

step for enforcing budgetary discipline in Congress would be to adhere to the aggregate discretionary spending total of \$759 billion proposed in the President's budget and in the budget resolution that passed in the House of Representatives.

Many of my colleagues say it is not possible to limit spending to that amount. I disagree, and I applaud my colleagues in the House who understand that we have to make those hard choices. Drawing a line in the sand at \$759 billion is a way to do that.

A few weeks ago my friend from Kentucky, Senator BUNNING, and I sent a letter to the President with 34 signatures from Members of the Senate pledging to back him up if he vetoes excessive spending bills. I hope the President will exercise his veto authority for any bills that would likely increase spending beyond \$759 billion.

But the President has to understand that if he vetoes any spending over \$759 billion, we cannot hold to that figure unless we shift money from the defense budget.

What I am suggesting is that we shift some of the money from the defense budget to the domestic side, rethink some of the large increases in domestic spending that are in the 2003 budget, and spread that money around to meet our other domestic needs. That means taking on things such as NIH, that we all love. That has almost increased 50 percent during the last several years.

The President knows, as a former State Governor, that when you have a financial problem, what you do is reconsider your spending plans. If you have some peaks in spending, you have to reduce those so you can make more money available to stay within your budget. This administration has to understand if they receive every dime they want for defense spending and do not do anything about the peaks they have on the domestic side of the budget, we are going to have a catastrophe at the end of this year. They will get their money for defense, the domestic money will be forthcoming, and we will go far beyond the \$759 billion.

We will do the same thing that happened in the 1980s when I was mayor of the city of Cleveland and watched what was happening here in Washington. The President got his defense money, others got their domestic spending, and this terrible debt that we have, the \$6 trillion debt we are paying for today is a result of that fiscal irresponsibility. We have to make sure it doesn't happen again.

As I said, these are the kinds of hard choices I had to make as a mayor and Governor. I did not have the option of just borrowing the money from our pension funds. I could not do that. If I told the people of Ohio, for example, when I was Governor, I was going to use the Public Employees Retirement Funds to run the State of Ohio, they would have run me out of office. But here in the Federal government it apparently is OK for Congress to use the

Social Security money. It is unbelievable to me. We should be doing what cities are doing in this country today, what States are doing in this country today, and what families are doing. There are a lot of families in this country today who are reallocating their resources because the money is just not coming in. They are changing their priorities, and we should do the same thing. We are no better than America's families.

If people around here could not borrow the money or use pension funds, I can tell you things would be different. That is why we ought to have a balanced budget amendment, so we have the same kind of fiscal restraint we had as Governors and mayors and county officials.

This year is an anomaly, however, and I hope not to see it repeated. I hope that next year we will have in place an invigorated budget process that helps Congress resist its worst urges and control spending in a responsible way.

Yesterday, Federal Reserve Chairman Alan Greenspan said:

... that the underlying disciplinary mechanisms that form the framework for Federal budget decisions over most of the past 15 years have eroded. The administration and Congress can make a valuable contribution to the prospects for the growth of the economy by taking measures to restore this discipline and return the Federal budget over time to a posture that is supportive of long-term economic growth.

If we do not get things under control, we are not going to have the economic growth necessary to take care of all our needs. That is why I have been developing a budget process reform bill with Senator FEINGOLD. This bill will extend important aspects of the existing budget process, such as the spending caps and PAYGO.

In addition, the bill contains several provisions aimed at providing more information on the true state of the budget so people understand what is going on around here. It is not hocus-pocus.

The bill requires accrual accounting for Federal insurance programs. It requires CBO and the Joint Tax Committee to report how legislation changes interest costs. It requires the GAO to issue an annual report on the magnitude of liabilities facing the Federal Government. And it convenes another budget concepts commission, which last met in 1967, to assess whether the fundamental measures for the Federal budget are the right ones.

With some tough new guidelines to rework the budget process, a willingness to accept the fact that future expenses are as real and as important as today's, and the guts to make the tough choices necessary to prioritize our spending, we might just have a shot at achieving sound fiscal health.

