

fact that the President still clings tenaciously to the unpopular privatization of Social Security. They will be worried over the idea of cutting Social Security benefits when pension plans are disappearing and cutting back their payout. They will be absolutely dumbfounded when they read that this President wants to cut that \$255 check for the widow to cover funeral expenses in order for us to give tax cuts to wealthy people.

The President said it is time for us to put aside partisan politics when it comes to Social Security and work together to get this problem solved. That is what he said in the State of the Union.

He proposed we create a commission. I support it. We have said that for a long time. Those of us who were fortunate enough to be here the last time a meaningful, bipartisan, balanced commission was created know that back in 1983 we got the job done. President Reagan had the right idea. Tip O'Neill, the Democratic leader in the House of Representatives, joined with him on a bipartisan basis and we ended up buying almost 50 years of solvency by following those commission recommendations. The same thing is true now.

The President has to walk away from privatization, walk away from deep cuts in benefits for people who are not wealthy in retirement. He certainly should not walk away from the widows and widowers across America who count on this \$255 check to meet some of the expenses of people who have passed away in their families. I urge my colleagues to look carefully at this budget when it comes to Social Security.

I close by saying when we return next week, we will take up another bill on reconciliation. It is an important bill about taxes and spending. It is going to reflect the President's priorities for tax cuts for the wealthiest in America and little or no help for the working families in America. These are the families struggling to pay for their kids' college education, trying to make mortgage payments, pay those property taxes, and trying to make certain they are paying the heating bills that have doubled this year. Why would we not give them a helping hand?

Unfortunately, the President's proposal puts the help in those homes that, frankly, are not worried too much about heating bills. They don't have to count pennies every month. We will face that again, and then we will return to the asbestos bill, which we have talked about all week. The first thing we will consider is a budget point of order that was raised by Senator JOHN ENSIGN from Nevada. It goes to the heart of this asbestos trust fund, and that is whether we are dealing with honest figures and whether we can say with confidence that this trust fund, which will close down the court-houses in America for asbestos victims, can truly be solvent for years to come and pay out to those victims and their families what they truly deserve.

Many of us questioned that. We asked the sponsor of the bill to justify the \$140 billion and tell us how he came up with that figure. Unfortunately, he cannot. We have asked him to give us the secret list that has the names of all of the businesses that are supposed to pay into this trust fund. Still no list is produced. Imagine that, a secret list of businesses in the possession of the Committee on the Judiciary that will not be shared with all of the Members of the Senate or, more importantly, with the American public. So we are supposed to have confidence in an approach that is veiled in secrecy and cannot be explained? That is why Senator ENSIGN's point of order is so important.

Even if you believe, as I do, that the asbestos system can be improved and that survivors should receive more compensation, in a more efficient way, we have to understand that this approach will not work. It will fail and its failure will be at the great expense of a lot of vulnerable Americans.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. REED. Mr. President, I ask unanimous consent to speak as in morning business.

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

#### LOW INCOME HOME ENERGY ASSISTANCE PROGRAM

Mr. REED. Mr. President, I would like to begin my remarks today speaking about a topic that I have been involved with, along with many of my colleagues for months now. That is LIHEAP funding.

If you look at a weather map, you will see that temperatures across much of the United States are only expected to be in the thirties and forties today. Winter has finally arrived. In Providence, the high is only projected to be 19 degrees. A nor'easter is on its way up the east coast; they forecast snow that will hit here in the DC area tomorrow, all the way up to New England, and so winter has arrived.

I wanted to mention the weather forecast because we are at the end of the second week of February, and there is no new funding for the Low-Income Home Energy Assistance Program, and as far as I know, there are no plans by the majority to bring to the Senate a vote on a \$2 billion LIHEAP funding proposal. This funding proposal was removed from the Department of Defense Appropriations bill conference report. It was one of a few items that was stripped out, there were many other nondefense items that were included in

the Defense Appropriations conference report in December, but for some reason this was dropped. I think a reason it is adversely affecting thousands and thousands of Americans across the country, ranging from the Northeast into the mid-Atlantic, across the Midwest, out into the far West. People are struggling with rising energy prices, and today, falling temperatures.

