but we will not have the ordinary budget authority they need to continue to be funding when we run out of this supplemental.

Those are examples of some of the failures on our part, but they are failures multiplied with the situation with respect to Iraqi security forces. Our plan is to transfer, we hope one day, security operations to the Iraqis. Yet we have not provided sufficient equipment for these forces.

Senior commanders in Iraq have commented persistently about the lack of adequate equipment for the security forces, and a March 22 New York Times article stated:

> Senior American commanders in Iraq are publicly complaining that delays in delivering radios, body armor and other equipment have hobbled their ability to build an effective Iraqi security force that can ultimately replace United States troops here.

MG Charles Swannack, commander of the 82nd Airborne Division, has returned from Iraq and his frustrations on this point are extremely significant. He said, in retrospect, if he knew the equipment was not coming, he would have used his own resources to buy body armor, radios, and vehicles for these Iraqi security forces. We are not doing enough to provide replacement for our own forces, and we are not adequately funding our present forces in the field.

Those points are examples, I believe, of the failings in terms of occupation planning and military occupation of Iraq. But there are also political failures. We are less than 100 days away from transferring authority to an interim government, and yet no one can tell us what that interim government will look like. Will it be an increased governing council with 20, 30, 40 more people? Is it going to be a three-person presidency with a prime minister? We are 100 days or less away from that transfer of authority. We have yet to have a nominee to be the new ambassador to Iraq. Mr. Bremer leaves on June 30, but we have yet to have a name submitted to us for consideration and confirmation for someone who will have extraordinary challenges, extraordinary responsibilities. And yet we are 100 days or less away from the new ambassador of the United States to Iraq taking his or her post.

Probably most emblematic, most symbolic of the political difficulties is the de-Baathiciation program. One of the key problems of this program is it is being run by Chalabi. Chalabi is an individual in the Iraqi National Congress who provided most of the misinformation to the administration as they made their judgments about the imminence of a threat in Iraq. He has been on our payroll to the tune of about $300,000 a month funneled through the Iraqi National Congress for many years. He is still on the payroll. He has seized all the security files of the former Iraqi security agency which perhaps are a treasure trove of names of people who collaborated both inside Iraq and outside Iraq with the Saddam Hussein regime. But most importantly for the moment, he is in charge of vetting former Baathists to take positions in this new government.

He is sitting at the crossroads of billions of dollars of contracts from his position on the Iraqi Governing Council. He is also an individual who has the right to deny people their civil rights, if you will, in Iraq, and he is someone whose record does not, I think, suggest he is capable of discharging those responsibilities in the interest of Iraq or in the interest of the United States. The key to Mr. Chalabi is self-interest and always has been.

As a result, we are giving this individual inordinate power. This is not just a theoretical political argument. When I was in Iraq last November, I spoke to the division commander, and he complained to me he had 1,000 schoolteachers who could not teach because they had been nominal members of the Baath Party. Back in the days of Saddam Hussein, in order to have a job in Iraq of any consequence, you had to have a Baath affiliation. These people cannot work. Schools cannot open. And so this new Iraq we are desperately trying to build based upon not just security, but also economic development and education, has not yet taken off.

This is just one example of the political miscalculation I believe in which the provisional authority, Ambassador Bremer, has engaged in Iraq.

All of this is very important. We are, again, weeks away from transferring authority to some form of government of which we know not the exact details. We are also in a situation where each day we see the cost in terms of American lives.

Let me make one final point. When I was in Iraq talking with American soldiers about 10 days ago, the palpable concern they had with these explosive devices was obvious. We have soldiers who are paying Iraqis to put some type of armor on their doors because canvas doors do not stop a lot of small arms rounds or anything else.

We owe much more to those troops. We owe a budget that is real and timely, and we owe leadership here that will respond to their needs.

I yield the floor.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Morning business is closed.

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2005

The ACTING PRESIDENT pro tempore. Under the previous order, the hour of 10 a.m. having arrived, the Chair lays before the Senate a message from the House to accompany S. Con. Res. 95.

The Acting President pro tempore laid before the Senate a message from the House of Representatives, as follows:

S. CON. RES. 95

Resolved, That the resolution from the Senate (S. Con. Res. 95) entitled ''Concurrent resolution setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009'', do pass with the following amendment:

Strike out all after the resolving clause and insert:

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2005.

(a) DECLARATION.—The Congress declares that the concurrent resolution on the budget for fiscal year 2005 is hereby established and that the appropriate budgetary levels for fiscal years 2004 and 2006 through 2009 are set forth.

(b) TABLE OF CONTENTS.—The table of contents for this concurrent resolution is as follows:

TITLE I—RECOMMENDED LEVELS AND AMOUNTS

SEC. 101. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for each of fiscal years 2004 through 2009:

(1) FEDERAL REVENUES.—For purposes of the enforcement of this resolution:

(A) The recommended levels of Federal revenues are as follows:

Fiscal year 2004: $1,272,966,000,000.
Fiscal year 2005: $1,457,215,000,000.
Fiscal year 2006: $1,619,835,000,000.
Fiscal year 2007: $1,721,568,000,000.
Fiscal year 2008: $1,818,559,000,000.
Fiscal year 2009: $1,922,133,000,000.

(B) The amounts by which the aggregate levels of Federal revenues should be reduced are as follows:

Fiscal year 2004: −$179,000,000.
Fiscal year 2005: $19,919,000,000.
Fiscal year 2006: $34,346,000,000.

Fiscal year 2007: $33,376,000,000.
Fiscal year 2008: $27,231,000,000.
Fiscal year 2009: $30,927,000,000.

(2) NEW BUDGET AUTHORITY.—For purposes of the enforcement of this resolution, the appropriate levels of total new budget authority are as follows:
Fiscal year 2004: $1,952,700,000,000.
Fiscal year 2005: $2,010,338,000,000.
Fiscal year 2006: $2,071,186,000,000.
Fiscal year 2007: $2,193,395,000,000.
Fiscal year 2008: $2,311,770,000,000.
Fiscal year 2009: $2,431,782,000,000.

(3) BUDGET OUTLAYS.—For purposes of the enforcement of this resolution, the appropriate levels of total budget outlays are as follows:
Fiscal year 2004: $1,911,235,000,000.
Fiscal year 2005: $2,007,926,000,000.
Fiscal year 2006: $2,083,910,000,000.
Fiscal year 2007: $2,169,446,000,000.
Fiscal year 2008: $2,277,071,000,000.
Fiscal year 2009: $2,393,946,000,000.

(4) DEFICITS (ON-BUDGET).—For purposes of the enforcement of this resolution, the amounts of the deficits (on-budget) are as follows:
Fiscal year 2004: $638,269,000,000.
Fiscal year 2005: $550,711,000,000.
Fiscal year 2006: $464,075,000,000.
Fiscal year 2007: $447,878,000,000.
Fiscal year 2008: $458,512,000,000.
Fiscal year 2009: $471,813,000,000.

(5) DEBT SUBJECT TO LIMIT.—Pursuant to section 301(a)(5) of the Congressional Budget Act of 1974, the appropriate levels of the public debt are as follows:
Fiscal year 2004: $7,436,000,000,000.
Fiscal year 2005: $8,087,000,000,000.
Fiscal year 2006: $8,675,000,000,000.
Fiscal year 2007: $9,244,000,000,000.
Fiscal year 2008: $9,823,000,000,000.
Fiscal year 2009: $10,419,000,000,000.

(6) DEBT HELD BY THE PUBLIC.—The appropriate levels of debt held by the public are as follows:
Fiscal year 2004: $4,385,000,000,000.
Fiscal year 2005: $4,775,000,000,000.
Fiscal year 2006: $5,060,000,000,000.
Fiscal year 2007: $5,312,000,000,000.
Fiscal year 2008: $5,560,000,000,000.
Fiscal year 2009: $5,807,000,000,000.

SEC. 102. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority and outlays for fiscal years 2004 through 2009 for each major functional category are:

(1) National Defense (050):
Fiscal year 2004:
(A) New budget authority, $461,544,000,000.
(B) Outlays, $451,125,000,000.
Fiscal year 2005:
(A) New budget authority, $419,634,000,000.
(B) Outlays, $447,114,000,000.
Fiscal year 2006:
(A) New budget authority, $442,400,000,000.
(B) Outlays, $439,098,000,000.
Fiscal year 2007:
(A) New budget authority, $464,000,000,000.
(B) Outlays, $445,927,000,000.
Fiscal year 2008:
(A) New budget authority, $486,149,000,000.
(B) Outlays, $465,542,000,000.
Fiscal year 2009:
(A) New budget authority, $508,369,000,000.
(B) Outlays, $487,186,000,000.

(2) Homeland Security (100):
Fiscal year 2004:
(A) New budget authority, $29,559,000,000.
(B) Outlays, $24,834,000,000.
Fiscal year 2005:
(A) New budget authority, $34,102,000,000.
(B) Outlays, $29,997,000,000.
Fiscal year 2006:
(A) New budget authority, $33,548,000,000.
(B) Outlays, $33,298,000,000.
Fiscal year 2007:
(A) New budget authority, $35,160,000,000.
(B) Outlays, $35,635,000,000.
Fiscal year 2008:
(A) New budget authority, $36,520,000,000.
(B) Outlays, $36,979,000,000.
Fiscal year 2009:
(A) New budget authority, $40,420,000,000.
(B) Outlays, $38,401,000,000.

(3) International Affairs (150):
Fiscal year 2004:
(A) New budget authority, $43,604,000,000.
(B) Outlays, $29,281,000,000.
Fiscal year 2005:
(A) New budget authority, $26,529,000,000.
(B) Outlays, $32,848,000,000.
Fiscal year 2006:
(A) New budget authority, $27,776,000,000.
(B) Outlays, $30,017,000,000.
Fiscal year 2007:
(A) New budget authority, $27,927,000,000.
(B) Outlays, $26,714,000,000.
Fiscal year 2008:
(A) New budget authority, $28,077,000,000.
(B) Outlays, $25,323,000,000.
Fiscal year 2009:
(A) New budget authority, $28,228,000,000.
(B) Outlays, $25,099,000,000.

(4) General Science, Space, and Technology (250):
Fiscal year 2004:
(A) New budget authority, $22,822,000,000.
(B) Outlays, $21,897,000,000.
Fiscal year 2005:
(A) New budget authority, $22,813,000,000.
(B) Outlays, $22,453,000,000.
Fiscal year 2006:
(A) New budget authority, $22,927,000,000.
(B) Outlays, $22,683,000,000.
Fiscal year 2007:
(A) New budget authority, $23,042,000,000.
(B) Outlays, $22,743,000,000.
Fiscal year 2008:
(A) New budget authority, $23,157,000,000.
(B) Outlays, $22,763,000,000.
Fiscal year 2009:
(A) New budget authority, $23,274,000,000.
(B) Outlays, $22,863,000,000.

(5) Energy (270):
Fiscal year 2004:
(A) New budget authority, $2,323,000,000.
(B) Outlays, $59,000,000.
Fiscal year 2005:
(A) New budget authority, $2,863,000,000.
(B) Outlays, $1,201,000,000.
Fiscal year 2006:
(A) New budget authority, $2,604,000,000.
(B) Outlays, $1,397,000,000.
Fiscal year 2007:
(A) New budget authority, $2,583,000,000.
(B) Outlays, $1,040,000,000.
Fiscal year 2008:
(A) New budget authority, $2,629,000,000.
(B) Outlays, $662,000,000.
Fiscal year 2009:
(A) New budget authority, $2,285,000,000.
(B) Outlays, $891,000,000.

(6) Natural Resources and Environment (300):
Fiscal year 2004:
(A) New budget authority, $32,021,000,000.
(B) Outlays, $30,210,000,000.
Fiscal year 2005:
(A) New budget authority, $31,212,000,000.
(B) Outlays, $30,868,000,000.
Fiscal year 2006:
(A) New budget authority, $31,568,000,000.
(B) Outlays, $31,911,000,000.
Fiscal year 2007:
(A) New budget authority, $31,897,000,000.
(B) Outlays, $32,153,000,000.
Fiscal year 2008:
(A) New budget authority, $32,101,000,000.
(B) Outlays, $32,128,000,000.
Fiscal year 2009:
(A) New budget authority, $32,777,000,000.
(B) Outlays, $32,804,000,000.

(7) Agriculture (350):
Fiscal year 2004:
(A) New budget authority, $19,908,000,000.
(B) Outlays, $18,434,000,000.
Fiscal year 2005:
(A) New budget authority, $21,087,000,000.
(B) Outlays, $20,501,000,000.
Fiscal year 2006:
(A) New budget authority, $23,374,000,000.
(B) Outlays, $22,310,000,000.
Fiscal year 2007:
(A) New budget authority, $24,278,000,000.
(B) Outlays, $23,199,000,000.
Fiscal year 2008:
(A) New budget authority, $24,042,000,000.
(B) Outlays, $22,957,000,000.
Fiscal year 2009:
(A) New budget authority, $24,903,000,000.
(B) Outlays, $23,956,000,000.

(8) Commerce and Housing Credit (370):
Fiscal year 2004:
(A) New budget authority, $17,077,000,000.
(B) Outlays, $12,748,000,000.
Fiscal year 2005:
(A) New budget authority, $10,792,000,000.
(B) Outlays, $5,782,000,000.
Fiscal year 2006:
(A) New budget authority, $10,242,000,000.
(B) Outlays, $6,842,000,000.
Fiscal year 2007:
(A) New budget authority, $9,727,000,000.
(B) Outlays, $4,769,000,000.
Fiscal year 2008:
(A) New budget authority, $9,705,000,000.
(B) Outlays, $3,190,000,000.
Fiscal year 2009:
(A) New budget authority, $9,580,000,000.
(B) Outlays, $2,740,000,000.

(9) Transportation (400):
Fiscal year 2004:
(A) New budget authority, $62,937,000,000.
(B) Outlays, $59,280,000,000.
Fiscal year 2005:
(A) New budget authority, $65,021,000,000.
(B) Outlays, $61,988,000,000.
Fiscal year 2006:
(A) New budget authority, $66,075,000,000.
(B) Outlays, $64,204,000,000.
Fiscal year 2007:
(A) New budget authority, $68,263,000,000.
(B) Outlays, $66,131,000,000.
Fiscal year 2008:
(A) New budget authority, $69,578,000,000.
(B) Outlays, $67,545,000,000.
Fiscal year 2009:
(A) New budget authority, $70,445,000,000.
(B) Outlays, $68,452,000,000.

