running a surplus increase your level of debt.

Of course, the debt that is included in the Social Security trust fund is just money that the Treasury owes to itself. What really matters for the Government's budget and for the U.S. economy as a whole is the amount of debt held by the general public. Over the last few years, as a Republican Congress put the brakes on spending, debt held by the public actually fell, lowering the amount of money our Government had to spend on interest payments. However, the war on terrorism, our current recession, and Congress's recent extravagant spending have combined to increase the public debt over the past year. While it is important for Congress to meet its statutory responsibilities to the Social Security trust fund by increasing the debt limit, it is even more important that Congress get its fiscal house in order by working to cut discretionary spending and restore the economy's health.

Time to act on the debt limit is running out. In fact, the Secretary of the Treasury says that the main reason he has called June 28 the "drop-dead" date for raising the debt limit is because on that day, Treasury is scheduled to make a large payment into the Social Security trust fund. I am pleased that the Senate voted to raise the debt limit today, and we can get a final bill to the President for his signature.

Finally, now that we have voted on this wartime increase in the debt limit,

I hope that Congress enacts tough budget caps, strong limits on discretionary spending, and productivity-enhancing legislation so we can bring our budget back into balance and restore the American economy to its full potential.

ORDER OF PROCEDURE

Mr. REID. Madam President, I ask unanimous consent that at 2:15 p.m. today, the Senate proceed to a period for morning business until 3:15 p.m., with Senators permitted to speak for up to 10 minutes each; that at 3:15 p.m., the Senate proceed to the consideration of H.R. 8 under the parameters of the unanimous consent agreement of April 23, 2002.

The PRESIDING OFFICER. Is there objection?

Mr. LOTT. Reserving the right to object.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. LOTT. And I will not object, although I have an inquiry I need to make and I will probably ask consent as a result of that.

We need to go to the Defense authorization bill. That should be our first issue before anything else. I have made the points that we have not done a budget resolution and there is nothing more important than the defense of our country and that we need to go to the Defense authorization bill.

I know there was an agreement entered into on this death tax issue, and I think we should go to it as soon as possible. But I inquire about what is the plan with regard to the Defense authorization bill. I note that S. 2514, the Defense authorization bill, is on the calendar and was reported May 15.

Under my reservation, can I get some information about what is the plan with regard to the Defense authorization bill?

The PRESIDING OFFICER. The majority leader.

Mr. DASCHLE. Madam President, as the distinguished Republican leader and I discussed a few minutes ago, the plan is certainly to take up the Defense authorization bill prior to the time we leave for the July 4 recess. That has always been my intention. I have indicated that on several occasions to the Republican leader and to others, and that certainly is my intention again today. We know it will take some time. Senators have expressed an interest in offering some amendments to the bill, and they are in some cases not quite ready yet to go to the bill as they are examining amendment options.

In the meantime, we want to also fulfill our obligation to Senators on the estate tax. We made that commitment some time ago, and we are hoping to do that. We are also talking to the Senator from Kansas, the Senator from California, and others about the cloning-stem cell research debate. We are hoping we can get a unanimous consent agreement to do that on Friday of this week and Monday.

In addition to that, we are working on terrorism insurance, and we are hoping to get its passage before we leave. I would like to get a unanimous consent agreement on that matter.

Senator LOTT mentioned we were not able to get the budget language resolved. Unfortunately, our Republican colleagues objected to doing that last week during the debate on the supplemental, so we were precluded from doing that last week, but we will continue to work to find a way, hopefully without the objections of our Republican colleagues, on the budget as well.

I will reiterate my commitment to the distinguished Republican leader that the Defense authorization bill is legislation we will finish prior to the time we leave for the July 4 recess.

Mr. LOTT. Under my reservation, I note there is a great deal of difference between going to the budget resolution and having full consideration, and agreeing to a number and enforcement numbers on supplemental appropriations. I am prepared to try to help find a solution, to have some limits and some enforcement mechanisms, but obviously the way it has been done for the past 25 years is to have a budget resolution. I do think it is the right thing to do, to go to this death tax issue, and I do want us to continue to work on that.

We are going to get an agreement on how to proceed to the cloning issue because I made that commitment some time ago, as did Senator DASCHLE, to Members on both sides of the issue and on both sides of the aisle. I think we are very close.

I ask to be added to this unanimous consent agreement that following the disposition of this death tax issue, H.R. 8, the next order of business be the Defense authorization bill, which is S. 2514.

Mr. DASCHLE. Madam President, of course we will object to that. Let me reiterate, because the Senator has noted his desire as well to deal with cloning, to deal with terrorism insurance, to deal with a number of other issues, that I know he will be prepared to cooperate in scheduling. We have to take this a step at a time. We may not be ready to deal with Defense tomorrow, but we are going to be ready to deal with it before the end of this work period. So we will continue to do that.