On Monday, a bipartisan letter signed by 34 Governors urged Congress to pass \$2 billion in immediate additional LIHEAP assistance. These are Governors from across the country, Governors that are of both party affiliations, Governors who are trying to respond to these conditions of both weather and extraordinary price increases.

The letter states:

LIHEAP applications are projected to increase by as much as 25 percent in some States . . . If Congress does not increase LIHEAP funding in the next few weeks, state programs across the country could run dry and the number of households unable to meet their basic heating needs could skyrocket.

I ask unanimous consent that both of these letters be included in the RECORD.

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

FEBRUARY 6, 2006.

Hon. BILL FRIST,  
Majority Leader, U.S. Senate.

Hon. HARRY REID,  
Minority Leader, U.S. Senate.

Hon. J. DENNIS HASTERT,  
Speaker, House of Representatives.

Hon. NANCY PELOSI,  
Minority Leader, House of Representatives.

DEAR SENATOR FRIST, SENATOR REID, SPEAKER HASTERT, AND REPRESENTATIVE PELOSI: For several months this winter, states have taken steps to help assure that our most vulnerable residents are not overwhelmed by the sharp rise in home heating costs. This has often meant significant state contributions to emergency relief funds or supplementing existing state-federal programs. Despite these actions by the states and the record cost of energy nationwide, federal funding for the Low Income Home Energy Assistance Program (LIHEAP) reflects a net decrease from the previous fiscal year's total. We urge Congress to join the states in meeting the well-documented need for additional home heating assistance by passing \$2 billion in immediate additional LIHEAP assistance.

Governors supported the progress that was made when LIHEAP was authorized at \$5.1 billion in the Energy Policy Act of 2005, but were disappointed when Congress appropriated only \$2.16 billion for FY 2006. While we appreciate the President's recent release of an additional \$100 million of emergency LIHEAP funds and Congress' proposal to add \$1 billion for FY 2007, urgent action is needed to address the Energy Information Administration (EIA)'s prediction of a 30 to 70 percent rise in consumer energy costs this winter.

Covering dramatic increases in natural gas and heating oil prices presents a potential hardship for our citizens. LIHEAP applications are projected to increase by as much as 25% in some states. As noted above, many states, energy industry leaders, and private citizens have done their part by increasing investments in the program. We are asking

you to join us by sending legislation to the President that provides enough funding to meet our low-income citizens' energy needs for 2006. If Congress does not increase LIHEAP funding in the next few weeks, state programs across the country could run dry, and the number of households unable to meet their basic heating needs could skyrocket.

Our states are in the process of documenting the potential shortfalls in LIHEAP funding and the supplemental funding states have already provided. We look forward to sharing that information with you shortly. Thank you for your consideration of this request and your continued commitment to assisting our neediest families. We hope that you will take this opportunity to actively support the LIHEAP program.

Sincerely,

Governor Frank H. Murkowski, Alaska;  
Governor Janet Napolitano, Arizona;  
Governor M. Jodi Rell, Connecticut;  
Governor Ruth Ann Minner, Delaware;  
Governor Rod Blagojevich, Illinois;  
Governor Mitch Daniels, Indiana; Governor Thomas J. Vilsack, Iowa; Governor Kathleen Sebelius, Kansas; Governor Kathleen B. Blanco, Louisiana; Governor John Baldacci, Maine; Governor Robert L. Ehrlich Jr., Maryland; Governor Mitt Romney, Massachusetts; Governor Jennifer M. Granholm, Michigan; Governor Tim Pawlenty, Minnesota; Governor Brian Schweitzer, Montana; Governor Dave Heineman, Nebraska; Governor John Lynch, New Hampshire; Governor Jon S. Corzine, New Jersey; Governor Bill Richardson, New Mexico; Governor George E. Pataki, New York.

Governor Michael F. Easley, North Carolina; Governor John Hoeven, North Dakota; Governor Bob Taft, Ohio; Governor Brad Henry, Oklahoma; Governor Ted Kulongoski, Oregon; Governor Edward G. Rendell, Pennsylvania; Governor Donald L. Carcieri, Rhode Island; Governor Jon Huntsman, Jr., Utah; Governor James Douglas, Vermont; Governor Timothy M. Kaine, Virginia; Governor Christine O. Gregoire, Washington; Governor Joe Manchin III, West Virginia; Governor Jim Doyle, Wisconsin; Governor Dave Freudenthal, Wyoming.