(10) Community and Regional Development (450):
Fiscal year 2004:
(A) New budget authority, $13,758,000,000.
(B) Outlays, $15,443,000,000.
Fiscal year 2005:
(A) New budget authority, $11,867,000,000.
(B) Outlays, $14,233,000,000.
Fiscal year 2006:
(A) New budget authority, $11,655,000,000.
(B) Outlays, $12,484,000,000.
Fiscal year 2007:
(A) New budget authority, $11,715,000,000.
(B) Outlays, $11,616,000,000.
Fiscal year 2008:
(A) New budget authority, $11,692,000,000.
(B) Outlays, $11,392,000,000.
Fiscal year 2009:
(A) New budget authority, $11,752,000,000.
(B) Outlays, $11,510,000,000.

(11) Education, Training, Employment, and Social Services (500):
Fiscal year 2004:
(A) New budget authority, $89,463,000,000.
(B) Outlays, $86,405,000,000.
Fiscal year 2005:
(A) New budget authority, $92,523,000,000.
(B) Outlays, $90,492,000,000.
Fiscal year 2006:
(A) New budget authority, $93,596,000,000.
(B) Outlays, $92,878,000,000.
Fiscal year 2007:
(A) New budget authority, $94,243,000,000.
(B) Outlays, $93,365,000,000.
Fiscal year 2008:
(A) New budget authority, $94,738,000,000.

(B) Outlays, $93,975,000,000.
Fiscal year 2009:
(A) New budget authority, $95,366,000,000.
(B) Outlays, $94,685,000,000.
(12) Health (550):
Fiscal year 2004:
(A) New budget authority, $236,822,000,000.
(B) Outlays, $235,551,000,000.
Fiscal year 2005:
(A) New budget authority, $245,095,000,000.
(B) Outlays, $244,936,000,000.
Fiscal year 2006:
(A) New budget authority, $252,639,000,000.
(B) Outlays, $252,495,000,000.
Fiscal year 2007:
(A) New budget authority, $266,117,000,000.
(B) Outlays, $265,196,000,000.
Fiscal year 2008:
(A) New budget authority, $284,970,000,000.
(B) Outlays, $284,222,000,000.
Fiscal year 2009:
(A) New budget authority, $304,034,000,000.
(B) Outlays, $303,460,000,000.
(13) Medicare (570):
Fiscal year 2004:
(A) New budget authority, $269,567,000,000.
(B) Outlays, $268,759,000,000.
Fiscal year 2005:
(A) New budget authority, $288,166,000,000.
(B) Outlays, $289,126,000,000.
Fiscal year 2006:
(A) New budget authority, $322,974,000,000.
(B) Outlays, $322,549,000,000.
Fiscal year 2007:
(A) New budget authority, $362,759,000,000.
(B) Outlays, $363,016,000,000.
Fiscal year 2008:
(A) New budget authority, $387,838,000,000.
(B) Outlays, $387,858,000,000.
Fiscal year 2009:
(A) New budget authority, $414,278,000,000.
(B) Outlays, $413,853,000,000.
(14) Income Security (600):
Fiscal year 2004:
(A) New budget authority, $329,744,000,000.
(B) Outlays, $336,074,000,000.
Fiscal year 2005:
(A) New budget authority, $337,318,000,000.
(B) Outlays, $341,716,000,000.
Fiscal year 2006:
(A) New budget authority, $335,387,000,000.
(B) Outlays, $339,098,000,000.
Fiscal year 2007:
(A) New budget authority, $340,140,000,000.
(B) Outlays, $342,945,000,000.
Fiscal year 2008:
(A) New budget authority, $352,809,000,000.
(B) Outlays, $355,046,000,000.
Fiscal year 2009:
(A) New budget authority, $361,830,000,000.
(B) Outlays, $363,465,000,000.
(15) Social Security (650):
Fiscal year 2004:
(A) New budget authority, $13,396,000,000.
(B) Outlays, $13,396,000,000.
Fiscal year 2005:
(A) New budget authority, $15,094,000,000.
(B) Outlays, $15,094,000,000.
Fiscal year 2006:
(A) New budget authority, $16,589,000,000.
(B) Outlays, $16,589,000,000.
Fiscal year 2007:
(A) New budget authority, $18,049,000,000.
(B) Outlays, $18,049,000,000.
Fiscal year 2008:
(A) New budget authority, $19,988,000,000.
(B) Outlays, $19,988,000,000.
Fiscal year 2009:
(A) New budget authority, $21,989,000,000.
(B) Outlays, $21,989,000,000.
(16) Veterans Benefits and Services (700):
Fiscal year 2004:
(A) New budget authority, $61,179,000,000.
(B) Outlays, $59,858,000,000.
Fiscal year 2005:
(A) New budget authority, $70,536,000,000.
(B) Outlays, $68,563,000,000.
Fiscal year 2006:
(A) New budget authority, $68,501,000,000.
(B) Outlays, $67,597,000,000.
Fiscal year 2007:
(A) New budget authority, $66,621,000,000.
(B) Outlays, $66,007,000,000.
Fiscal year 2008:
(A) New budget authority, $69,842,000,000.
(B) Outlays, $69,459,000,000.
Fiscal year 2009:
(A) New budget authority, $70,506,000,000.
(B) Outlays, $70,106,000,000.
(17) Administration of Justice (750):
Fiscal year 2004:
(A) New budget authority, $29,932,000,000.
(B) Outlays, $30,103,000,000.
Fiscal year 2005:
(A) New budget authority, $30,139,000,000.
(B) Outlays, $30,025,000,000.
Fiscal year 2006:
(A) New budget authority, $27,430,000,000.
(B) Outlays, $28,036,000,000.
Fiscal year 2007:
(A) New budget authority, $27,480,000,000.
(B) Outlays, $27,744,000,000.
Fiscal year 2008:
(A) New budget authority, $27,616,000,000.
(B) Outlays, $27,540,000,000.
Fiscal year 2009:
(A) New budget authority, $27,755,000,000.
(B) Outlays, $27,621,000,000.
(18) General Government (800):
Fiscal year 2004:
(A) New budget authority, $23,806,000,000.
(B) Outlays, $24,540,000,000.
Fiscal year 2005:
(A) New budget authority, $17,198,000,000.
(B) Outlays, $17,916,000,000.
Fiscal year 2006:
(A) New budget authority, $17,419,000,000.
(B) Outlays, $17,392,000,000.
Fiscal year 2007:
(A) New budget authority, $17,573,000,000.
(B) Outlays, $17,401,000,000.
Fiscal year 2008:
(A) New budget authority, $17,230,000,000.
(B) Outlays, $17,075,000,000.
Fiscal year 2009:
(A) New budget authority, $17,383,000,000.
(B) Outlays, $17,044,000,000.
(19) Net Interest (900):
Fiscal year 2004:
(A) New budget authority, $240,471,000,000.
(B) Outlays, $240,471,000,000.
Fiscal year 2005:
(A) New budget authority, $270,698,000,000.
(B) Outlays, $270,698,000,000.
Fiscal year 2006:
(A) New budget authority, $318,909,000,000.
(B) Outlays, $318,909,000,000.
Fiscal year 2007:
(A) New budget authority, $364,463,000,000.
(B) Outlays, $364,463,000,000.
Fiscal year 2008:
(A) New budget authority, $398,574,000,000.
(B) Outlays, $398,574,000,000.
Fiscal year 2009:
(A) New budget authority, $427,464,000,000.
(B) Outlays, $427,464,000,000.
(20) Allowances (920):
Fiscal year 2004:
(A) New budget authority, $0.
(B) Outlays, $0.
Fiscal year 2005:
(A) New budget authority, $50,000,000,000.
(B) Outlays, $24,850,000,000.
Fiscal year 2006:
(A) New budget authority, $0.
(B) Outlays, $18,600,000,000.
Fiscal year 2007:
(A) New budget authority, $0.
(B) Outlays, $5,100,000,000.
Fiscal year 2008:
(A) New budget authority, $0.
(B) Outlays, $1,000,000,000.
Fiscal year 2009:
(A) New budget authority, $0.
(B) Outlays, $250,000,000.
(21) Undistributed Offsetting Receipts (950):
Fiscal year 2004:
(A) New budget authority, −$47,233,000,000.
(B) Outlays, −$47,233,000,000.
Fiscal year 2005:
(A) New budget authority, −$52,349,000,000.
(B) Outlays, −$52,475,000,000.
Fiscal year 2006:
(A) New budget authority, −$54,427,000,000.
(B) Outlays, −$54,477,000,000.
Fiscal year 2007:
(A) New budget authority, −$62,642,000,000.
(B) Outlays, −$63,767,000,000.
Fiscal year 2008:
(A) New budget authority, −$65,485,000,000.
(B) Outlays, −$66,147,000,000.
Fiscal year 2009:
(A) New budget authority, −$60,856,000,000.
(B) Outlays, −$59,893,000,000.

TITLE II—RECONCILIATION AND REPORT SUBMISSIONS

SEC. 201. RECONCILIATION IN THE HOUSE OF REPRESENTATIVES.

(a) SUBMISSIONS PROVIDING FOR THE ELIMINATION OF WASTE, FRAUD, AND ABUSE.—(1) Not later than July 15, 2004, the House committees named in paragraph (2) shall submit their recommendations to the House Committee on the Budget. After receiving those recommendations, the House Committee on the Budget shall report to the House a reconciliation bill carrying out all such recommendations without any substantive revision.

(2) INSTRUCTIONS.—

(A) COMMITTEE ON AGRICULTURE.—The House Committee on Agriculture shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by $110,000,000 in outlays for fiscal year 2005 and $371,000,000 in outlays for the period of fiscal years 2005 through 2009.

(B) COMMITTEE ON EDUCATION AND THE WORKFORCE: INSTRUCTION TO PROVIDE FAIRNESS IN FEDERAL WORKERS COMPENSATION.—The House Committee on Education and the Workforce shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by $5,000,000 in outlays for fiscal year 2005 and $43,000,000 in outlays for the period of fiscal years 2005 through 2009.

(C) COMMITTEE ON ENERGY AND COMMERCE.—The House Committee on Energy and Commerce shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by $410,000,000 in outlays for fiscal year 2005 and $2,185,000,000 in outlays for the period of fiscal years 2005 through 2009.

(D) COMMITTEE ON GOVERNMENT REFORM: INSTRUCTION TO INCREASE RESOURCES TO AUTHORIZE INFORMATION SHARING TO ALLOW FEDERAL BENEFIT PROGRAMS LIMITED ACCESS TO FEDERAL AND STATE ADMINISTRATIVE DATA TO VERIFY ELIGIBILITY.—The House Committee on Government Reform shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by $170,000,000 in outlays for fiscal year 2005 and $2,365,000,000 in outlays for the period of fiscal years 2005 through 2009.

(E) COMMITTEE ON WAYS AND MEANS.—The House Committee on Ways and Means shall report changes in laws within its jurisdiction sufficient to reduce the deficit by $1,126,000,000 for fiscal year 2005 and $8,269,000,000 for the period of fiscal years 2005 through 2009.

(b) SUBMISSION PROVIDING FOR THE EXTENSION OF EXPIRING TAX RELIEF.—(1) The House Committee on Ways and Means shall report a reconciliation bill not later than October 1, 2004, that consists of changes in laws within its jurisdiction sufficient to reduce revenues by not more than $13,182,000,000 for fiscal year 2005 and by not more than $137,580,000,000 for the period of fiscal years 2005 through 2009.

(2) If a reconciliation bill, as reported pursuant to paragraph (1), does not increase the deficit for fiscal year 2005 or for the period of fiscal

years 2005 though 2009 above the levels permitted in such paragraph, the chairman of the House Committee on the Budget may revise the reconciliation instructions under this section to permit the Committee on Ways and Means to increase the level of direct spending outlays, make conforming adjustments to the revenue instruction to decrease the reduction in revenues, and make conforming changes in allocations to the Committee on Ways and Means and in budget aggregates.

SEC. 202. SUBMISSION OF REPORT ON DEFENSE SAVINGS.

In the House, not later than May 15, 2004, the Committee on Armed Services shall submit to the Committee on the Budget its findings that identify $2,000,000,000 in savings from (1) activities that are determined to be of a low priority to the successful execution of current military operations; or (2) activities that are determined to be wasteful or unnecessary to national defense. Funds identified should be reallocated to programs and activities that directly contribute to enhancing the combat capabilities of the U.S. military forces with an emphasis on force protection, munitions and surveillance capabilities. For purposes of this subsection, the report by the Committee on Armed Services shall be inserted in the Congressional Record by the chairman of the Committee on the Budget not later than May 21, 2004.

TITLE III—RESERVE FUNDS AND CONTINGENCY PROCEDURE

Subtitle A—Reserve Funds for Legislation Assumed in Budget Aggregates

SEC. 301. DEFICIT-NEUTRAL RESERVE FUND FOR HEALTH INSURANCE FOR THE UNINSURED.

In the House, if legislation is reported, or if an amendment thereto is offered or a conference report thereon is submitted, that provides health insurance for the uninsured, the chairman of the Committee on the Budget may make the appropriate adjustments in allocations and aggregates to the extent such measure is deficit neutral in fiscal year 2005 and for the period of fiscal years 2005 through 2009.

SEC. 302. DEFICIT-NEUTRAL RESERVE FUND FOR THE FAMILY OPPORTUNITY ACT.

In the House, if the Committee on Energy and Commerce reports legislation, or if an amendment thereto is offered or a conference report thereon is submitted, that provides medicaid coverage for children with special needs (the Family Opportunity Act), the chairman of the Committee on the Budget may make the appropriate adjustments in allocations and aggregates to the extent such measure is deficit neutral in fiscal year 2005 and for the period of fiscal years 2005 through 2009.

SEC. 303. DEFICIT-NEUTRAL RESERVE FUND FOR MILITARY SURVIVORS' BENEFIT PLAN.

