

week, Social Security, which is the largest of these mandatory programs, is set aside. It cannot, nor should it be, considered in this legislation. It cannot be. So realistically, the universe of Federal spending that we will be dealing with over the next week is limited to 33 percent or about a third of all Federal spending. That is where the focus will be.

The deficit reduction legislation we will be considering over the week is the culmination of a process that began in February, when the President gave us his budget. The President's budget included proposals to reduce the Federal deficit over the next 5 years by slowing the growth in Federal spending in this area of the Federal budget. Again, of the overall Federal budget, we are talking about a third of it that we will be addressing. The President's budget came over and said: We are going to slow that spending growth by \$26 billion.

The congressional budget resolution we adopted back in April similarly agreed that slowing that growth—and there is still going to be growth—in mandatory spending was an essential part of achieving not only deficit reduction but, not unrelated, being able to sustain economic growth. We want to achieve deficit reduction, but we want to be able to sustain economic growth. So to accomplish that goal, our 2006 budget laid out a process that has not been used in about 8 years. I believe it was in 1997 that we last had a spending deficit reduction package, a reconciliation process used on the spending side of the equation. It has been 8 years since we have used this process.

The budget we adopted directed eight authorizing committees in the Senate and in the House to make changes in laws within their jurisdiction to achieve a total of \$34.7 billion in savings over the next 5 years. That is what the budget told those eight authorizing committees to come up with. Subsequent to passage of our budget in the spring, we have had big, unanticipated spending demands that resulted from the worst hurricane season in the Nation's history. All of that placed added attention on spending and on Government spending. We responded to that appropriately, in a bipartisan way, by agreeing to delay consideration of the reconciliation process in early September so that we could focus on hurricane response and on the demands and on what the people who have been so directly affected by those hurricanes deserve. We have addressed the needs of the gulf coast families affected by the storms. We continue to address them. We did, indeed, in legislation last night. We will continue to do so in the future.

Indeed, within this reconciliation legislation, while at the same time meeting the goal of deficit reduction, we do so while also providing the needed medical attention, the education attention, and other Government bene-

fits to the victims of those hurricanes. We also recognize that because of the additional spending demands being placed on the Federal Government, we needed to do more in terms of deficit reduction itself, the deficit reduction we defined pre-Katrina, that we did need to do more.

In late September, I, along with the chairman of the Budget Committee, wrote to the chairmen and ranking members of the eight reconciled committees, the committees that will be responding with their proposals next week, asking them each to consider how they could come up with increased savings.

I am proud of the effort put forth by each of these eight committees. They have come forth with specific recommendations. Now that is what we are bringing to the floor of the Senate. They increased deficit reduction by nearly 13 percent so rather than \$35 billion, as required by our initial budget proposal from the early part of this year, the legislation approaches about \$40 billion, just under but almost \$40 billion in savings. I thank and applaud members of the various authorizing committees who have come forth with those increased savings.

I would be remiss if I did not point out that in many instances, the additional savings were accomplished on a bipartisan basis in many of the committees. Forty billion dollars in savings over the next 5 years is less than 2 percent of the \$2.6 trillion in mandatory spending that will occur over the next 5 years. It is tough to accomplish that. We will be debating that over the course of the week. But in truth, it is only 2 percent of the \$2.6 trillion in mandatory spending that is going to occur over the next 5 years.

There will be some who think this legislation does not go far enough to reduce spending. I personally would not disagree. There will be others who will come into my office saying it goes too far. I do disagree with them. Both proponents will have an opportunity, over the course of consideration of the bill, to amend the legislation to achieve whatever their objectives might be. I will be laying out that schedule later today.

Regardless of that debate, no one will deny that this is the first real effort in 8 years to slow down growth in mandatory spending. The chairman of the Budget Committee, Senator GREGG, and the ranking member, and the eight reconciled committees are to be congratulated for making the tough and difficult decisions they had to in bringing this bill to the Senate floor.