U.S. SENATE,

Washington, DC, January 25, 2006.

Hon. WILLIAM H. FRIST,

Majority Leader, U.S. Senate, Washington, DC.

DEAR MAJORITY LEADER FRIST: High energy prices are threatening the health and economic well-being of low-income households across the United States. No family in our nation should be forced to choose between heating their home and putting food on the table for their children. No senior citizen should have to decide between buying life saving prescriptions or paying utility bills. Unfortunately, these stark choices are a reality for too many Americans across the nation. We strongly urge you to take immediate action to help low-income Americans by bringing a measure to the floor that provides an additional \$2.92 billion for the Low-Income Home Energy Assistance Program (LIHEAP), as supported by the majority of the Senate.

Since October 5, 2005, the Senate has voted six times to increase LIHEAP funding to \$5.1 billion. Bipartisan amendments offered to the Department of Defense Appropriations bill, the Transportation, Treasury and HUD Appropriations bill, the Labor, Health and Human Services and Education Appropriations bill, and the Tax Reconciliation bill received a majority of the Senate's support.

Unfortunately, these amendments were not given the opportunity for a straight up-or-down vote. In December, 63 Senators supported a successful motion to instruct, which directed the Budget Reconciliation Conference Committee to provide \$2.92 billion in additional funding for LIHEAP in FY 2006. Yet, the conference report for the Budget Reconciliation bill includes only \$1 billion, with this spending designated for FY 2007. Procedural maneuvers are preventing vital assistance from reaching Americans. These families and seniors deserve help from the federal government.

As you know, the Department of Defense (DoD) Appropriations Conference report originally provided an additional \$2 billion for LIHEAP. The LIHEAP funding provided by the DoD conferees was designated as emergency funding. The emergency designation funding is warranted given the high cost of energy this winter, and the lack of growth in workers' wages. Unfortunately, other more controversial matters included in the conference report prevented the retention of the LIHEAP money in final action on that bill.

The Energy Information Agency forecasts that households heating with natural gas will experience an average increase of 35 percent over last winter. Households heating with oil will see an increase of 23 percent, and households using propane can expect an increase of 17 percent. In addition, wages are not keeping pace with inflation. The Real Earnings report by the Bureau of Labor Statistics shows that the average hourly earnings of production and non-supervisory workers on private nonfarm payrolls were lower in December 2005 than they were a year ago, after accounting for inflation. Working families are continuing to lose ground, meaning more families also need LIHEAP assistance this year. Paychecks are being stretched thinner as families face higher prices for home heating, health care, and education.

We respectfully request that you bring a measure to the Senate floor at the end of this month, or at the latest, early February, that funds LIHEAP at the \$5.1 billion level supported by the Senate. We also urge that these resources be allocated in such a way that they will benefit all states and ensure they receive this necessary assistance promptly. American families and seniors have been waiting too long for relief from high energy costs. Thank you for your consideration for this essential request.

Sincerely,

Jack Reed, Maria Cantwell, Byron L. Dorgan, Paul S. Sarbanes, Charles E. Schumer, Edward Kennedy, Tom Harkin, Jeff Bingaman, Barbara Boxer, Herb Kohl.

John F. Kerry, Barack Obama, Hillary Rodham Clinton, Daniel K. Akaka, Max Baucus, Barbara A. Mikulski, Patrick J. Leahy, Debbie Stabenow, Carl Levin, Mark Dayton, Joseph R. Biden, James M. Jeffords, Patty Murray, Dick Durbin, Robert Menendez.

Mr. REED. According to the National Energy Assistance Directors Association, the following States have exhausted their LIHEAP funding or will do so by the end of the month: Alabama, Arkansas, California, Georgia, Iowa, Maine, Oklahoma, Oregon, South Dakota, Rhode Island, Utah, New Hampshire, Washington, and Ohio. This is a broad-based problem, transcending all regions of the country and, again, a direct reflection of high energy prices and falling temperatures.