In the House, if the Committee on Armed Services reports legislation, or if an amendment thereto is offered or a conference report thereon is submitted, that increases survivors' benefits under the Military Survivors' Benefit Plan, the chairman of the Committee on the Budget may make the appropriate adjustments in allocations and aggregates to the extent such measure is deficit neutral resulting from a change other than to discretionary appropriations in fiscal year 2005 and for the period of fiscal years 2005 through 2009.

SEC. 304. RESERVE FUND FOR PENDING LEGISLATION.

In the House, for any bill, including a bill that provides for the safe importation of FDA-approved prescription drugs or places limits on medical malpractice litigation, that has passed the House in the first session of the 108th Congress and, after the date of adoption of this concurrent resolution, is acted on by the Senate, enacted by the Congress, and presented to the President, the chairman of the Committee on the Budget may make the appropriate adjustments in the allocations and aggregates to reflect any resulting savings from any such measure.

Subtitle B—Contingency Procedure

SEC. 311. CONTINGENCY PROCEDURE FOR SURFACE TRANSPORTATION.

(a) IN GENERAL.—If the Committee on Transportation and Infrastructure of the House reports legislation, or if an amendment thereto is offered or a conference report thereon is submitted, that provides new budget authority for the budget accounts or portions thereof in the highway and transit categories as defined in sections 250(c)(4)(B) and (C) of the Balanced Budget and Emergency Deficit Control Act of 1985 in excess of the following amounts:

(1) for fiscal year 2004: $41,569,000,000,

(2) for fiscal year 2005: $42,657,000,000,

(3) for fiscal year 2006: $43,635,000,000,

(4) for fiscal year 2007: $45,709,000,000,

(5) for fiscal year 2008: $46,945,000,000, or

(6) for fiscal year 2009: $47,732,000,000,

the chairman of the Committee on the Budget may adjust the appropriate budget aggregates and increase the allocation of new budget authority to such committee for fiscal year 2004, for fiscal year 2005, and for the period of fiscal years 2005 through 2009 to the extent such excess is offset by a reduction in mandatory outlays from the Highway Trust Fund or an increase in receipts appropriated to such fund for the applicable fiscal year caused by such legislation or any previously enacted legislation.

(b) ADJUSTMENT FOR OUTLAYS.—For fiscal year 2004 or 2005, in the House, if a bill or joint resolution is reported, or if an amendment thereto is offered or a conference report thereon is submitted, that changes obligation limitations such that the total limitations are in excess of $40,116,000,000 for fiscal year 2004 or $41,204,000,000 for fiscal year 2005 for programs, projects, and activities within the highway and transit categories as defined in sections 250(c)(4)(B) and (C) of the Balanced Budget and Emergency Deficit Control Act of 1985, and if legislation has been enacted that satisfies the conditions set forth in subsection (a) for such fiscal year, the chairman of the Committee on the Budget may increase the allocation of outlays and appropriate aggregates for such fiscal year for the committee reporting such measure by the amount of outlays that corresponds to such excess obligation limitations, but not to exceed the amount of such excess that was offset pursuant to subsection (a).

TITLE IV—BUDGET ENFORCEMENT

SEC. 401. RESTRICTIONS ON ADVANCE APPROPRIATIONS.

(a) IN GENERAL.—(1) In the House, except as provided in subsection (b), an advance appropriation may not be reported in a bill or joint resolution making a general appropriation or continuing appropriation, and may not be in order as an amendment thereto.

(2) Managers on the part of the House may not agree to a Senate amendment that would violate paragraph (1) unless specific authority to agree to the amendment first is given by the House by a separate vote with respect thereto.

(b) LIMITATION.—In the House, an advance appropriation may be provided for fiscal year 2006 or 2007 for programs, projects, activities or accounts identified in the joint explanatory statement of managers accompanying this resolution under the heading ''Accounts Identified for Advance Appropriations'' in an aggregate amount not to exceed $23,568,000,000 in new budget authority.

(c) DEFINITION.—In this subsection, the term ''advance appropriation'' means any discretionary new budget authority in a bill or joint resolution making general appropriations or continuing appropriations for fiscal year 2005 that first becomes available for any fiscal year after 2005.

SEC. 402. EMERGENCY LEGISLATION.

(a) EXEMPTION OF OVERSEAS CONTINGENCY OPERATIONS.—In the House, if a bill or joint resolution is reported, or an amendment is offered thereto or a conference report is filed thereon, that makes supplemental appropriations for fiscal year 2005 for contingency operations related to the global war on terrorism, then the new budget authority, new entitlement authority, outlays, and receipts resulting therefrom shall not count for purposes of sections 302, 303, and 401 of the Congressional Budget Act of 1974 for the provisions of such measure that are designated pursuant to this subsection as making appropriations for such contingency operations.

(b) EXEMPTION OF EMERGENCY PROVISIONS.—In the House, if a bill or joint resolution is reported, or an amendment is offered thereto or a conference report is filed thereon, that designates a provision as an emergency requirement pursuant to this section, then the new budget authority, new entitlement authority, outlays, and receipts resulting therefrom shall not count for purposes of sections 302, 303, 311, and 401 of the Congressional Budget Act of 1974.

(c) DESIGNATIONS.—

(1) GUIDANCE.—In the House, if a provision of legislation is designated as an emergency requirement under subsection (b), the committee report and any statement of managers accompanying that legislation shall include an explanation of the manner in which the provision meets the criteria in paragraph (2). If such legislation is to be considered by the House without being reported, then the committee shall cause the explanation to be published in the Congressional Record in advance of floor consideration.

(2) CRITERIA.—

(A) IN GENERAL.—Any such provision is an emergency requirement if the underlying situation poses a threat to life, property, or national security and is—

(i) sudden, quickly coming into being, and not building up over time;

(ii) an urgent, pressing, and compelling need requiring immediate action;

(iii) subject to subparagraph (B), unforeseen, unpredictable, and unanticipated; and

(iv) not permanent, temporary in nature.

(B) UNFORESEEN.—An emergency that is part of an aggregate level of anticipated emergencies, particularly when normally estimated in advance, is not unforeseen.

SEC. 403. COMPLIANCE WITH SECTION 13301 OF THE BUDGET ENFORCEMENT ACT OF 1990.

(a) IN GENERAL.—In the House, notwithstanding section 302(a)(1) of the Congressional Budget Act of 1974 and section 13301 of the Budget Enforcement Act of 1990, the joint explanatory statement accompanying the conference report on any concurrent resolution on the budget shall include in its allocation under section 302(a) of the Congressional Budget Act of 1974 to the Committee on Appropriations amounts for the discretionary administrative expenses of the Social Security Administration.

(b) SPECIAL RULE.—In the House, for purposes of applying section 302(f) of the Congressional Budget Act of 1974, estimates of the level of total new budget authority and total outlays provided by a measure shall include any discretionary amounts provided for the Social Security Administration.

SEC. 404. APPLICATION AND EFFECT OF CHANGES IN ALLOCATIONS AND AGGREGATES.

(a) APPLICATION.—Any adjustments of allocations and aggregates made pursuant to this resolution shall—

(1) apply while that measure is under consideration;

(2) take effect upon the enactment of that measure; and

(3) be published in the Congressional Record as soon as practicable.

(b) EFFECT OF CHANGED ALLOCATIONS AND AGGREGATES.—Revised allocations and aggregates resulting from these adjustments shall be considered for the purposes of the Congressional Budget Act of 1974 as allocations and aggregates contained in this resolution.

(c) BUDGET COMMITTEE DETERMINATIONS.—For purposes of this resolution—

(1) the levels of new budget authority, outlays, direct spending, new entitlement authority, revenues, deficits, and surpluses for a fiscal year or period of fiscal years shall be determined on the basis of estimates made by the appropriate Committee on the Budget; and

(2) such chairman may make any other necessary adjustments to such levels to carry out this resolution.

TITLE V—SENSE OF THE HOUSE

SEC. 501. SENSE OF THE HOUSE ON SPENDING ACCOUNTABILITY.

It is the sense of the House that—

(1) authorizing committees should actively engage in oversight utilizing—

(A) the plans and goals submitted by executive agencies pursuant to the Government Performance and Results Act of 1993; and

(B) the performance evaluations submitted by such agencies (that are based upon the Program Assessment Rating Tool which is designed to improve agency performance);

in order to enact legislation to eliminate waste, fraud, and abuse to ensure the efficient use of taxpayer dollars;

(2) all Federal programs should be periodically reauthorized and funding for unauthorized programs should be level-funded in fiscal year 2005 unless there is a compelling justification;

(3) committees should submit written justifications for earmarks and should consider not funding those most egregiously inconsistent with national policy;

(4) the fiscal year 2005 budget resolution should be vigorously enforced and legislation should be enacted establishing statutory limits on appropriations and a PAY-AS-YOU-GO rule for new and expanded entitlement programs; and

(5) Congress should make every effort to offset nonwar-related supplemental appropriations.

SEC. 502. SENSE OF THE HOUSE ON ENTITLEMENT REFORM.

(a) FINDINGS.—The House finds that welfare was successfully reformed through the application of work requirements, education and training opportunity, and time limits on eligibility.

(b) SENSE OF THE HOUSE.—It is the sense of the House that authorizing committees should—

(1) systematically review all means-tested entitlement programs and track beneficiary participation across programs and time;

(2) enact legislation to develop common eligibility requirements for means-tested entitlement programs;

(3) enact legislation to accurately rename means-tested entitlement programs;

(4) enact legislation to coordinate program benefits in order to limit to a reasonable period of time the Government dependency of means-tested entitlement program participants;

(5) evaluate the costs of, and justifications for, nonmeans-tested, nonretirement-related entitlement programs; and

(6) identify and utilize resources that have conducted cost-benefit analyses of participants in multiple means- and nonmeans-tested entitlement programs to understand their cumulative costs and collective benefits.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from North Dakota controls 60 minutes, and the Senator from Oklahoma controls 30 minutes for debate only. Who yields time?

The Senator from Oklahoma.

Mr. NICKLES. Mr. President, for the information of our colleagues, I believe we are going to have debate that will last about an hour and a half. My colleague from North Dakota will be in control of an hour and myself or Senator GREGG will be in control of 30 minutes. At the conclusion of that debate time, we expect to appoint conferees. The House has already appointed conferees. They appointed conferees on Monday. We expect to appoint conferees at the conclusion of our debate time. And for the information of our colleagues, and especially the conferees—hopefully they have been notified—we will have a conference this afternoon beginning at 2:30. We will go as long as necessary to hear everybody's viewpoints on both the House and Senate budget proposals and any constructive suggestions they might have to improve them. I look forward to that discussion.

I would love to see us come out of conference with a bipartisan budget. That usually has not happened in the recent past, but I would love for it to happen in this case.

Again, we look forward to going to conference and resolving the differences between the House and the Senate. There are not a lot of differences. The numbers are pretty close on the outlay side, and the numbers are pretty close on the revenue side. There are some differences, and we will have to work those out. There are some differences in enforcement provisions. We will work those out. That is what conferences are for. They are compromises between the House and the Senate.

I compliment our colleagues in the House for passing a budget. We actually passed a budget the week before last. I thank all of our colleagues. We actually ended up passing the budget after 4 days. The last day was a fairly long day. It lasted into Friday morning, about 1:30 in the morning. We did it with 25 votes. That was half the number of votes we had the previous year. The previous year we had 51 votes. Those votes dealt with a lot of different issues. Hundreds of billions of dollars in new taxes were proposed, and hundreds of billions of dollars in new spending were proposed, most of which were defeated. We accepted some amendments, and we will work through those amendments.

We have other issues, I will tell my colleague, and he is well aware of it. My colleague from North Dakota is very familiar with the budget. There is a reserve fund, and there are a lot of different issues. The House has some, and we have some. We have to work those out. That is what budgets are for.

The House intends to pass this bill this week. That means we have to do a lot of work. Some work has already happened behind the scenes. Chairman NUSSLE and I have been trying to resolve issues and lay the groundwork, but a lot of major decisions have yet to be made. Again, that is what conferences are for.

So I look forward to working with all of our colleagues in the Senate, especially the conferees, to come up with a budget resolution that will significantly reduce the deficit. I say significantly reduce the deficit, the budget we passed in the Senate would reduce the deficit, which is far too high, by half in 3 years.

I hope we can meet that goal coming out of the conference committee. That is not easy. It is not easy in any way, shape, or form. So I want to make sure everyone is aware of that.

Again, I thank our colleagues for their cooperation. I thank my colleague from North Dakota for his cooperation today because we will get conferees appointed, we will go to conference, and, frankly, we will meet as long as necessary to get this job done. That certainly is our intention.

I had hoped that possibly the Senate could pass the budget resolution on Friday. I believe it is the majority leader's intention, if the conference agreement is reached and the House passes it this week, that we would take it up on the Senate floor next Thursday. That is certainly acceptable with this Senator, and I will be happy to work with all of our colleagues to make that happen.

For the information of our colleagues, once a conference agreement is reached, the rules of the Senate provide for 10 hours of debate and a vote on the budget resolution. Unless things change, I expect that would be sometime next Thursday.

I yield the floor.

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

Mr. CONRAD. Might I inquire of the chairman and make sure I have heard this correctly, that the chairman has indicated the leader intends to bring the budget conference agreement up for final debate and a vote on Thursday next?

Mr. NICKLES. That is correct, a week from Thursday.

Mr. CONRAD. A week from Thursday?

Mr. NICKLES. Correct.

Mr. CONRAD. I thank the chairman for his courtesies as we have gone through the process. I think because we both worked together productively yesterday, we came to a reasonable conclusion about how to proceed today.

I want to thank the chairman for his patience yesterday as we worked through a number of issues with a lot of colleagues to avoid many more votes that, in my judgment, would have been unnecessary and not advanced the ball in any constructive way. So I thank the chairman for his patience yesterday.