Today, the Federal budget deficits are not as big as those we faced in the 1980s compared to the economy as a whole. But we are headed quickly in that direction. Given the rampant spending proclivities of Congress, it

will not be long before our situation becomes just as bad as it was in the 1980s. I implore my colleagues to understand that we are on the edge of an abyss. We must stop before we commit fiscal suicide.

A lot of people will say that the 1980s were pretty great, but it is also part of the reason, as I mentioned, that we have the enormous debt we have today. I remind my colleagues that we spend 11 percent of the annual Federal budget to pay for our fiscal irresponsibility of the past; i.e., we were not willing to either pay for or do without things. We borrowed the money, used the Social Security surplus, and that is why we have the debt we have today.

We are now engaged in the war against terrorism at home and abroad, and we have some very pressing domestic needs. We have to understand that we cannot get the job done by practicing business as usual. We have to understand that. We just cannot do that anymore.

The decisions we make this year are going to have enormous impact on the United States of America, our ability to maintain a competitive position in the world, and on the quality of life of our children and grandchildren. Our country and their future are in our hands.

Let history record that we had the courage to prioritize our Nation's needs within the framework of fiscal responsibility—to make tough choices and exercise tough love today, for our children's and grandchildren's tomorrows.

I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

TERRORISM INSURANCE

Mr. REID. Mr. President, I am not going to formally ask this UC because there is no one here to object, but I want to again offer the UC regarding terrorism insurance. I will just lay on the record that when we initially offered this, we wanted a ratio of three Democrats to two Republicans, which is fairly standard. We were told by the minority they would rather have four and three. Remember, this is terrorism insurance. So we said: Fine, four-three. And now they won't agree to that. It is too bad.

The country needs this legislation. We can't do it until we go to conference. This is only appointing conferees.

I hope we are able to get this cleared in the immediate future. I ran into one of the President's lobbyists out here. The President has three or four people who cover the Senate. One of them told

me—I will not embarrass that person; I don't want to get him in trouble with anyone—he said: Keep pushing this. This is something we need.

We know that. But he should not be talking to me, although I am happy to talk to him anytime. He should be talking to whoever is holding this up.

WOMEN IN THE SENATE

Mr. REID. Mr. President, we were finally able to get the military construction appropriations bill completed. We will vote on it in the morning, but basically it is completed. That is our first appropriations bill. We will vote on that tomorrow. We will have 12 to go. I hope we can make good progress in the next couple of weeks and get more of those done. But before we leave the military construction appropriations bill, I want to make a few comments.

I had the good fortune of being able to chair that subcommittee for some time. I was ranking member after that. It was a great experience. It is a wonderful bill, to work on programs that directly affect military personnel. It affects them all over the world.

Construction takes place in Nevada at Nellis Air Force Base, Fallon Naval Air Station, Indian Springs, that used to be a full-fledged air base and now it is a base that deals principally with the drones, unmanned vehicles. It is not only a bill that is for Nevada, it is good for every State in the Union. As I indicated, construction takes place around the world.

The reason I wanted to comment on this is, I know this bill very well. I have to say Senators FEINSTEIN and HUTCHISON have done a remarkably good job.

I talked to Senator FEINSTEIN after she completed debate. I said: DIANNE, I just think you have done such a good job on this, you and Senator HUTCHISON. I don't want to say anything that is wrong, that will be untoward, but I think it speaks volumes that two women are handling the legislation dealing with the military personnel of our country.

She said to me that she recognized that.

And I said: Would you be offended in any way if I talk about that a little bit, the fact that here we have this multibillion-dollar bill that has been handled as well as any bill could be handled, and I think the American public should understand the great contribution made by these two female Senators.

I have seen the Senate change since I came here. Twenty percent of the Democratic caucus now are women. The Senate is a better place because of women serving here. Things have been accomplished that would not have been accomplished but for them.

I go back to something that really struck home with me. I was touring a ranch in northern Nevada. The ranch was run by the Glaser brothers. I know them well. One of them I served with in

the State legislature for many years. He had retired at the time. He is now deceased.