High energy prices are threatening the health and economic well-being of

low-income families and seniors across the United States and we must provide additional LIHEAP funding this winter.

On Tuesday, the Energy Information Administration released its Short-Term Energy Outlook. The data was not encouraging. Despite our relatively mild winter, households heating primarily with natural gas can expect to spend 24 percent more on fuel this winter than last winter. If a household is heating with oil, it can expect to pay 16 percent more. Those households depending on propane can expect to pay 14 percent more this winter than last. And to quote the EIA, the Energy Information Administration:

Should colder-than-normal weather occur for the remainder of the heating season, expenditures could be significantly higher than currently projected.

These are costs that are piling up on working families and at the same time they are seeing their wages stagnate, not keeping up with inflation and not keeping up, certainly, with energy costs. Working families are continuing to lose ground, meaning more families need LIHEAP assistance as a result. So the paychecks are being stretched thinner and thinner as families face higher prices for home heating, in addition to health care, in addition to education. So we have to do something, and I believe we should do something.

At least five times over the last several months, the Senate has, by majority vote, supported an increase in LIHEAP spending at least to the \$2 billion mark. But, because of the procedural rules, budget objections, we could not prevail, even though we had a majority of Senators on both sides of the aisle. I think that sends a strong signal that not only can we act, we should act.

Now I will urge the majority leader to take immediate action to help these low-income Americans by bringing a measure to the floor that provides the full \$2 billion in additional LIHEAP funding. And, I also ask the President, and the White House to stand on the side of American families to urge this to be done. They should release a public statement supporting additional LIHEAP funding.

Also, the White House can act immediately by releasing the remaining \$100 million in LIHEAP contingency funds provided in the fiscal year 2006 Labor, HHS, and Education Appropriations bill. If you go back to the Governors of our States, who are close to this problem, if you look at the States that are exhausting their LIHEAP funds—and it is still only February—we could have 8 more weeks of rather cold temperatures. Indeed, if the weather evens out, we should have 8 more weeks of cold temperatures because it has been mild to this point. But these States of Alabama, Arkansas, California, Georgia, Iowa, Maine, Oklahoma, Oregon, South Dakota, Rhode Island, Utah, New Hampshire, Washington, and Ohio need this assistance and we should give it to them.

## THE BUDGET

I will make more general comments about the budget. Part of it is, of course, the inability to respond to the heating crisis. I think there is a much greater set of issues confronting us with the budget the President sent up. I have deep concerns about the President's fiscal year 2007 budget. It neither meets the pressing needs of the American people nor addresses the long-term challenges that lie ahead. Clearly, we are in for another year of policies that do not help the average family or bring down the deficit. I suspect these are the two major criteria most Americans will judge this budget on: Will it assist families, working families, in the country to move forward? Will it begin to tackle some of the long-term problems we face?

It is tremendously disappointing that the President's budget has cut funding for programs that are important and vital to the well-being of children, education, economic success, and the safety of Americans. While the budget was appropriately invested in national security, it unfortunately leaves our citizens behind here at home in many different capacities. In addition, the President's budget seeks to make costly tax breaks for the wealthiest Americans permanent, at a time when we are facing one of the largest deficits in the history of the country.

The administration strains to show progress reducing the deficit, but in fact it exaggerates the deficit in the short run and understates it in the future by leaving out big-ticket items, such as war costs. We will shortly receive an approximately \$100 billion supplemental for operations in Iraq and Afghanistan. It would be unfortunate not to support our troops in the field, but we have responsibilities of not only supporting troops in the field but doing it in a responsible way. And it is not by accumulating each year billions of dollars in supplemental appropriations; it is in trying to deal with these costs. Certainly it is including those costs in any projection of the way ahead with respect to the budget of the President.

The President also has not clearly indicated how we are going to attempt to fix the alternative minimum tax. This is a tax which is gradually encroaching on the middle class of America. It was originally designed to provide default for those wealthier Americans who could, through very shrewd but legal tax planning, avoid any significant tax liability. Now, because of the design of our tax system, it is reaching down into the middle class. It is a multibillion-dollar problem we have to address. Once again, that is not in the budget.