I was somewhat surprised to read in the New York Times this morning comments of certain House Republican leaders, specifically the majority leader, yesterday about where we are headed in this country with these massive deficits. We have the largest deficits in the history of the country by almost any measure, and we see going forward deficits even much larger than these as the baby boomers retire, which is of much greater concern to this Senator. That is the course the President is taking us on. In my judgment, it is a reckless course and a course that will threaten the economic security of this country for a long period of time. So this morning when I read the New York Times and I saw that Republican Congressman DELAY of Texas, the majority leader in the House, '' . . . restated a view that has been cited by other Republican House leaders: tax cuts pay for themselves by generating economic growth that more than makes up for lost revenue.''

Mr. DELAY went on to say:

We, as a matter of philosophy, understand that when you cut taxes, the economy grows, and revenues to the government grow. The whole notion that you have to cut spending in order to cut taxes negates that philosophy, so I'm not interested in something that would negate our philosophy.

I am a lot less interested in philosophy than I am in what works in the real world. The philosophy that Mr. DELAY has espoused, and others have as well, that somehow taxes are cut and that produces more revenue, the problem is it has not worked. Let's be direct. Let's go back to what the Congressional Budget Office told us back in 2001. Looking forward, they said there was a range of possible outcomes with respect to the budget surpluses. Remember then they were telling us we were going to have these massive budget surpluses, but they said there was a range of possible outcomes expressed. By this chart, I call it the fan chart, the forecast that was adopted was right in the middle of this range of possible outcomes.

Now, this is how this is relevant to what Mr. DELAY is telling us. I was told by a Republican colleague, a Senator: You are being much too conservative. Do you not understand that these surpluses are going to be bigger than CBO is forecasting because of the tax cuts?

I was told repeatedly by my Republican colleagues when I warned them that betting on a 10-year forecast of these surpluses was risky, that it was dangerous, that it was unlikely that it was going to be such a rosy scenario, and over and over again my Republican colleagues told me: Senator, you are too conservative. Do you not understand that when taxes are cut, there is more revenue? Do you not understand these surpluses, after we pass the tax cut, will be even bigger than the Congressional Budget Office has forecast, even bigger than the President's Office of Management and Budget has forecast?

I said: Well, that is a nice theory but I do not believe it. I do not think we are going to wind up with bigger surpluses because of these tax cuts. In fact, I think we are going to find the surpluses evaporate, and I said so dozens of times on the Senate floor. I said so dozens of times in the Budget Committee.

Now we can go back and check the record. Let's see what happened in the real world, not based on some philosophy, not based on some ideology. Here are the range of projected surpluses the Congressional Budget Office told us about. The midline is their official forecast. We passed the tax cuts. In fact, we have passed three rounds of tax cuts. Did we get more revenue and, as a result, did we get even bigger surpluses, which is what our Republican friends told us was going to happen? No. Here is what has happened in reality.

This is the red line. With all the tax cuts, we have wound up with not surpluses but deficits. So the philosophy that apparently was the guiding hand, that said cut taxes and there will be more revenue, and as a result even bigger surpluses, did not work in the real world.

In the real world, what we got was not surpluses but massive deficits. What we got in the real world was not a tax-cut-driven surge in surpluses, what we got is massive record deficits. So everybody is entitled to their own philosophy, everybody is entitled to their own ideology, but all of that gets measured against what happens in the real world.

What has happened in the real world is the surpluses have evaporated and now we have record deficits. All of these claims by our friends, that if we had just had this massive package of tax cuts we would get more revenue, we would get more surpluses, did not work out. It did not work out.

So now I say to my friends, we better get serious about getting this train back on the track because we are headed for very big trouble.

If we look at the record on deficits over a very long period of time going back to 1969, here is what we see: Under the President's plan, we have now seen the deficits absolutely skyrocket. This theory that we were going to get more revenue and bigger surpluses did not work out. Instead, we got a massive increase in deficits and a massive increase in debt. Some of our friends on the other side say not to worry, that as a share of the gross domestic product the deficits are not as big as they have been in the past.

I say to my colleagues, if one does a fair analysis of the operating deficits of the country—that is, take out Social Security instead of using Social Security funds to float this boat; do as the law requires when calculating the deficits and not include the Social Security funds and look at this budget on an operating basis—what we find is that as a share of GDP, the deficit this year has been only exceeded once since 1947. That was back in 1983, when it was 6 percent of gross domestic product. Now it is 5.5 percent.

Those who seek to minimize the size of these deficits by this claim are misleading the American people as to the true fiscal condition of the United States.

Mr. SARBANES. Will the Senator yield?

Mr. CONRAD. I am happy to yield.

Mr. SARBANES. On the previous chart, am I to understand that in dollar terms the deficit now is at a record level?

Mr. CONRAD. Yes. In dollar terms the deficit this year——

Mr. SARBANES. Is the highest it has ever been?

Mr. CONRAD. By $100 billion.

Mr. SARBANES. It is the highest it has ever been.

Mr. CONRAD. It exceeded last year's deficit, which was the previous record, by $100 billion.

Mr. SARBANES. I also understand when they try to put it in percentage terms as a share of the economy, that it is almost at the highest level it has been since the end of World War II. Of course, we had to fight World War II. We had a significant deficit and ran up the debt. But it is almost at the highest it has ever been, and it is projected, as I understand it, to go higher; is that correct?

Mr. CONRAD. Yes. If we look ahead, look over just the next few years, what we see, under the President's own calculations, the deficit as a share of our Nation's income is even going to get larger. These are record deficits. As we can see, even as a share of the national income, this deficit is the second highest it has been since World War II, only exceeded by 1983.

Interestingly enough, I would say to my colleague, in 1983 the Social Security surplus was only several hundred million dollars.

Mr. SARBANES. Million?

Mr. CONRAD. Million. Now the Social Security surplus is $160 billion, and under the President's plan, under the Republicans' plan, they are taking every dime of Social Security money and using it to pay for tax cuts and using it to pay for other expenditures.

Mr. NELSON of Florida. Will the Senator yield?

Mr. CONRAD. I will be happy to yield.

Mr. NELSON of Florida. Isn't it interesting, if you will put the other chart up there—Mr. President, I thank the Senator for yielding for a question—how the old labels don't mean anything anymore—what is conservative and what is liberal. We are now looking at record deficits, and they say this is a conservative budget? It seems to me it is exactly the opposite, that the reckless spending and tax policies that end up with fiscal policy that is running the country into debt are exactly the opposite of conservative fiscal policy. To the contrary, it is reckless liberal policy that is driving our country into economic doldrums.

Does the Senator agree?

Mr. CONRAD. I say to the Senator, we look at each of these budget proposals from the other side and, under any one of them, they are going to add $3 trillion to the national debt over the next 5 years. And the next 5 years is the good times. After that, the baby boomers retire and the full cost of the President's tax cuts explode. Then you see the real effect of these policies.

Frankly, I am less concerned about the deficits we face in the near term. I am much more concerned that under the President's plan we don't see any end to these deficits. In fact, the additions to the debt absolutely explode and at the worst possible time, right before the baby boomers retire.

The President has said it is the slowdown in the economy that is the problem. The Congressional Budget Office issued a report just the other day. This is the New York Times report on the CBO research. It says:

When President Bush and his advisers talk about the widening Federal budget deficit, they usually place part of the blame on economic shocks ranging from the recession of 2001 to the terrorist attacks that year. But a report released on Monday by the nonpartisan Congressional Budget Office estimated that economic weakness would account for only 6 percent of a budget shortfall that could reach a record $500 billion this year.

The new numbers confirm what many analysts have predicted for some time: That budget deficits in the decade ahead will stem less from the lingering effects of the downturn and much more from the rising Government spending and progressively deeper tax cuts.

Our friends on the other side of the aisle don't want to talk about the effect of the tax cuts. That is missing in action as part of the contributor to these massive deficits. The fact is, deficits are the creation of the relationship between spending and revenue. It is the two of them that have to be focused on if we are going to deal with these deficits. We are hearing from the other side that the President says he is going to cut the deficit in half over the next 5 years.

Here is what we see. He does that by just leaving out things. He leaves out any war costs past September 30 and he leaves out the alternative minimum tax, which was the old millionaire tax, and has now become a middle-income tax trap.

When you put those things back in, what you see is additions to the debt are not being reduced. Additions to the debt are not being cut in half. Additions to the debt continue at extraordinarily high levels for the entire rest of the decade, and, again, right before the baby boomers retire.

Mr. SARBANES. Will the Senator yield on that point?

Mr. CONRAD. I will be happy to yield.

Mr. SARBANES. I say to the Senator, I think it is an extremely important point. Even if you reduce the deficit—and the President is making these enormously favorable assumptions about how much he can reduce the deficit. Every analysis has, in effect, undercut the administration's statement and said the deficit, year to year, will be larger. But any deficit you run becomes an addition to the debt, so the debt continues to grow.

As the chart of the Senator shows, it grows in alarming proportions. That is a burden that then is saddled on the next generation which they have to pay off almost indefinitely into the future.

I say to the Senator, I think he is making an extremely important point, to underscore the fact that the debt continues to explode even under favorable assumptions by the administration.

Mr. CONRAD. It is one of the most startling things, if you examine the President's proposals. The President, who has represented himself to the American people as conservative, has the most radical budget plan ever put before this country. That is because he is absolutely exploding the debt right before the baby boomers retire. When he says he is going to cut the deficit in half, what he has done is he has left out things that we all know are going to be expenses. For example, he has left out funding for the war in Iraq, the war in Afghanistan, the war on terror. He says there is no cost past September 30 of this year—none.

The Congressional Budget Office says the cost is $280 billion over this next period of time. The House and the Senate have put in these much smaller amounts, $50 billion in the House, $30 billion in the Senate. But the Congressional Budget Office says that is not what this is going to cost. It is going to cost $280 billion.

We see that same pattern with other elements in the President's plan. Here is the cost in the 10 years of the President's tax cuts. Do you notice a pattern? This dotted line is the end of the 5-year budget proposal of the President. In previous years he did 10-year budgets. Now he is down to 5 years because I am afraid he wants to hide from the American people the full effect of his budget plan. Just looking at the tax side of it, you can see the cost of his proposed tax cuts absolutely explode outside the 5-year budget window. In effect, he is hiding from the American people the true fiscal condition of the country.

Mr. NELSON of Florida. Will the Senator yield on that point?

Mr. CONRAD. I will be happy to yield.

Mr. NELSON of Florida. Mr. President, as the Senator did yield, I ask the Senator, our ranking member on the Budget Committee, isn't it interesting that when we voted on all these issues in the Budget Committee and on the floor of the Senate, that organizations that rate the votes, even respected organizations such as the National Journal, when they determined what is liberal and what is conservative, in the votes the Senator from North Dakota and I were casting against raising the deficit in the outyears, lo and behold, they rated our vote as liberal when, in fact, our vote is conservative, not to run the country, over the next 10 years, into this extraordinary national debt that is going to build up like it is a rocket taking off.

Mr. CONRAD. What one calls these things and what label one puts on them is striking. The fact is, whatever one calls it, what is being done is not conservative—to run record deficits not just at a time of economic weakness, and not just at a time that we are engaged in a conflict, but for the foreseeable future, for 10 years in the future, massive increases in debt under the President's plan.

I showed this chart which talks about the pattern of the President's tax cuts that explode beyond the 10-year window. We see the same thing with the alternative minimum tax—a billionaire's tax—now becoming a middle-income tax trap with 3 million people affected. At the end of this period, it is going to be 40 million people.

The President's budget only provides for dealing with that crisis in the first year.

Look at the pattern of the cost of fixing it beyond that first year. It absolutely skyrockets. The President provides nothing past the first year, again hiding from the American people the full effect of his budget plan. The President told us repeatedly he would not use Social Security money for other purposes. But when you look at his budget plan, that is not the case. He is taking every penny of Social Security surplus over the next 10 years and using it to pay for tax cuts and for other things—$2.4 trillion, every penny of which has to be paid back, and the President has no plan to do so. That is a reckless plan; again, something the President pledged not to do.

The result is this is what we see happening to the debt of the United States.

Remember in 2001 when the President told us he would have maximum paydown of the debt. He would be able to pay off all of the debt that was available to pay off.

Now what we see is not debt being paid off but debt exploding from about $6 trillion when he took over. We now anticipate it will be approaching $15 trillion by 2014.

Where is the money coming from?

I have already indicated we are borrowing every penny of Social Security surplus. It is not surplus at all because all that money is going to be needed when the baby boomers retire. It is borrowing every penny of Social Security surplus—$2.4 trillion. But he does not stop there. He is borrowing money from all over the world: over $500 billion from Japan, and over $140 billion from China. Under the President's plan, we have even borrowed $69 billion from so-called ''Caribbean Banking Centers.'' He has borrowed over $40 billion from South Korea.

Think about this: America, the most powerful Nation in the world, and here we are reduced to borrowing money from countries all over the world, including South Korea.

Mr. SARBANES. Mr. President, will the Senator yield on that point?

Mr. CONRAD. I would be happy to yield.

Mr. SARBANES. Those are huge sums we are borrowing from these various nations in order to cover our deficit. This is debt they hold which the United States has to pay back.

The fact is, if you connect everything, what is happening in effect is, in order to give tax cuts to the elite, to the very wealthy, we are borrowing money, and we end up borrowing money from all of these countries in order to finance the deficit that results from the tax cuts, and then saddling the next generation with the responsibility of paying on this debt out into the future.

It is incredible when you stop and think about it; that in order to finance tax cuts here we are borrowing money from over there in order to do that.

Mr. CONRAD. I don't think the American people have yet had a chance to fully focus on where this is all headed. That is the thing that is most alarming. I am less concerned about the current deficits even though they are a record and they are appalling. I am much more concerned about where the President's plan takes us. Even when he sees economic growth reviving, his plan runs massive deficits and runs up the debt in a dramatic way—meaning more borrowing and more borrowing and more borrowing.

Let me conclude. The result is we are seeing the effect on the value of our own dollar. The dollar has declined in value almost 30 percent against the euro in just the last 2 years.

Let me conclude with this: Economists are worried about the long-term effects of this weakening dollar and this heavy U.S. borrowing because not only are we borrowing to finance the budget deficit, we are also borrowing because we are running massive trade deficits. This was in the Washington Post on January 26 of this year:

> Currency traders fretting over that dependency have been selling dollars fast and buying euros furiously. The fear is that foreigners will tire of financing America's appetites. Foreign investors will be dumping U.S. assets, especially stocks and bonds, sending financial markets plummeting. Interest rates will shoot up to entice them back. Heavily indebted Americans will not be able to keep up with rising interest payments. Inflation, bankruptcies, and economic malaise will follow.