We were out looking at this bird sanctuary he had created on his own with no Federal help, no State help, in the middle of this vast, beautiful ranch of his. We were talking about how much farm equipment costs.

Farm equipment is very expensive. But he said something to me I have never forgotten. He said: You know, Harry, any time that I can hire women to run these big pieces of heavy equipment, I do so.

I said: Norm, why is that?

He said: Because they take better care of it. I have found over the years that they are more gentle with the equipment. They don't do things to hurt the equipment. Any chance I get that I can hire women to run these big pieces of equipment, I do, because they do a better job than the men.

Well, I don't want to concede anything at this time, that these two Senators did a better job than has been done in the past. But I will have to tell you, it wouldn't take much to convince the rest of the Senate that they probably did a better job than has ever been done before.

I say the Senate and the country are better for having these women in the Senate. I hope that as the years go by there will be more women elected to the Senate. There are a lot of women around the country running for the Senate this year. In the years to come, there will certainly be more than 20 percent of the Democratic caucus that are women.

U.S.-CHINA SECURITY REVIEW COMMISSION ANNUAL REPORT

Mr. BYRD. Mr. President, the U.S.-China Security Review Commission on Monday released its first annual report, as directed by the Congress in its authorizing statute, P.L. 106-398, October 30, 2000. It is a broad-ranging analysis, with major recommendations for consideration. I will ask unanimous consent that the Executive Summary be printed in the RECORD at the conclusion of my remarks.

The report is extensive, thorough, and disturbing in many respects. It paints a detailed portrait of a China determined to: acquire a vast array of high technology; broaden and deepen its industrial base; expand its research and development capabilities; and attract substantial amounts of American and other foreign investment. China is on the move. But, it is worthwhile to note that China pays for much of its progress through a highly imbalanced trade relationship with the U.S. Last year the U.S. trade deficit with China exceeded \$80 billion U.S. dollars.

One could simply say that the Chinese are intent on entering the modern era, and on building a strong nation state, financed by aggressively exporting goods to the U.S. But, Mr. President, there are some very troubling aspects of the U.S./Chinese relationship.

The Commission found that U.S. policy toward China has been and is alarmingly fragmented. It lacks consistency and depth. U.S. policy toward China has often been driven solely by commercial interests, specific human rights issues, or by a particular military crisis, rather than by a comprehensive examination of all the issues which impact upon this relationship. Furthermore, over the last 30 years U.S. policy toward China has been dominated by strong Executive branch personalities and compulsive secrecy. There seems to be little sustainable consensus on the long-term national interests of the U.S. vis a vis China.

The Report makes numerous recommendations designed to elicit a more comprehensive understanding of China by U.S. policy makers and by the general public. These include rebuilding the Library of Congress' China collection, new language and area studies programs, new efforts at open source collection by the intelligence community, and an upgrading of the Federal Broadcast Information Service. The fact is that we as a nation know far too little about China, and we need a better level of effort in this regard.

There is new information and analysis in the Commission's report regarding Chinese access to U.S. capital markets, and a renewed call for more effective consultations and consensus-building between the President and Congress on Taiwan policy. The report also recommends new tools which should be employed to encourage the Chinese to comply with their commitments—in proliferation practices, prison labor agreements, intellectual property agreements enforcement, and most importantly, with their far-reaching obligations under the WTO.

The report calls for increased scrutiny of corporate activities in China, and a new corporate reporting system to reveal what investment, R&D and technology is being sent to China. Transparency, disclosure and corporate accountability should be required of U.S. firms' operations in China, and are certainly of much interest to American shareholders and investors.

I am pleased that the Report is a strong bipartisan effort, a broad consensus of nearly all the Commissioners, who approved it by a vote of 11-1. It is both an educational report and an action document. Each chapter highlights findings and makes recommendations for action which flow from those findings. The executive summary gives the key 21 recommendations, but additional valuable proposals are found at the end of each chapter.

Some of the Report's key findings about the U.S.-China relationship include:

The U.S.-China bilateral relationship is poorly coordinated and lacks a sustainable consensus among elected officials in Congress and the Executive branch;