We know these large deficits will increasingly hamper our ability to sustain the economy in the long run. And no matter how rosy a picture the administration tries to paint, neither the President nor future fiscal outlooks look particularly bright given this current deficit situation.

This first chart shows what has happened over the last several years. When

President Bush took office, the Congressional Budget Office projected large and growing Federal budget surpluses under existing laws and policies, the so-called baseline. We can see in the year 2000 there was a \$236 billion surplus. That was projected to go to \$281 billion, \$313 billion, \$359 billion, all the way to the year 2006 with a \$505 billion surplus. That is the projection.

The reality is the surplus has been declining, until 2002 it reached a minus \$158 billion, a deficit of \$158 billion, and the numbers go down, go down in 2004 to \$413 billion. There was a slight improvement, and one can argue about whether that is a one-time phenomenon based on some tax provisions we passed. The forecast of CBO for 2006 is \$337 billion. That is a huge swing just at a time when we are approaching significant challenges with respect to the baby boom generation in Medicare, Social Security, and Medicaid.

This has been a huge reversal of fortunes. In 2000, CBO was predicting a \$5.6 trillion 10-year surplus from 2002 to 2011. This has turned into a deficit of \$2.7 trillion. That is, by my rough calculation, roughly an \$8 billion swing from positive to minus. One can just see the difference in 2006: a \$505 billion surplus to a \$337 billion deficit. That is an \$800 billion-plus swing between the projections and the reality, the result of the policies the President has adopted, the result of some costs which could not be avoided—certainly in response to 9/11—but many other costs which were capable of being, if not avoided, then properly funded. Certainly the tax cuts contribute significantly each step of the way as we go forward.

Instead of sound budget policies preparing for the immediate retirement of the baby boom generation, the Bush administration and the majority of Congress have refused to adopt the kind of budget enforcement rules which help achieve fiscal discipline in the 1990s.

Let me remind you that when I arrived in the Congress in 1990, taking office in the House in 1991, we were looking at continuous deficits many years preceding and projected to go forward. We adopted not only budget rules but budget policies. They were not supported by the Republicans. This was a Democratic initiative of President Clinton together with a Democratic Congress that actually reversed the situation. So this number, \$236 billion, was the result of quite aggressive and quite responsible actions in the 1990s by Democrats and a Democratic President to move from deficits to surpluses to begin to store up what we thought would be surpluses so that we could deal realistically and fairly with the oncoming and expected issue of demographic change in the United States of an older population increasingly aging and requiring additional services. All of this was reversed through the policies of the Bush administration.

We have pursued a policy, as I mentioned before, of trying to stabilize and

reconstruct Iraq by supplementals, not by including even a fraction or a significant fraction of the known cost in our underlying budget. Having taken at least seven trips to Iraq and four to Afghanistan, I can tell you it is a long-term process to do it right, to get it to a point where it is not worse off than it would have been without our intervention. That takes resources.

We have also had these tax cuts which continue to sap our strength.

If we look at the Bush tax cuts, they are nearly 90 times larger for millionaires than for middle-income households, hugely disproportionate, having adverse macroeconomic effects, having adverse fiscal effects in terms of the budget, and not helping the families who all of us will stand up here and pledge are at the top of our list to help: those low- and middle-income families who are struggling with increased costs. This is astronomical. Families are struggling with health care, retirement issues, loss of jobs, stable employment—one does not have to go across this country too far to see communities that have been traumatized by closing factories. Every time we listen to a news report, we are hearing another company, another major company, such as Ford and others, say they are closing factories. That impact is severe and traumatic to families. They are grappling with that and retirement funds which seem to be evaporating. People who worked their whole lives and thought they would have adequate retirement and health care from their employers are finding that is becoming almost a mirage, in some cases, and at the same time, there are usually disproportionate tax advantages through these tax cuts given to the wealthiest Americans.

The average amount of the 2001 to 2004 tax cuts for households of more than \$1 million of income was \$103,000 in 2005. The comparable figure for those households between \$50,000 and \$75,000 in household income is \$1,200, most of which is probably eaten up before they receive it by increases in health costs, increases in energy costs, increases in the cost of simply trying to get by day to day. Middle and lower income families are paying a price for these tax cuts, and it is a price they are finding very difficult to bear each day going forward.