Finally, in balancing deficit reduction with all of the other demands that come to this body, the committees were careful not to place the burden of deficit reduction on the most vulnerable in our society. As a member of the HELP Committee, I personally thank Chairman ENZI and Ranking Member KENNEDY for meeting their deficit reduction requirement, while at the same

time providing a 10-percent increase in average grants to low-income students, with additional assistance for those students working toward a degree in math, science, engineering, and technology. While that committee achieved over \$16 billion in deficit reduction by eliminating banker and lender windfalls and special payments, it redirected some of those savings toward needy students.

Similarly, the Finance Committee, in meeting its instruction to achieve \$10 billion in deficit reduction, was able to redirect additional savings toward providing such things as \$1.9 billion to Medicaid recipients in the Gulf Coast States, nearly \$1 billion to expand Medicaid benefits to severely disabled children through the Family Opportunity Act, nearly \$100 million for the SCHIP program, and extension of expiring provisions that will provide over \$200 million to rural hospitals and sole community centers.

Another committee, the Commerce Committee, was able to direct a portion of its deficit reduction savings toward implementing E-9-1-1 emergency services as well as directing \$200 million toward coastal disaster assistance.

All of this is a first good positive step toward real mandatory spending reduction. Additional steps are being taken and will be taken to control the growth in the nonsecurity appropriations as we bring the 2006 appropriations process to a conclusion over the next couple of weeks as well.

We will apply fiscal discipline through the actions we take these coming weeks and we will continue to promote those policies that protect the needy while at the same time creating jobs and ensuring a growing economy.

Let us work together to keep America moving forward. I look forward to the debate next week and doing just that, working together to keep this country moving in a positive direction.

Mr. President, I yield the floor.

#### RECOGNITION OF THE MINORITY LEADER

The PRESIDENT pro tempore. The Democratic leader is recognized.

#### BUDGET RECONCILIATION

Mr. REID. Mr. President, it is not often you see a spotlight shine on the differences between the two parties, between the Democrats and Republicans. This debate is that spotlight. This budget that is attempted to be reconciled is, as I have said on a number of occasions, an immoral budget. It hurts the poor and middle class. It makes all the rewards to those people who are already fat as a result of our system.

The Republican budget is fiscally irresponsible. It sets forth the wrong values and misplaced priorities. President Bush has the worst fiscal record in the Nation's history, taking a surplus when he was elected President from some say

as much as \$7 trillion over 10 years, and to have squandered it in 5 years to where now we have an \$8 trillion deficit. That is a pretty big turnaround. RECORD surpluses we had have been turned into historic deficits. This immoral budget that is attempted to be reconciled will increase the deficits by \$30 billion more.

Following the budget choices made by the Republicans in this budget, in 5 years the deficit will increase to over \$11 trillion from its now \$8 trillion. Simply the wrong choices have been made with this budget.

This Senate reconciliation spending bill makes the wrong choices. It increases the burdens on seniors in a number of ways, not the least of which is increasing Medicare Part B premiums, cuts health care generally by \$27 billion in Medicare and Medicaid cuts, cuts agriculture, cuts support—that is directed at farmers—by \$3 billion.

In my little town of Searchlight, NV, something called the Farmers Home Administration came in and helped build 28 units of senior housing for the poor. They are, frankly, the nicest homes in town. We don't have these programs anymore, but those 28 units in Searchlight only become vacant when someone dies. Once someone gets in there, qualifies to get in there, they are there until they die. There is a waiting list even in the little community of Searchlight. It is so long people no longer even get on the list. But this budget the Republicans are pushing down the throats of the American people reduces availability of affordable housing. There will be no more places such as that in Searchlight. They are cutting that.

But they are going to drill in Alaska. Remember, we cannot produce our way out of the problems we have with energy. America has, counting ANWR, less than 3 percent of the oil reserves in the world—less than 3 percent. But they finally have been able to accomplish under this reconciliation drilling in Alaska, in this pristine wilderness.

I would think the President would be better off looking at alternative energy, giving incentives for people to develop energy from the sun and wind, geothermal, biomass. No, it is not in this budget. More efficient automobiles maybe. Production of natural gas during the last 5 years has been stable. Right now our reserves are the same as they have been for 5 years. But the people controlling oil, these oil and gas companies, are doing well. For someone heating their home with natural gas—and that is almost 50 percent of the American people—the cost will go up 48 percent this year. Maybe the President should spend a little time on that.