This is a warning that is being sent to us about the recklessness of the course that we are on.

If we need to have a reality check, 3 weeks ago, in the Wall Street Journal, they indicated Asian central banks have made a decision to diversify out of dollar-denominated securities.

Warren Buffett, the second wealthiest man in this country, is reported, 2 weeks ago, as having made a $12 billion bet against the value of U.S. currency.

In article after article, we are seeing the danger and the warning signs of the reckless course the President is taking us on.

Mr. DORGAN. Mr. President, if the Senator will yield, is it the case that the former Secretary of the Treasury, Paul O'Neill, was fired for saying essentially what the Senator from North Dakota is saying on the floor today, talking about a fiscal policy that doesn't add up, about proposals to increase spending on defense, homeland security, and then cut taxes mostly for wealthy Americans, saying that it would result in balance; is it not the case the Treasury Secretary under this administration was fired for believing that this is irresponsible fiscal policy?

Mr. CONRAD. I think it is very clear that the Secretary of the Treasury was fired because he resisted additional tax cuts.

I think in the short term, all of us supported tax cuts to give lift to the economy. We supported a much different package of tax cuts than the President did because we thought it ought to go more toward middle-income people and less to the high-end people to give more lift to the economy.

If you put it in the hands of middle-income people, they are more likely to spend it and give lift to the economy. In the short term, we proposed tax cuts that are actually larger than the President's to give lift to the economy. For the long term, we proposed about half as much in tax cuts because we were worried about sending this country into a tailspin created by exploding deficits and debt.

Mr. DORGAN. If the Senator will yield for a further question, to clarify what the Senator from Maryland asked and the question about borrowing money from South Korea, in fact the perversity is we actually borrow money from South Korea so we can reconstruct Iraq. It is not even money to invest in the strength of this country.

Aside from that, President Reagan talked about $1 trillion in debt when he took office. He said $1 trillion in debt is $1,000 bills stacked 67 miles high. As I look at what this President is proposing, he is proposing a fiscal policy that says let us have another stack of $1,000 bills that goes 335 miles high in debt. Who is going to carry that? Who is going to take care of that? Isn't it the case that the President is saying somebody else, somebody behind the tree, maybe our kids, maybe our grandkids but not us?

Is it the case that these proposals, this budget on the floor and the budget submitted by the President, is a budget which is so seriously out of balance that we will in the long term have the largest deficit and the biggest debt in the history of humankind with no provision at all of asking anybody to own up to that responsibility?

Is it the case that the question Senator CONRAD is asking here has to do with accountability? When do we decide we have to make a u-turn and begin moving toward responsibility? That is the point.

If I might make one final comment. I say to Senator CONRAD, you are right, we proposed tax cuts, but in 2001 we also said: Let's not put in place something permanent that could get us in trouble because we might have some unforeseen circumstances. The other side said: No. Katie bar the door. Let's do it all and don't worry. Be happy. Then we had a recession, a terrorist attack, a war in Afghanistan, a war in Iraq.

The fact is, we had all kinds of unforeseen circumstances, and now we have a situation that is calling for dramatically increased spending, as requested by this President. We have these long-term tax cuts and the largest debt in history.

The Senator uses the term ''irresponsible.'' This is an irresponsible fiscal policy. The Senator does the Senate a great service, in my judgment, by coming to the floor with these charts and describing exactly to the American people what this fiscal policy is about.

Mr. CONRAD. Perhaps nothing reveals more clearly than this next slide where this is all leading. This chart shows—and this is not my projection; this is not a Congressional Budget Office projection—this is the President's own projection of where his budget policies are taking it. This is from his budget, and the assumption is his tax policies and his spending policies are adopted.

Look what it shows. These are record deficits, the biggest we have ever had. But they are dwarfed by what is to come, under the President's own analysis of where his policy is leading.

This shows as the baby boomers retire and the full cost of the President's tax cuts are realized, the President's plan takes us right over the cliff into deficits that dwarf the ones we are having now, which are of record size.

What could be more clear than we are on a course that is utterly unsustainable?

Mr. SARBANES. If the Senator will yield, do those projected deficits rise into double figures as a percent of the GDP? Am I correct in reading that chart? It is well up over 10 percent of GDP would be in deficit? Is that correct?

Mr. CONRAD. It is actually over 12 percent of GDP. Economists say it is utterly unsustainable. This is the course the President is taking us on. The President's plan is not conservative. This is a reckless plan. It is a radical plan. It is a plan that cannot be allowed to continue.

This plan will jeopardize not only Social Security and Medicare, but most of the rest of what the U.S. Government does, including our ability to defend ourselves.

One does not need to take my word for it. We have been alerted by the head of the Federal Reserve, who has told us we ought to now consider cutting Social Security benefits because we are, in his words, ''overcommitted.'' And it is not just him. We can go to group after group that are responsible on budget issues that are saying: Look, you are on a course that is utterly reckless.

The President told us on the issue of Social Security: None of the Social Security surplus will be used to fund other spending initiatives or tax relief.

That is what he told us in his 2002 budget. But what we see is something quite different. In fact, he is taking every penny of Social Security surplus—again, it is really not surplus; it is surplus for the moment because when the baby boomers retire, all that money is going to be needed—he is taking every penny, $2.4 trillion over the next decade, and using it to fund primarily tax cuts.

It is very interesting, when you do the analysis, the cost of his tax cut proposals over the same period is almost the identical amount—$2.5 trillion of income tax cuts, being funded by $2.4 trillion of Social Security money.

So you have the specter of taking money from payroll taxes and using it to fund income tax cuts that overwhelmingly go to the wealthiest 1 percent in this country.

Mr. NELSON of Florida. Will the Senator yield?

Mr. CONRAD. Yes, I am happy to.

Mr. NELSON of Florida. Mr. President, if the Senator will yield for a question, I ask our leader on the Budget Committee: How in the world could our friends, who call themselves conservatives, vote for anything but a conservative budget such as this that, as the Senator from North Dakota has characterized it, is radical?

How could our friends, who claim they want to protect the Social Security surplus, vote for a budget that raids all of that surplus to finance tax cuts, primarily for the more well-to-do?

How could our friends, who call themselves conservative, in fact, finance a lot of this budget for a prescription drug benefit that was a bailout to the pharmaceutical and insurance companies, and, lo and behold, was not what it was sold as—$400 billion over 10 years—but, instead, $535 billion?

How could our conservative friends vote for a budget like this?

Mr. CONRAD. I do not know. But I know this: History will not treat them kindly. When people have a chance to look back and see the decisions that were made here and now, and where it is leading, history will not treat them kindly.

On this question of spending and revenue, here is the historical chart on spending, again, as a share of gross domestic product. You can see it goes back to 1981. In the 1980s, spending, as a share of GDP, got to 23.5 percent. At the end of the Clinton years, spending was down to 10.4 percent of GDP. It is very interesting. Spending, as a share of gross domestic product, went down each and every year of the Clinton administration.

Now we have had a significant bump up. Ninety-one percent of that increase is defense, homeland security, rebuilding New York, and the airline bailout. That is where the money has gone. But even with that increase, you can see spending is well below where it was in the 1980s and 1990s as a share of GDP.

The revenue side of the equation, however, which our friends never want to talk about—and I started this morning by quoting Mr. DELAY, who said: You cut taxes, you get more revenue.

Well, that is a theory. It is a philosophy. It is an ideology. The problem is, it does not work in the real world.

Here is what has happened to revenue. Revenue has collapsed to the lowest level as a share of national income since 1950. So their theories are not working in the real world, and the result is, we have a weakening economy.

I ask the Chair, how much time is remaining?

The ACTING PRESIDENT pro tempore. Twenty-three minutes.

Mr. CONRAD. I have 23 minutes. The other side has?

The ACTING PRESIDENT pro tempore. Twenty-six minutes.

Mr. CONRAD. Twenty-six. Mr. President, I will just move through this quickly, and ask others to comment if they would like the opportunity, and give time to the other side to respond. I see Senator GREGG is here and Senator GRASSLEY is here.

We see a job loss that is very unusual. The pattern of this job loss, in comparison to every other recession since World War II, is very interesting. The dotted red line on this chart is the average of every recession since World War II. You can see, 17 months after the business cycle peaked, of all the other recessions, you saw us pulling out of job loss. Jobs were being created in a very favorable way in each of the other nine recessions.

But look at this downturn. We still do not see job recovery occurring, and we are 35 months past the business cycle peak. Something is wrong. Something is not working. We are now 5.4 million jobs short of the typical recovery. We have all seen this chart. For private sector jobs, 3 million have been lost since January of 2001.

Now we turn to the budget our friends have proposed on the other side. They say they are going to cut the deficit in half over the next 3 years. Well, I say to our friends, I look at what is being added to the debt under their plan: $612 billion this year, and every year thereafter over $550 billion being added to the debt. I do not see any big improvement here in terms of what is being added to the debt. In fact, I see almost no change under the proposal by our Senate Republicans.

I hear them say they are reducing the deficit, cutting it in half over the next 3 years. The fact is, if you put this thing on automatic pilot and we made no policy changes, the deficit would decline more rapidly. They are actually increasing the deficit with this plan by $178 billion over the next 5 years, compared to doing nothing.

If you look at the priorities, you have to question those as well. Those who are the wealthiest 1 percent, earning over $337,000 a year, their tax cut for this coming year is $45 billion. On the other hand, to restore the cuts of the education program No Child Left Behind would cost $8.6 billion. So we are saying it is more important that the top 1 percent, those earning over $337,000, get every penny of their tax cut than to restore the money for No Child Left Behind.

The same is true with other important priorities: The firefighters, $250 million to restore the cuts on them compared to $45 billion for the cost of the tax cuts for the wealthiest 1 percent, those earning over $337,000 a year.

If we look at the House budget resolution, we see the same thing in terms of additions to the debt, only it is even worse. I don't see any big improvement here. They say they are going to cut the deficit in half. But if you look at increases to the debt, what you see is they are going to be adding $600 billion to the debt year after year of the entire budget window. Just like our Senate colleagues add to the deficit, they add $301 billion to the deficit over the next 5 years, in comparison to doing nothing.

Interestingly enough, when I look at the discretionary spending limit that was set in the Senate a year ago, the budget the Republican House has sent us exceeds that limit, that self-imposed limit that was put on here. They are going to spend $871 billion under their plan. A year ago they put a spending limit of $814 billion.

The other point that needs to be made is, additions to the debt. There is almost no difference between the Bush budget. He is adding $3 trillion to the debt in the next 5 years; the Senate budget, $2.9 trillion; the House, $3 trillion. So there is very little difference.

Finally, on the issue of PAYGO—this is the procedure to make it harder to spend the money and to pass tax cuts given our fiscal condition—Mr. Greenspan has said:

> I would, first, Mr. Chairman, restore PAYGO and discretionary caps. Without a process for evaluating various tradeoffs, I see no way that any group such as Congress can come to set priorities which will effectively reflect the will of the American people.

We restored the provisions to make it more difficult to spend new money for past tax cuts in the Senate. The House did not. They failed on a tie vote of 209 to 209. This is going to be the critical test in conference. For those who say they are fiscally conservative, this is their chance to prove it. Because if we don't put in place the budget disciplines that have worked in the past to eliminate deficits and to get us on a more firm financial footing, we will have failed the American people.

I ask the Chair how much time is remaining on this side?

The ACTING PRESIDENT pro tempore. Seventeen minutes.

Mr. CONRAD. And the Senator has 26 minutes.

The ACTING PRESIDENT pro tempore. Twenty-six minutes, that is correct.

Mr. CONRAD. Senator GREGG has been waiting patiently. I think it is probably more useful that they would take some of their time at this point.

The ACTING PRESIDENT pro tempore. Who yields time? The Senator from New Hampshire.

Mr. GREGG. Mr. President, I yield myself such time as I may consume.

I am, of course, always impressed by the Senator from North Dakota, although there is a darkness to his presentation. There is a sense of doom he puts forward I am not necessarily a subscriber to. But he certainly is a person who has committed himself to understanding the numbers and trying to present them in a form that most adequately and appropriately reflects his view of where we are as a Nation fiscally.

It is hard to guess, but I suspect it was in the range of 50 different charts. There were a lot of charts. Some of them were charts that were charts on top of charts which restated the chart that came before the chart, but they were good charts. They were excellent charts—very colorful and nicely presented.

What we did not see was a chart that presented the Democratic budget. Where is it? Where is the budget from the other side of the aisle that addresses all these concerns which have been raised by the other side of the aisle about the Republican budget? It does not exist. No budget has been offered. No budget was offered in the committee, and no budget is going to be offered here in the Chamber. Why is that? Because if you look at the substance of what is being presented by the other side, they are basically saying, in order to address this problem, they are going to raise taxes. That is the only logical conclusion you can reach by looking at their position.

What does a tax increase in the middle of a recovering economy do? It stifles it. It creates a compression of that economic recovery, causes it to retract itself, and it will cost jobs. The worst fiscal policy we could pursue would be to raise taxes. Maybe that isn't their proposal, but we don't have a proposal from them to reflect what it would be. No responsibility is put forward for actually answering the questions which have been raised, assuming they are even legitimate questions, from the other side of the aisle.

So let's turn to the nominee of their party to see if that individual has maybe put forward his concepts on how we address the fiscal policies of the United States. Yes, he has. In his campaign through New Hampshire—where he spent a considerable amount of time, and we very much appreciated it because he spent a considerable amount of money—he presented programs which totaled $1.7 trillion of new spending over the next 10 years. That is a budget proposal—a budget buster, but a budget proposal. He offset that with tax increases of approximately $700 billion during that same time. So he is going to add to the deficit, which has been outlined by the Senator from North Dakota in very colorful terms, an additional trillion dollars over the next 10 years.

I can understand why they don't want to bring their budget forward. If their nominee, who is a Member of this body, is proposing he is going to increase the deficit by a trillion dollars, by increasing spending by $1.7 trillion and taxes by $700 billion, such a budget could be appropriately called a tax-and-spend budget.