There are specific areas of concern in this budget which have to be mentioned. With respect to health care, the President, during his State of the Union Address, said that it is the Government's responsibility "to provide health care for the poor and the elderly." But his budget proposal only serves to undermine the commitment of our Nation to care for those less fortunate.

The President spoke about access to care and proposed a modest increase in funding for community health centers. At the same time, however, his budget eliminates funding to those programs which educate and train the medical

personnel who are necessary to provide high-quality, culturally competent care to those who will be served in these facilities. We are literally disinvesting in those long-term assets—in this case, the human assets of highly trained physicians and physician assistants and nurses and technicians we will need to man this health care system going forward.

We can look at the projections. The huge increase in seniors requires additional resources and additional redeployment of these resources. That is not taking place in this budget.

I am also disappointed that the budget provides no additional funding for nursing education at a time when my State of Rhode Island and every State in the country is seeing a huge demand for nursing care. The nurses are a vital component of our health care system. In my State of Rhode Island, they are reaching out across the globe, spending three or four times what it costs to hire a local American nurse simply to fill their ward so they can continue to function.

This is an irony, too, because we are all looking for those jobs and those skills which will not be shipped overseas, which will not be digitized and sent away. Nursing is one of these high-quality skills. So it is not only for health care benefits, it is also for economic development. Yet we are struggling to try to help the nursing profession provide the resources to train new nurses in America. The result, of course, is we are taking them from overseas. This might benefit us in the short run but not in the long run. We have to ask ourselves: What is it doing to the health care systems in places such as the Philippines and other countries that are struggling to have adequately trained professionals in their ranks? We are essentially reaching out and taking them away. We have to do better. We can do better.

The budget eliminates funding for primary care and allied health professional training under title VII and decimates the scholarship program designed to encourage more disadvantaged and minority students to enter the health care workforce. Here again, we are trying to match up the talent and skills of Americans with the jobs we need to do, and we know we will need to do them in the future. That does not make sense to me.

His budget also eliminates the Universal Newborn Screening Program and the Emergency Medical Services for Children Program which help States institute effective newborn screening programs and promote research through improved trauma care for children.

There is no one in either body who will come to this floor and not speak about our obligation to the children of America. This is the sanctity of protecting them. But here are programs that operate effectively and efficiently to do that—screening newborns to detect very early if they have medical

problems we must deal with rather than waiting later when these problems have, in some cases, overwhelmed the child and the family. This is a sensible, efficient approach to delivering health care services. It is not being supported in the budget.

The National Institutes of Health, the leading source of basic biomedical research, is also facing a reversal in funding. Less than 2 months ago, President Bush signed into law the first cut to NIH funding since 1970. Now he is proposing to cut funding to 18 of the 19 institutes, including the institutes conducting research on cancer, heart disease, and diabetes.

The National Institutes of Health, over the last several years, has been an example of a bipartisan commitment to raising their funding level, recognizing, again, that in order to confront health care issues in the country, we need the infrastructure of research, and not just to deliver effective treatment, but also we hope to get a bit of a handle on the explosion of costs in the health care system. When we stop investing adequately in the National Institutes of Health, we are locking ourselves into a situation where we will not have the new breakthrough drugs, the new breakthrough technologies, and we will not be able to deal with the host of issues confronting us. This is, again, a reversal of a decade of progress on a bipartisan basis to keep funding robustly the National Institutes of Health.

Health care services essential to our elderly population also were not spared. His proposed cuts to Medicare will inflict pain on the Nation's elderly without solving the growing cost of health care.

We all have to recognize, given demographics, given changes in the delivery of medicine, that the cost of health care has to be addressed. Not very much of what the President is doing is designed to address that cost. This is an issue which transcends party, transcends reason, transcends all of our individual interests, and it needs leadership by the President.

This budget is simply tweaking and cutting adversely benefits to seniors and not dealing in a responsible way with the acceleration of costs.

Medicare providers have already borne the brunt of several years of payment freezes and reductions, and once again, they are going to be included in this budget proposal.