This budget provides tax breaks for multimillionaires and special interests. Reconciliation paves the way for budget-busting tax breaks, including capital gains and dividend tax breaks, that will benefit special interests and the

wealthy. Tax breaks exceed spending cuts by more than \$30 billion in this immoral budget. Well over a majority, some 55 percent of the benefits of capital gains and dividends, go to those with incomes of more than \$1 million. The average benefit of these tax breaks for those with incomes of more than \$1 million will be approximately \$36,000. Those people making between \$50,000 and \$200,000 get \$112. Those with incomes under \$50,000 will get \$6—\$6, compared to millionaires getting \$36,000. It doesn't seem quite fair to me.

Is this the reason the leadership of the Protestant churches in this country has called this an immoral budget? It could be one strong reason.

But the House—they haven't been working much lately because they have been trying to figure out how to cut even \$15 billion more. They can't quite get the votes together, but they are going to try again next week. The House plan cutting \$15 billion, we are told, would include more in student loan cuts, food stamp cuts, cuts in child support enforcement and foster care cuts, deeper and more problematic cuts in health care. Other priority reasons in this country should come first. Rather than harming the vulnerable while providing special tax breaks to the rich increasing the deficit, we should address the Nation's most urgent problems.

I have talked about natural gas. That is only one way to heat your home. But gasoline for your car, that is what we should be focusing on. Oil companies this year will make \$100 billion in profits—\$100 billion in profits. I say that is too much. I say it is time this Congress, rather than pushing forward on this immoral budget, should take a look at the immoral and obscene profits these companies are making, maybe take a look at a windfall profits tax or maybe allow the FTC to do something about this price gouging. These rising energy costs are burdening families, businesses, and farmers.

We have said there are programs we need to take a look at. Katrina victims are still victims. We as a Congress have not provided them the help they need.

I haven't even mentioned the war on Iraq we should be spending some time here on the Senate floor talking about.

Can we do better? Yes, America can do better. Have we done better? Yes, America has done better. During the Clinton years—during the last 3 years he was President—we were paying down the debt. We paid down the debt by half a trillion. We were spending less money than we were taking in. Yes, it can be done. And, yes, we are going to spend this next week on this budget that is fiscally irresponsible, giving the Congress direction in values that are wrong. All across this reconciliation are misplaced priorities. We can do much better. We have done better. And again the spotlight shines on the difference between the two parties here as not often seen. But here we will

see it next week, the difference between the two parties.

I yield the floor.

The PRESIDENT pro tempore. The Senator from Georgia is recognized.

Mr. ISAKSON. I yield back to the leader.

The PRESIDENT pro tempore. The majority leader is recognized.

#### EXECUTIVE SESSION

#### EXECUTIVE CALENDAR

Mr. FRIST. Mr. President, very briefly, I ask unanimous consent that the Senate immediately proceed to executive session to consider the following nominations on today's Executive Calendar: Calendar Nos. 391, 392, 393, 394, 395, 396, 397, 398, 400, 401, 402, 403, 404, 405, 406, 408, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, and all nominations on the Secretary's desk. I further ask unanimous consent the nominations be confirmed en bloc, the motions to reconsider be laid upon the table, the President immediately be notified of the Senate's action, and the Senate then return to legislative session.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The nominations considered and confirmed are as follows:

#### DEPARTMENT OF STATE

David B. Dunn, of California, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Togolese Republic.

Carmen Maria Martinez, of Florida, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Zambia.

Michael R. Arietti, of Connecticut, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Rwanda.

Benson K. Whitney, of Minnesota, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Norway.

David M. Hale, of New Jersey, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Hashemite Kingdom of Jordan.

Nicholas F. Taubman, of Virginia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Romania.

Susan Rasinski McCaw, of Washington, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Austria.

#### INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Jennifer L. Dorn, of Nebraska, to be United States Alternate Executive Director of the International Bank for Reconstruction and Development for a term of two years.

#### DEPARTMENT OF COMMERCE

Franklin L. Lavin, of Ohio, to be Under Secretary of Commerce for International Trade.