Let's look at the substance of what the practical effect of the proposal would be that has been brought forward by the Senator from Massachusetts, his $700 billion tax increase, for example. What would that effect be? If you are going to look at the Senator's charts over the next 4 years, where he claims if we went on under current law, the deficit would go down by another $135 billion, which is essentially a tax increase, because what he is saying is under current law, taxes will go back up because taxes expire, what taxes are they talking about increasing on that side of the aisle under that theory? They are talking about repealing our expansion of the 10-percent bracket so the people in the low-income areas would have a 10-percent bracket. That would be repealed. They are talking about repealing our increase in the child tax credit, rolling it back from a $1,000 credit to a $700 credit.

They are talking about repealing our efforts to reform the marriage tax penalty so when you get married, you don't get hit with an extra tax. All of those taxes would have to be repealed to meet the Senator's proposal relative to reducing the budget over the next few years by $135 billion, because those are the ones that expire.

If you look at the proposals of the Senator from Massachusetts, the same effect would occur. His proposal for $700 billion of new taxes is a proposal to repeal, as a practical matter, the child tax credit, to restart the marriage penalty, and to make it difficult for people in low-income brackets, in the 10-percent area, to get a 10-percent tax burden versus kicking it back up to 15 percent.

Now, all these initiatives, under the leadership of the Senator from Iowa, which are targeted to low-income Americans, were taken as an attempt to address those legitimate concerns about people who are in the middle- and low-income brackets and want to have a fair tax rate. We passed those laws, but they will expire. I guess it is clearly the position of the other side of the aisle that those expirations should be allowed to occur, and therefore the taxes should go back up. That appears to be the core of their budget. It is coupled, of course, with this spending initiative.

We had debate on the budget on the floor of the Senate. During the budget debate, the other side of the aisle, which never brought forward a budget, proposed spending increases of $379 billion. They proposed tax increases of $276 billion. I believe those are the numbers, but they may not be exact. Those were the amendments brought forward from the other side of the aisle—massive tax increases, massive spending increases. They have now been confirmed by the policies of the nominee of their party—or the presumptive nominee—who has proposed $1.7 trillion of new spending, $700 billion of additional tax increases, for a $1 trillion add-on to our deficit.

So I don't think, when the other side of the aisle comes forward and presents—very expansively and very well, obviously, because the Senator from North Dakota is a well-spoken individual who understands how to make a good presentation, and he always has—I don't think they can do that in good conscience if they don't also present their budget at the same time, their answers to this problem. If they are going to be fair about it, they have to bring forward the answers of their candidate for President, because they keep referring to our President, President Bush, who happens to be everybody's President right now and hopefully will be for the next 4 years. But they have to present it in juxtaposition to what their candidate for President is talking about. If he had a budget on the floor today, it would be a $1.7 trillion increase in spending, increase in taxes, adding $1 trillion to the debt, and a lot of people who don't deserve to have their tax increased—people in the 10-percent bracket, married people, people who have children going to college—would be stuck with a brandnew tax bill.

That is a brief response. There is a much more extensive response, but my time is limited. The Senator from Iowa wishes to proceed.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. GRASSLEY. Mr. President, how much time is left on this side?

The PRESIDING OFFICER. There are 17 minutes remaining.

Mr. GRASSLEY. I yield myself 10 minutes.

Mr. President, we heard testimony from the other side on the fiscal condition of the U.S. Government, how bad it is and they are sounding alarms. I think all that is very legitimate. I am not here to dispute specific figures, I am not here to say that the other side has been intellectually wrong, but at least to say they have left some misimpressions about some aspects of this budget. I will start with the chart shown about borrowing from foreign countries.

The U.S. Government does not go to other countries and say, hat in hand: Will you lend us X number of dollars? What the U.S. Government does is say to the 270 million Americans, and anybody else in the world: We have X amount of debt that we have to refinance, or finance, and people come to bid on that. The market determines who gets what.

Now, we do have a lot of foreigners that own American debt. Why do they want to invest in America's national debt? Because they have confidence in America and because they want a return on their money. It ought to be somewhat satisfying to the American people that the rest of the world thinks so well of the American economy and the soundness of our Government that they are willing to invest in the national debt, just as American citizens invest in the national debt, because they want the return; they want the certainty of it.

The impression was left that we go, hat in hand, to a lot of foreign countries to beg for money. We don't do that. It is our policy, through the Secretary of the Treasury, to say that we are offering so much investment, and you can come and make your claim to it under these conditions.

The other misimpression is that something different is happening to the Social Security surplus. Why is that being said? Because people want to get seniors concerned about what Congress might be doing to ruin their Social Security. I say to the seniors of America—and people on the other side of the aisle, if they don't know it—that nothing has changed since 1936 as far as the way the Social Security surplus is handled. Nothing has changed since 1936.

Starting in 1936 and for every year since then except 1981 and 1982, there has always been a positive cashflow coming in from the payroll tax to what was paid out. We decided in 1936 to invest that surplus in Treasury bonds. Why? Because it is a good, safe investment for seniors, for their retirement. It is the way the Federal Government can show to the seniors of America and to all of the people of America that we are going to make sure your Social Security surplus is safe and that the obligations in the future are met. Except for in 1981 and 1982, when there was a negative cashflow, that has been done. We made it up by borrowing to keep the checks going.

As far as the Social Security surplus is concerned, today, yesterday, and tomorrow—at least until 2018, as best we can project—there will be a positive cashflow, and that money is going to be invested in Treasury notes that are obligations to keep Social Security benefits at 100 percent at least through 2042, until all that surplus is used up. So for the seniors of America, nothing has changed.

I think we also ought to remember that we dealt with dozens of amendments on the other side of the aisle when the budget was up. Every one of those amendments was for spending more money. They will say, yes, they wanted to raise taxes; they had tax offsets to spend that money. But they were not interested in raising taxes to lower the national debt; they were interested in raising taxes to spend more money. So just the tax cut cannot be considered a reason for the debt. In fact, if you want to know why we have a debt, we have a debt of 25 percent because of tax cuts, 25 percent because of increased spending for the war as well as homeland security, and 50 percent because of the downturn in the economy.

When did that downturn in the economy start? In the year 2000, not in the year 2001. The manufacturing index started going down in March of 2000. Do you know NASDAQ lost half of its value in 2000? President Bush saw that economic situation and, hence, the tax cut of 2001 to turn the economy around, and it has worked. But that is only 25 percent of the reason for the deficit. The other is just the downturn in the economy and what happened on September 11 and a recovery that was delayed because of attacks by terrorists on America, the second time only since the War of 1812 that Americans have been attacked and it had an impact on the economy. And it was a negative impact on the economy that led to 3 years of downturn of income coming into the Federal Government for the first time since the 1930s; in other words, less income this year than the year before, than the year before.

That has never happened, even when we had tax cuts in the past. We have to go back to the 1930s. I hope the other side is willing to admit these are very unusual times we are in.

Then, what about the fact that we are in a war? What about the fact that we were attacked on September 11? Do you want to fight the terrorists in the United States or do you want to fight them in Iraq and Afghanistan? This Commander in Chief decided to fight them in Afghanistan and Iraq instead of in New York City and Washington, DC.

Wars cost money. We only go to war to win. If we are going to go to war to win and put American men and women on the battlefield, we are going to give them the resources it takes to win. We have been attacked by the other side because somehow we do not account for the cost of a war. On December 8, 1941, when FDR was addressing the Congress of the United States after the attack on Pearl Harbor, if Members of Congress had said at that time, How much is this war going to cost, they would have been laughed at. How come they are not laughed at now, Mr. President? We are going to spend what it takes to win the war. We are not going to leave our men and women hanging without support. If we had taken that attitude toward World War II, Hitler would have been in New York City. So we ought to have some leeway when it comes to budgets to win a war and backing our men and women and not being harassed because of what the war is going to cost, just as we are going to know that in the month of September we are going to fire off so many cruise missiles.

The last point I will make is, I might be willing to consider an increase in taxes, but I have never found anybody on the other side of the aisle who has said to me how high taxes can go to satisfy their desire to spend more money. For 50 years, we have had a policy in this country of taxing in the Federal Government at about 17 to 19 percent of gross national product. It seems to me that is pretty good policy because of two reasons: No. 1, the American people do not tend to attack us for taxing too high when it is in that band; and, No. 2, it has not been harmful to the economy, as we have seen tremendous growth in the economy for the last 50 years.

What we are trying to do is keep the level of taxation within that band of 17 to 19 percent. Right now it is a little bit lower. Sometimes it might be a little bit higher, but our policy is to keep it within that band and to keep spending within that band. But in times of war, that spending policy has to have some give if you want to win a war.

Even though the presentation that has been made by the other side may be totally accurate as far as the statistics are concerned, I think there is a bigger picture than just charts and statistics. There is what America is all about and the role of Government in America and the importance of responding to attacks on America and winning a war and backing up our troops.

I yield the floor.

The ACTING PRESIDENT pro tempore. Who yields time? The Senator from North Dakota.

Mr. CONRAD. Mr. President, I always enjoy listening to the chairman of the Finance Committee, who is my friend, and despite our disagreement today, he will be my friend at the end of the day, just as he was when we began this day.

I say to my friend, this is not a question of whether we win wars or do not win wars. All of us are committed to winning this war. We must win this war. But part of winning a war is not just leaving the cost of the war out of the budget. That is not credible.

The President says it is difficult to say how much the war is going to cost. Certainly it is difficult, but the right answer is not zero. That is what the President put in his budget. He says for the next year there is no cost to the war on terror, there is no cost to the war in Iraq, there is no cost to the war in Afghanistan. That is not credible. That is not a serious budget. That is not leveling with the American people on our true fiscal condition to put out a budget that says there is no war cost past September 30 and present that as an accurate picture to the American people of our fiscal condition. That is not serious. That is not credible. People deserve better.

The Senator also indicated nothing has changed with respect to Social Security financing. That is not true. In the last 3 years of the Clinton administration, we stopped the raid on Social Security. We stopped taking Social Security funds and using it for other purposes.

What has changed now is we have gone right back to the bad old days of taking every dime. And under the President's plan, he is not just taking every dime of Social Security surplus this year to pay for tax cuts, he is doing it for the whole next decade—every dime, something he pledged not to do.

The Senator also said we have had a policy of only spending 17 to 19 percent of GDP and having taxes of that same amount. I don't know what he is talking about. That is not the fact. The fact is, spending as a share of GDP in 1928 was 23.5 percent. During this whole period of the eighties, it was above 21.5 percent. It was only during the Clinton years that we brought spending down to 18 percent of GDP. Now we are back up to a little over 20 percent of GDP. If we want to have balanced budgets, we have to have that amount of revenue. Hello. Deficits are a function of spending and revenue, not just of spending.

When we look at the revenue side of the equation, revenue has collapsed. Of course, we are talking about needing more revenue. We have the lowest revenue since 1950. We are at 15.8-percent revenue as a share of the gross domestic product, and spending is 20 percent. That is why we have a deficit.

Obviously, we need more revenue. I would say the first place to look is not a tax increase, but going after the tax gap, the difference between what is owed and what is being paid because we know for 2001, that difference was over $250 billion.

Now we ought to go to those who are not paying what they owe, that small share of the American people, that small share of companies, and say, look, you ought to pay what you owe.

The Senator from New Hampshire said, where is our budget? We offered amendment after amendment in the committee and on the floor to alter this budget plan. That was our strategy, to try to alter the outcome, and we were defeated.

When the Senator from Iowa says we did nothing to reduce the deficit in our amendments, please, that is not true. Go back and look. Virtually every amendment we offered was to reduce the deficit, and that is a fact. I challenge the Senator to come up with a list of the amendments we offered and show we did not repeatedly offer amendments to reduce the deficit.

The Senator from New Hampshire attacked Senator KERRY, said Senator KERRY had a trillion-dollar hole in his budget over 10 years. First, Senator KERRY, as the Senator knows, has not presented a budget. They have fabricated a budget in his name. It is not Senator KERRY's budget. We all know it is not Senator KERRY's budget.

They have double-counted Senator KERRY's proposals. They have included things he did not include. So claiming that is Senator KERRY's budget is a fiction. It is a fabrication. Senator KERRY has not yet presented his budget proposal.

In the analysis the Senator from New Hampshire provided, he included programs Senator KERRY has never proposed, including a multibillion-dollar, high-speed rail network. He excluded savings Senator KERRY has specifically proposed, like hundreds of billions of dollars in health care savings, closing corporate loopholes, and eliminating corporate welfare. They double-counted some of his proposals, for example, double-counting energy proposals Senator KERRY has made.

Interestingly enough, he says there is a trillion-dollar hole in a Kerry budget Senator KERRY has not even presented. We know the budget this President has presented in 5 years adds $3 trillion to the debt. They are talking about a $1 trillion hole in a nonexistent Kerry budget over 10 years. They ought to be up here explaining the $3 trillion this President adds to the national debt in just 5 years.

If we applied the same rationale to the President's proposals he applied to Senator KERRY's proposals, we would see there is a $4.5 trillion hole in the President's plan compared to their alleged $1 trillion difference in Senator KERRY's plan.

Is the Senator from Delaware seeking time?

Mr. CARPER. He sure is.

Mr. CONRAD. I yield 2 minutes to the Senator from Delaware.

The ACTING PRESIDENT pro tempore. The Senator from Delaware.

Mr. CARPER. I thank the Senator for yielding.

I spoke several weeks ago as we were taking up the budget resolution. I quoted a fellow from Great Britain, Dennis Healey, who used to be the Chancellor of the Exchequer. Dennis Healey used to talk about the theory of holes. The theory of holes is pretty simple. It says, when you find yourself in a hole, stop digging.

In 1990, we as a country were in a pretty big hole with respect to our budget deficit. Some people in the House and the Senate, the White House, Democrats and Republicans, decided to stop digging. What they decided to do was to adopt a commonsense approach to budgeting, which we call ''pay as you go.''

The idea is if Senator COLEMAN, our Presiding Officer, were to come to the Senate and propose new spending, he would have to come up with an offset, either cut spending some place else or raise revenue to offset it. Or if Senator CARPER came up with a tax cut, I would have to come up with an offset to make sure we did not make the hole any deeper. For about 12 years, it was the law of the land.