I am also dismayed about the proposal to further cut home health care providers. The President talks about the importance of increasing access to home- and community-based services for the elderly and disabled seeking alternatives to traditional institutional-based care, but by cutting reimbursements to home health care providers, this budget sets in motion the exact opposite policy. Instead of encouraging people to move out of institutional-based care, which is typically more expensive, into home-based care, this pol-

icy would reverse that trend. Medicare spending on home health care has already fallen dramatically, from 8.7 percent in 1997 to 3.8 percent in 2005. There has been a squeeze on home health care and I think eventually that squeeze will provide a real disincentive for using what is both humane and efficient and effective care for seniors.

The Centers for Medicare and Medicaid Services, CMS, projects a decline of 2.6 percent of total spending by 2015 in the absence of a 2006 payment freeze. So what we are seeing is the rhetoric talks about the logic of moving people from expensive institutional care, hospitals, and other settings, into their homes. And, frankly, most people I know who are sick, the first thing they want to do is get out of that hospital. They recognize the wonderful care they are getting but to be home is just as helpful sometimes as any type of prescription in recovery for an individual. Yet we are contradicting that sensible policy in this budget.

With respect to education, we also see some of these cuts that are impacting adversely our educational programs at a time when everyone stands up and says we are in a global economy and we need to have the best educated students in the world. We have to emphasize programs that will make us competitive because we are in a struggle that is going to define the future of this country, its prosperity—indeed, its security. That struggle rests in large part on providing generation after generation of well-educated Americans.

We have new challenges. New Americans coming from around the globe who are coming into our public school systems require language training and cultural sensitivity and a host of other challenges that, frankly, didn't exist in the 1950s when I was going to grammar school and high school—grammar school at least. These challenges have to be met, and they cannot be ignored.

The President's budget, once again, showed his promise to retain America's competitive edge is not a promise that is backed up by the resources that are necessary. We understand we have to invest in math and science. This is increasingly a more technologically driven world. We are looking at countries around the globe, China and India, that are committed to bringing up their math and science capabilities. They have literally hundreds of millions of talented, bright people. They are beginning to make their presence on the world scene felt, their economic presence particularly. They are devoted to education. We have to be, also. That requires emphasis on math and science. But our students need more than just that; they need literacy and history and, most of all, qualified teachers in every subject matter.

The President's budget proposes a \$2.1 billion cut to Federal education funding. This is the largest proposed cut in the 26-year history of the Department of Education, at a time when the President and his Cabinet stand up

and say this is probably the most important thing we can do to build the economic strength and vitality of America for the next several decades. Once again, the President has proposed eliminating the LEAP program. This is a Federal-State matching program that allows assistance for higher education support for low- and moderate-income Americans. It gives grants to the States. The States have to match the grants with their own money. It is a very valuable program. In total it proposes to eliminate 48 federally funded educational programs, including GEAR UP, Teacher Quality Enhancement, Even Start, TRIO Upward Bound/Talent Search programs. These TRIO programs are designed to go into minority communities and find students that have the talent but not necessarily the type of support they need to get through high school and commit themselves to go on to higher education. We have to do that.

We understand, again, if you look at the demographics, that this country is becoming significantly less White and more of people who are African Americans and Latinos—all of them. If we are not reaching out today into these communities and finding young people of talent and giving them the support and giving them the idea—which, for affluent families is obvious—that they can go to college, they should go to college, we are going to find ourselves decades from now—perhaps even sooner—with a population where we have not utilized their talent and we are not able to compete on a global scale.

All of these programs help do that. To eliminate them without any ability to respond in a meaningful way to these needs, to me, is shortsighted and wrong.

The Bush budget freezes the maximum Pell grant at \$4,050. This is the fourth year in a row they proposed freezing this grant, and we know what is happening to college tuitions, they are going up. In 1975 the Pell grant covered 80 percent of the cost of a 4-year public college education. Today it covers about 40 percent.

Senator Pell was my predecessor in Rhode Island, from whose wisdom we all benefit today. He recognized back in the 1960s that if you allow young people to go on to college, you will reap benefits that are huge over many years. I wouldn't hesitate to say that a lot of the leading members of our community—in business, in politics, in anything you name—one of the reasons they are able to participate at this level is because 30 years ago, in 1967 and 1975, they were able to go to college and pay for it because there was a Pell grant that was providing 80 percent of the cost of their 4-year public college education.