I look forward to working with him to find that date when we can accomplish all we need to accomplish in a very short period of time.

Mr. LOTT. With that assurance then, I withdraw my further reservation, but I again express my concern that if we wait too late on bringing up the Defense authorization bill, being able to complete it before the recess could be a problem. We need to get it done so we can go to the Defense appropriations bill and the military construction appropriations bill.

In view of the objection and the assurances, I withdraw my reservation.

The PRESIDING OFFICER. Is there objection to the unanimous consent request?

Without objection, it is so ordered.

RECESS

The PRESIDING OFFICER. The hour of 12:30 having arrived, the Senate will stand in recess until the hour of 2:15 p.m.

Thereupon, the Senate, at 12:53 p.m., recessed until 2:15 p.m. and reassembled when called to order by the Presiding Officer (Mr. CLELAND).

UNANIMOUS CONSENT REQUEST

Mr. BUNNING. Mr. President, I have a unanimous consent request to propose. This unanimous consent is to pass a badly needed permanent extension of the adoption tax credit. If we do not pass this extension that was part of President Bush's tax relief bill of last year, it will sunset.

If the adoption tax credit is allowed to sunset, the following things will happen: The adoption tax credit will be cut overnight from a maximum of \$10,000 to \$5,000. Families adopting special needs children will no longer receive a flat \$10,000 credit; instead, they will be limited to a maximum of \$6,000. The tax credit no longer will be permitted if we have to extend it each year. Families claiming the tax credit may be pushed into AMT, alternative minimum taxes. The income caps will fall from \$150,000 to \$75,000 so that fewer families will be eligible for the credit.

There are over 500,000 kids in foster care right now. Let's help them find loving homes. Let's make it easier for families to adopt, not throw up barriers.

The PRESIDING OFFICER. Is there objection to the request of the Senator?

Mr. KENNEDY. I object.

The PRESIDING OFFICER. The objection is heard.

Mr. BUNNING. May I carry on a colloquy with the Senator from Massachusetts?

The PRESIDING OFFICER. The Senator has made a request to engage in a colloquy with the Senator from Massachusetts.

Mr. KENNEDY. I would be more than glad to engage in a colloquy.

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

Mr. BUNNING. I ask the Senator from Massachusetts, does he have a specific objection to the permanent extension of the adoption tax credit at this time for some specific reason?

Mr. KENNEDY. Mr. President, I am doing it on behalf of the leadership because I understand we have Members who want to offer amendments and have a somewhat different view than the Senator from Kentucky and want the opportunity to do so and have that determined by the Senate.

For that reason, I object.

Mr. BUNNING. I understand the objection. I hope when the other objectors come forward, we will have an opportunity to discuss this permanent extension of the adoption tax credit and to try to work with whoever the objectors are on that side to make it possible that we have this extension made permanent so families can adopt and continue to get the permanent \$10,000 tax credit under which they are now operating. My fear is that will expire and then we will have all kinds of bad consequences.

I thank the Senator and I yield the floor.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I say to the Senator from Kentucky, I think the objective of the Senator is enormously worthwhile. I may very well come out and support the proposal of the Senator from Kentucky. I have been notified by the leadership there are those who have a proposal that may have some different features and they would like to be heard on that particular proposal, but I thank the Senator. I think the issues on adoption are enormously important. I think the idea of trying to provide assistance to those families is incredibly valuable.

I have had the opportunity, for example, to have hearings on families from Canada with grown children who have adopted children with special needs. They adopted these children who had special needs even though they had younger children because, under the Canadian health care system, they offset the medical aspects of the special needs children.

I asked the mother why she adopted special needs children when she had three or four children of her own. Her response was she wanted her children to understand what love was really all about.

I may very well support the Senator and try to go even further than the Senator from Kentucky. I admire him for raising the issue on the floor, and I only object because of what I have been notified by the leadership.

Mr. BUNNING. If the Senator will yield, my personal interest goes beyond just the permanent credit. I have a daughter who had four children and adopted a special needs child, and then had seven more children after that. So I am very familiar with the change in life and the loving care that comes with adopting a special needs child. I am just fearful the Senate will not act in a reasonable manner to make sure this credit becomes permanent. That is my reason for bringing it up at this time.

I understand the objection of the Senator.

Mr. KENNEDY. Since I am the one who objected, I say I will bring it up with the chairman of the Finance Committee and ask him if he would talk to the Senator from Kentucky about what their plans are and urge him to give us an opportunity to address this issue.