During those 12 years, from 1990 to 2002, we actually were able to reduce the deficit and for the first time in 30 years we actually balanced the Federal budget for several years in the late 1990s and the beginning of this decade.

That law lapsed in 2002. We voted in the Senate that it should be reinstated. They very nearly voted in the House yesterday, kept the vote open over an extended period of time so they could twist some arms on the other side in order to defeat the effort to instruct the House conferees to go back and adopt this pay-as-you-go principle.

We ought to do that. If the House conferees will not, we should at least adopt those provisions, this standard, for the Senate, for the way we conduct business.

There was a great editorial in the Washington Post called ''Dodge as You Go.'' I ask unanimous consent that this article be printed for the RECORD.

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

[From the Washington Post, Mar. 31, 2004]

DODGE AS YOU GO

For a vote it derided as meaningless symbolism, the House Republican leadership certainly pulled out all the stops yesterday. At issue was a motion that would have put the House on record as supporting real ''pay as you go'' budget rules—that is, rules that would require tax cuts as well as spending increases to be paid for at the time they're adopted, with offsetting spending cuts or tax increases. The Senate narrowly adopted such a rule in its budget resolution, the House didn't, and the matter is about to go to conference. Yesterday's motion to instruct the conferees would have put the House on record as supporting the Senate rule.

You wouldn't think this is such a big deal. After all, the motion wasn't binding on the conferees. And the budget rule, even if it survives the conference, would apply only to the Senate, not the House. As to the merits: In the 1990s, Republicans seemed to agree that budget discipline was good for the country. They supported a stricter version of this pay-as-you-go rule, they made sure it applied to the House as well as the Senate, and it did some good. But Republican leaders are no longer concerned about fiscal integrity. Making certain that tax cuts can be enacted and extended without any procedural hurdles has become the central—you might say the only—budgeting principle of the Bush administration and its congressional allies.

Thus yesterday's scene of legislating-by-strong arm. In a familiar episode of rule-stretching and bullying, a vote scheduled for five minutes was stretched to nearly half an hour. At one point, 19 Republicans defied their leadership to support the motion. But eight eventually switched their votes, creating a 209 to 209 tie. That meant the motion failed—and at that point, the vote was hurriedly gaveled to a close. ''A meaningless vote but an important principle,'' said a spokesman for House Speaker J. Dennis Hastert (R–Ill.) explaining the need to make certain that tax cuts would be exempt from pay-as-you-go constraints.

Other principles used to carry some weight in the U.S. House of Representatives: allowing lawmakers to vote their consciences, not manipulating voting rules to get the desired result, and opposing a reckless amassing of budget deficits selfishly left for other generations. But that was under the leadership of other speakers, and other presidents.

Mr. CARPER. I will quote one or two sentences out of the editorial.

Other principles used to carry some weight in the U.S. House of Representatives: allowing lawmakers to vote their consciences, not manipulating voting rules to get the desired result, and opposing a reckless amassing of budget deficits selfishly left for other generations. But that was the leadership of other speakers, and other Presidents.

We can do something about it. Our conferees can do something about it. My hope is they will stick by our guns to try to make sure at least for the Senate we adopt those rules that served us so well for 12 years.

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

Mr. CONRAD. Mr. President, we had another one of our colleagues in the Senate assert support for the PAYGO provisions means one is opposed to the middle-class tax cuts. I would ask my colleague from Delaware, does he believe support for the budget disciplines that requires new spending or new tax cuts to be paid for means he opposes the extension of middle-income tax cuts?

Mr. CARPER. If I could respond, the answer is absolutely no.

My dad used to say something to my sister and me when we were kids growing up. The Senator's father and mother probably did the same thing. Senator NICKLES' mom and dad probably did the same thing, as well as Senator COLEMAN's. They harp on something over and over again. When my sister or I used to pull some boneheaded stunt, my dad would always turn to us and say, just use some common sense. He must have said that to us, because we pulled a lot of boneheaded stunts, day after day, week after week, year after year. Finally, it worked and internalized.

Whenever we approach an issue in the Senate or when I was Governor of Delaware, I would oftentimes say to my cabinet, just use some common sense.

Pay as you go is common sense. It is flat in-your-face common sense. It works in State governments. Frankly, it worked here for about 12 years and it will work again. It is not the only thing we need to do but, by golly, it is a big part of it.

Mr. CONRAD. I thank the Senator.

I say in response to our colleague who suggested those of us who favor the reenactment of the budget disciplines that worked so well in the 1990s, I also favor extension of the middle-class tax cuts, but I am willing to pay for them. I am willing to pay for extension of the 10-percent rate. I am willing to pay for extension of the marriage penalty relief. I am willing to pay for the child tax credit. I am prepared to vote to do precisely that. That is what we need to do.

The other fact is, under PAYGO, if we get a supermajority, tax relief can be extended or have new spending of an emergency nature. There has to be a supermajority vote. That is what the budget discipline is about. It is to make it more difficult to enact new spending or new tax cuts that are not paid for. It can be done, but there has to be a supermajority.

I thank the Chair and yield the floor.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. NICKLES. Mr. President, how much time remains?

The ACTING PRESIDENT pro tempore. The Senator from Oklahoma has 5 minutes.

Mr. NICKLES. How much on the other side?

The ACTING PRESIDENT pro tempore. Three minutes 36 seconds.

Mr. NICKLES. Mr. President, I compliment my colleague from North Dakota. I appreciate the cooperation. We will soon be appointing conferees. That is my objective.

I want to thank Senator GREGG and Senator GRASSLEY for their remarks.

A couple of things. It is important we pass a budget. We will appoint conferees and then we will go to work out the differences between the House and the Senate. We have differences between the House and the Senate, but in my 24 years in the Senate we are probably closer with the House in the 2 budget resolutions—the Senate resolution is probably closer to the House resolution than most times in the past. In the past, we have had cases where the House resolution was 5 years, our resolution was 10, and we never reconciled that difference, or we had a hard time reconciling it. We had 1 year we didn't pass a budget in the Senate. They did in the House. This year the numbers are pretty close.

I have a couple of comments. I heard a statement in the budget debate on the floor. I would say, my staff has compiled the amount of spending that was in the amendments that were debated on the floor. Our Democrat colleagues offered amendments that would have 1-year tax increases of $86 billion and 1-year spending increases of $81 billion for 2005. For 5 years, that figure would be tax increases of $443 billion, and 5-year spending increases, $382 billion. That is assuming no inflation. If you take the first year and extrapolate, some said we only spend for 1 year, but there are programs which would obviously be spent further. I have a chart that extrapolates and continues those. That is how I came up with those figures. I ask unanimous consent to have those printed in the RECORD.

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

SENATE BUDGET COMMITTEE TALLIES DEMOCRAT AMENDMENTS OFFERED DURING BUDGET DEBATE

1-year tax increases: $86 billion:

$20 billion from ''closing loopholes''

$57 billion from ''raising taxes on millionaires''

$9 billion in ''other'' (tobacco, Superfund)

5-year tax increases: $443 billion:

$104 billion from ''closing loopholes''

$291 billion from ''raising taxes on millionaires''

$47 billion in ''other''

1-year spending increases: $81 billion.

5-year spending increases: $382 billion.

Note.—Totals for Senate Democrat amendments to the 2005 budget resolution, adjusted to exclude duplicative amendments. Five-year cost assumes increased discretionary spending in 2005 would continue in future years, but does not include baseline inflation or debt service costs.

No. and description		Sponsor	Party	Adopt	Tax/ spend	M/loop/other	Ba/revenue					
							2005	2006	2007	2008	2009	5-yr.
	TAX INCREASES											
2803	Health security	Lincoln	D	N	Tax	Loopholes	−12.000	−12.000	−12.000	−12.000	−12.000	−60.000
2774	Indian health	Daschle	D	N	Tax	Looopholes/million	−3.062	−0.344	−0.035	0.000	0.000	−3.440
2725	Pell Grants	Kennedy	D	N	Tax	Loopholes	−2.352	−7.253	−0.196	0.000	0.000	−9.801
2790	Higher education reserve fund	Reed	D	N	Tax	Loopholes	−1.332	−4.560	−0.220	−0.052	0.000	−6.164
2775	Survivor benefit plan	Landrieu	D	Y	Tax	Loopholes	−0.876	−1.054	−0.998	−1.066	−1.520	−5.154
2719	NCLB full funding	Murray	D	N	Tax	Loopholes	−0.516	−13.244	−2.924	−0.516	0.000	−17.200
2762	21st Century Community Learning Center	Dodd	D	N	Tax	Loopholes	−0.060	−1.301	−0.541	−0.100	0.000	−2.002
	Subtotal Loopholes						−20.198	−39.756	−16.914	−13.734	−13.520	−104.121
2777	Eliminate tax breaks for millionaires	Corzine	D	N	Tax	Millionaires	−20,000	−31.000	−34.000	−39.000	−36.000	−160.000
2786	IDEA full funding	Dayton	D	N	Tax	Millionaires	−11.485	−11.136	−11.864	−12.629	−13.415	−60.529
2783	Jobs	Boxer	D	N	Tax	Millionaires	−8.000	−8.000	−8.000	0.000	0.000	−24.000
2804	Raise taxes for more disc. spending	Byrd	D	N	Tax	Millionaires	−5.656	−13.365	−3.596	−1.200	−0.429	−24.246
2710	Veterans medical care ''reserve fund''	Daschle	D	N	Tax	Millionaires	−4.860	−0.486	−0.022	−0.005	0.000	−5.373
2807	Homeland spending and tax increases	Lieberman	D	N	Tax	Millionaires	−3.664	−4.533	−4.089	−1.160	−0.175	−13.621
2774	Indian health	Daschle	D	N	Tax	Loopholes/million	−3.062	−0.344	−0.035	0.000	0.000	−3.440
	Subtotal Millionaires						−56.727	−68.864	−61.606	−53.994	−50.019	−291.209
2799	Tobacco tax for health	Harkin	D	N	Tax	Other	−7,800	−7,800	−7,800	−7,800	−7,800	−39.000
2703	Superfund fees	Lautenberg	D	N	Tax	Other	−1.501	−1.629	−1.696	−1.735	−1.754	−8.315
	Subtotal other						−9.301	−9.429	−9.496	−9.535	−9.554	−47.315
	Total Tax Increase						−86.225	−118.049	−88.015	−77.263	−73.093	−442.645
	SPENDING INCREASES											
2803	Health security	Lincoln	D	N	Spend	Loopholes	12.000	12.000	12.000	12.000	12.000	60.000
2804	Raise taxes for more disc. spending	Byrd	D	N	Spend	Millionaires	11.223					11.223
2786	IDEA full funding	Dayton	D	N	Spend	Millionaires	10.485	10.485	10.485	10.485	13.589	55.529
2719	NCLB full funding	Murray	D	N	Spend	Loopholes	8.600					8.600
2783	Jobs	Boxer	D	N	Spend	Millionaires	8.000	8.000	8.000	0.000	0.000	24.000

No.	Description	Sponsor	Party	Adopt	Tax/spend	M/loop/other	Ba/revenue					
							2005	2006	2007	2008	2009	5-yr.
2807	Homeland spending and tax increases	Lieberman	D	N	Spend	Millionaires	6.800					6.800
2799	Tobacco tax for health	Harkin	D	N	Spend	Other	6.000	6.000	6.000	6.000	6.500	30.500
2725	Pell Grants	Kennedy	D	N	Spend	Loopholes	4.900					4.900
2774	Indian health	Daschle	D	N	Spend	Looopholes/million	3.440					3.440
2790	Higher education reserve fund	Reed	D	N	Spend	Loopholes	3.082					3.082
2775	Survivor benefit plan	Landrieu	D	Y	Spend	Loopholes	2.757					2.757
2710	Veterans medical care "reserve fund"	Daschle	D	N	Spend	Millionaires	2.700					2.700
2762	21st Century Community Learning Center	Dodd	D	N	Spend	Loopholes	1.000					1.000
	Total Spending Increase (without extrapolation)						80.987	36.485	36.485	28.485	32.089	214.531
	TAX INCREASES											
2803	Health security	Lincoln	D	N	Tax	Loopholes	-12.000	-12.000	-12.000	-12.000	-12.000	-60.000
2774	Indian health	Daschle	D	N	Tax	Loopholes/million	-3.062	-0.344	-0.035	0.000	0.000	-3.440
2725	Pell Grants	Kennedy	D	N	Tax	Loopholes	-2.352	-7.253	-0.196	0.000	0.000	-9.801
2790	Higher education reserve fund	Reed	D	N	Tax	Loopholes	-1.332	-4.560	-0.220	-0.052	0.000	-6.164
2775	Survivor benefit plan	Landrieu	D	Y	Tax	Loopholes	-0.876	-1.054	-0.998	-1.066	-1.520	-5.514
2719	NCLB full funding	Murray	D	N	Tax	Loopholes	-0.516	-13.244	-2.924	-0.516	0.000	-17.200
2762	21st Century Community Learning Center	Dodd	D	N	Tax	Loopholes	-0.060	-1.301	-0.541	-0.100	0.000	-2.002
	Subtotal Loopholes						-20.198	-39.756	-16.914	-13.734	-13.520	-104.121
2777	Eliminate tax breaks for millionaires	Corzine	D	N	Tax	Millionaires	-20.000	-31.000	-34.000	-39.000	-36.000	-160.000
2786	IDEA full funding	Dayton	D	N	Tax	Millionaires	-11.485	-11.136	-11.864	-12.629	-13.415	-60.529
2783	Jobs	Boxer	D	N	Tax	Millionaires	-8.000	-8.000	-8.000	0.000	0.000	-24.000
2804	Raise taxes for more disc. spending	Byrd	D	N	Tax	Millionaires	-5.656	-13.365	-3.596	-1.200	-0.429	-24.246
2710	Veterans medical care "reserve fund"	Daschle	D	N	Tax	Millionaires	-4.860	-0.486	-0.022	-0.005	0.000	-5.373
2807	Homeland spending and tax increases	Lieberman	D	N	Tax	Millionaires	-3.664	-4.533	-4.089	-1.160	-0.175	-13.621
2774	Indian health	Daschle	D	N	Tax	Loopholes/million	-3.062	-0.344	-0.035	0.000	0.000	-3.440
	Subtotal Millionaires						-56.727	-68.864	-61.606	-53.994	-50.019	-291.209
2799	Tobacco tax for health	Harkin	D	N	Tax	Other	-7.800	-7.800	-7.800	-7.800	-7.800	-39.000
2703	Superfund fees	Lautenburg	D	N	Tax	Other	-1.501	-1.629	-1.696	-1.735	-1.754	-8.315
	Subtotal other						-9.301	-9.429	-9.496	-9.535	-9.554	-47.315
	Total Tax Increase						-86.225	-118.049	-88.015	-77.263	-73.093	-442.645
	SPENDING INCREASES											
2803	Health security	Lincoln	D	N	Spend	Loopholes	12.000	12.000	12.000	12.000	12.000	60.000
2804	Raise taxes for more disc. spending	Byrd	D	N	Spend	Millionaires	11.223	11.223	11.223	11.223	11.223	56.115
2786	IDEA full funding	Dayton	D	N	Spend	Millionaires	10.485	10.485	10.485	10.485	13.589	55.529
2719	NCLB full funding	Murray	D	N	Spend	Loopholes	8.600	8.600	8.600	8.600	8.600	43.000
2783	Jobs	Boxer	D	N	Spend	Millionaires	8.000	8.000	8.000	0.000	0.000	24.000
2807	Homeland spending and tax increases	Lieberman	D	N	Spend	Millionaires	6.800	6.800	6.800	6.800	6.800	34.000
2799	Tobacco tax for health	Harkin	D	N	Spend	Other	6.000	6.000	6.000	6.000	6.500	30.500
2725	Pell Grants	Kennedy	D	N	Spend	Loopholes	4.900	4.900	4.900	4.900	4.900	24.500
2774	Indian health	Daschle	D	N	Spend	Loopholes/million	3.440	3.440	3.440	3.440	3.440	17.200
2790	Higher education reserve fund	Reed	D	N	Spend	Loopholes	3.082	3.082	3.082	3.082	3.082	15.410
2775	Survivor benefit plan	Landrieu	D	Y	Spend	Loopholes	2.757	0.000	0.000	0.000	0.000	2.757
2710	Veterans medical care "reserve fund"	Daschle	D	N	Spend	Millionaires	2.700	2.700	2.700	2.700	2.700	13.500
2762	21st Century Community Learning Center	Dodd	D	N	Spend	Loopholes	1.000	1.000	1.000	1.000	1.000	5.000
	Total Spending Increase (with extrapolation)						80.987	78.230	78.230	70.230	73.834	381.511

Mr. NICKLES. I want my colleagues to know we keep tally and keep measures of how much some of these amendments cost. This is an accurate portrayal. We had amendments that would increase taxes and spending by hundreds of billions of dollars. Those are now entered in the RECORD.

I also heard some comments on pay-go. I might mention for our colleagues, last week Senator MURRAY had an amendment. I raised a point of order on it that most all of our colleagues on the Democrat side said, let's waive pay-go. Let's spend an extra $18 billion. We have a tax credit, but basically it was to spend more money, $18 billion.

We didn't waive it, but most of our colleagues on the Democrat side who profess belief in pay-go voted to waive pay-go—for a bill, incidentally, that had never had a hearing before the Finance Committee, never been vetted. It is just proposed on the floor. I happen to be a supporter of pay-go.

Incidentally, people act like we have not had pay-go for the last year. That is false. The budget we passed last year had pay-go for anything that wasn't assumed in the budget resolution, period. We used pay-go and other points of order, some of which are redundant. You can make a budget point of order because a committee exceeds its allocation, or you can make a pay-go point of order. I used both. We made 61 or 62 budget points of order, on most of which we prevailed, which saved over $800 billion in new spending.

It seems a lot of people who are now pro pay-go are trying to make sure the tax cuts that are presently law are not extended. I hope that will not be successful.

I just make those comments. I think I would much prefer to have the debate, whether it is on pay-go, the amount of money we spend for defense or the amount of money we spend on nondefense, or new budget rules—incidentally, these rules apply only to the Senate—but I think it would be appropriate for us to have those in conference.

For the information of all our colleagues, the Budget House and Senate conferees will be meeting at 2:30 this afternoon in the Senate budget room on the sixth floor of the Dirksen Building. We tried to find a room in the Capitol and were not successful.

For the information of our colleagues, I think we had a good debate today. I look forward to a constructive, positive conference, one in which we will hear all sides and all viewpoints and consider constructive suggestions for making improvements. It is my hope we can conclude the Budget conference in a very short period of time. The House would like to vote on it Thursday or Friday. I think that is possible. I think it would be important for us to actually pass a budget that will show we can get the deficit down, in half, in 3 or 4 years. I expect that will be our result. That is my objective. I hope to do that and I hope we can accomplish that.

I yield the floor.

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

Mr. CONRAD. Mr. President, the Senator from Oklahoma and the chairman of the Budget Committee will not be surprised that I completely disagree with his characterization of the amendments offered on our side during the budget fight. We did not offer a package of amendments, so you can't total the spending of each individual proposal. We would offer an amendment, but in each case we would pay for the amendment. We were not adding to the deficit.

If you take our proposals in total—which you cannot do because they were not offered as a package, they were offered individually. We are just going to be intellectually honest here. You can't cumulate something that was not offered as a cumulative amendment. We offered an amendment, it would be defeated, but in each of the amendments we offered, we offered offsets.

I ask unanimous consent to have that chart printed in the RECORD as well.

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

FLOOR AMENDMENTS TO SENATE GOP FY 2005 BUDGET

	(FY 2005–09; $ billions)	Vote	Amount	Offset	Net cost
Democratic Amendments:					
2703	Lautenberg—Polluter's Pay/Reinstate Superfund taxes	44–52	0.000	−8.315	−8.315
2710	Daschle—Veteran's medical care (reserve fund)	44–53	2.687	−5.373	−2.686
2717	Wyden—Healthy Forests Restoration Act/Function 920	Adopted u.c.	0.343	−0.343	0.000
2719	Murray—No Child Left Behind (reserve fund)	46–52	8.600	−17.200	−8.600
2725	Kennedy—Pell Grants/Close tax loopholes (reserve fund)	44–53	4.900	−9.802	−4.902
2745	Nelson—Veterans Medicare care reserve fund/Close tax loopholes (reserve fund)	46–51	1.791	−1.791	0.000
2762	Dodd—After School Programs/Close tax loopholes (reserve fund)	42–54	1.000	−2.002	−1.002
2774	Daschle—Indian Health Service (reserve fund)	42–54	3.440	−6.880	−3.440
2775	Landrieu—Military Survivor Benefit Plan/Close tax loopholes (reserve fund)	Adopted v.v.	2.757	−5.514	−2.757
2777	Corzine—Tax savings to strengthen Social Security	Withdrawn	0.000	−160.000	−160.000
2780	Clinton—Minority Health/Deficit neutral requirement (reserve fund up to $400 M)	Adopted u.c.	0.000	0.000	0.000
2783	Boxer—Job creation (reserve fund)	41–53	24.000	−24.000	0.000
2786	Dayton—IDEA Part B/Reduce tax breaks for the wealthiest (reserve fund)	Rejected v.v.	39.423	−60.529	−21.106
2789	Sarbanes—Fully fund FIRE and SAFER Act/Reduce tax breaks for top 1% (reserve fund)	41–55	1.430	−2.860	−1.430
2790	Reed—Higher Ed Financial Ed/Close tax loopholes (reserve fund)	Rejected v.v.	3.082	−6.164	−3.082
2793	Dorgan—Increase funding for COPs, Byrne grants, and local law enforcement grants (reserve fund)	41–55	1.100	−2.200	−1.100
2799	Harkin—Increase funding for health programs/Cigarette tax (reserve fund)	32–64	30.500	−39.000	−8.500
2803	Lincoln—Expand health care coverage/Close tax loopholes	43–53	60.000	−60.000	0.000
2804	Byrd—Increase discretionary caps/Close tax loopholes & other (reserve fund)	43–53	24.246	−24.246	0.000
2807	Lieberman—Restore cuts in homeland security/Reduce tax breaks for millionaires (reserve fund)	40–57	6.800	−13.621	−6.821
2817	Levin—Homeland security grants/SPRO sales (reserve fund)	52–43	1.545	−1.700	−0.155
2820	Mikulski—Tuition tax credit/Deficit neutral requirement (reserve fund)	Adopted v.v.	0.000	0.000	0.000
2833	Bingaman—Pediatric vaccine distribution/Deficit neutral requirement (reserve fund)	Adopted u.c.	0.000	0.000	0.000
2848	Byrd—Correct scoring for Project Bioshield (make consistent with 2004 resolution assumptions)	Adopted u.c.	2.528	0.000	2.528
2850	Dorgan—Homestead Act/Function 920	Adopted v.v.	1.915	−1.915	0.000
Subtotal, Democratic Amendments			222.087	−453.455	−231.368
Republican Amendments:					
2697	DeWine—Child Survival & Health Program/Function 920	Adopted v.v.	0.330	−0.330	0.000
2715	DeWine—Reconstruction of Haiti/Function 920	Adopted v.v.	0.500	−0.500	0.000
2731	Graham—TRICARE & GI Bill/Rescind Iraqi reconstruction (2 reserve funds)	Adopted v.v.	6.800	−6.800	0.000
2733	Sessions—NASA Space exploration/Function 800	Adopted v.v.	0.600	−0.600	0.000
2741	Specter—NIH—Discretionary health/Function 920	72–24	1.300	−1.300	0.000
2742	Warner—Restore cuts to Defense/No offset	95–4	7.638	0.000	7.638
2784	Crapo—Clean Water State Revolving Funds/Function 920	Adopted v.v.	2.850	−2.850	0.000
2794	Thomas—Rural health programs/Function 920	Adopted u.c.	0.100	−0.100	0.000
2821	Coleman—Pell Grants/Function 920	Adopted v.v.	1.884	−1.884	0.000
2822	Murkowski—Indian Health Service/Function 920	Adopted v.v	0.281	−0.281	0.000
2823	Inhofe—ESPC Directed Scorekeeping (CBO costs of $1.7 B over 5 years)	Adopted v.v.	1.660	0.000	1.660
2832	Enzi—Workforce Investment Act/Function 920	Adopted u.c.	0.247	−0.247	0.000
2839	Snowe—SBA programs/Function 920	Adopted v.v.	0.115	−0.115	0.000
2843	Hatch—Restore cuts to law enforcement grant programs/Function 800	Adopted v.v.	0.600	−0.600	0.000
2844	Dole—Child Nutrition Programs/Function 920	Adopted u.c.	0.820	−0.820	0.000
2845	Lugar—Restore cuts to International affairs/Function 920	Adopted u.c	1.524	−1.524	0.000
2846	Murkowski—Veterans Medical Care/Function 920	Adopted u.c.	1.194	−1.194	0.000
2849	Kyl—Veterans Medical Care (reserve fund)	Withdrawn	0.000	0.000	0.000
2852	Collins—Postal Service reform/Deficit neutral requirement (reserve fund)	Adopted v.v.	0.000	0.000	0.000
Subtotal, Republican Amendments			28.443	0.000	0.000
Grand Total, All Amendments			250.530	−472.600	−222.070

*Outlays (excludes associated interest costs/savings). Amount of each amendment includes estimated costs of any contingent reserve funds (which may or may not be released).

Mr. CONRAD. What it shows is if you do cumulate the spending over 5 years, it was $222 billion, but the deficit reduction was $231 billion. That is a fact.

On the other side, they increased by $28 billion, and added to the deficit by $9.3 billion. So the only folks who had cumulative totals here on the floor that added to the deficit were our friends on the other side of the aisle. That is a fact.

We have been very careful to insist amendments on our side be paid for and reduce the deficit. We insisted that not only amendments offered on this side be deficit neutral, but they actually reduced the deficit in addition to any change in funding priorities.

The Senator once again says the budget before us will reduce the deficit in half in 3 years. The problem is, if you look at increases to the debt in each of those years, you don't see a reduction. The debt continues to be increased between $500 and $600 billion a year in every year of this budget proposal—$3 trillion. On the Senate budget, in fairness, $2.9 trillion added to the debt in just the next 5 years.

The President's plan adds $3 trillion to the national debt in just the next 5 years. That is a mistake. That is a mistake because it is coming at a critical time, right before the baby boomers start to retire. That will happen in the fifth year of this 5-year budget plan.

Mr. President, how much time remains?

The ACTING PRESIDENT pro tempore. The Senator has 30 seconds.

Mr. CONRAD. I want to conclude by thanking the chairman. We have had differences on budget policy; we have had differences in how we should proceed; but we have done it, I think, in a way that should be done in the Senate. We have done it in a way where there is respect and a serious listening to both sides in order to achieve a result and a rational process for this body.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I yield back the remainder of our time.

The ACTING PRESIDENT pro tempore. All time has expired.

Under the previous order, the Senate disagrees to the House amendment to S. Con. Res. 95, agrees to the request for a conference with the House, and the Chair is authorized to appoint conferees on the part of the Senate with a ratio of 4 to 3.

The Acting President pro tempore appointed Mr. NICKLES, Mr. DOMENICI, Mr. GRASSLEY, Mr. GREGG, Mr. CONRAD, Mr. HOLLINGS, and Mr. SARBANES conferees on the part of the Senate.

PERSONAL RESPONSIBILITY AND INDIVIDUAL DEVELOPMENT FOR EVERYONE ACT

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of H.R. 4, which the clerk will report.

The assistant journal clerk read as follows:

A bill (H.R. 4) to reauthorize and improve the program of block grants to the States for temporary assistance for needy families, improve access to quality child care, and for other purposes.

Pending:

Boxer/Kennedy amendment No. 2945, to amend the Fair Labor Standards Act of 1938 to provide for an increase in the Federal minimum wage.

The ACTING PRESIDENT pro tempore. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I again thank my colleague from North Dakota for his cooperation and I look forward to the conference.

I see my good friend from Massachusetts is here. I know he offered an amendment on minimum wage. I know