Today, who are we leaving behind because they are saying: I would love to go on to college, but I can't afford it? Who are we leaving behind who will go to a school but not the school they could have gone to with this financial

assistance and, as a result, whose career and whose contribution might be limited? I do not think this policy makes sense.

The President's budget also proposes to eliminate the Perkins Loan Program, leaving students with fewer resources to help them meet the cost of attending college. Perkins loans are another complement in our Federal arsenal of support to education that helps students make their way through college.

The majority has just pushed through a budget reconciliation bill which will cut \$12.5 billion from higher education. This budget is saying we are going to cut more. We just made \$12.5 in reconciliation cuts. How can we continue to do that? How can we cut the funds that we presumably have committed to spend and now send up a budget that will continue this very constrained support for higher education? And it is not just higher education.

If you look at some of the early education initiatives that are so necessary to children who have not yet even reached school, you have scientists each day pointing out how important it is for early childhood education to give children the skills and talents and the very idea that education is something they have to pursue vigorously all their lives. If you look at this budget you see, again, huge shortcomings. The President's budget proposal freezes funding for the Federal child care and development block grants for the fifth year. The administration's own budget figures show that 400,000 children will lose childcare assistance by the year 2011, and this is on top of the 250,000 children who have already lost childcare assistance since fiscal year 2000. These are huge numbers with huge impacts in every community across the country.

At the same time, because of the way the economy has been performing, the number of low-income children has been increasing. Poverty is increasing in the United States today as a result of many factors—globalization, the economic policies of the administration. We saw in the 1990s, again, not only a reversal from a deficit to a surplus, we saw poverty levels starting to decline. Along with those descending poverty levels we saw a lot of other positive social benefits. The numbers and percentages of abortions dropped because the economic situation for families seemed to be improving. This whole approach is increasing the demands of more low-income people, while at the same time decreasing the resources available. It does not make a great deal of sense.

Additionally, the budget would provide no additional funding for the Head Start and Early Head Start Programs, freezing funding at \$6.7 billion. This results in the Head Start Programs in our country having to make very tough choices—eliminating almost 19,000 children, squeezing, again, the payments

and the benefits they give to their workers, attacking or undermining the quality of the comprehensive services that are the cornerstone of the Head Start Programs. This is not good.

The President's budget also eliminates the community services block grant, which is critical to so many communities across the country. Again, this notion of the community service block grant was to give the local community leaders the resources because they have the sensitivity and clearer vision to what their particular community needs. When you squeeze these community service block grants, you put a huge burden on property tax payers because those individuals, all of us, will support local government. That is not as efficient or fair a mechanism for raising revenues as income tax or anything else, but that is the reality because local communities will have to put more burden on their local property tax payers or eliminate these services. That is an area of great concern, also.

It is not just health care and education, there are many other areas. One is energy. The President said in a frank admission, which we all appreciated, that the United States is addicted to oil. But like many people with addictive problems, I don't think the administration is seeking meaningful treatment. Gasoline consumption in the transportation sector represents about 44 percent of total oil consumption in the United States each year. If you include diesel fuel, that number jumps to 57 percent. To bring about any serious reduction in our dependence on foreign oil we have to increase the fuel efficiency of our cars and light trucks. So we need an increase in our CAFE standards. That is the first place we need to go that yields the biggest bang for the buck that will put us on a path to reduce significantly our energy consumption.

But that is not what the President is talking about. He is talking about renewing the fight for drilling in ANWR, a fight that culminated on this floor just a few weeks ago in a rejection of that proposal.

He is not pressing for the immediate technological fix of moving up CAFE standards. Once again, I believe this approach plays to our strength as a nation. We continually point to our technological innovation, our ability to use technology to solve problems. Here is a huge problem. Why don't we apply technology? I am always disconcerted when you look around the globe and see companies such as Toyota, for example, who have launched very successful hybrid automobiles. Where are the hybrids in significant numbers, and sufficiently sophisticated, by our own manufacturers? Ford has the Escape hybrid vehicle. This technology is not something beyond our capacity and capability, but the nation needs a budget and policy that will support technology development. You need action in Congress that will increase CAFE standards and increase gasoline mileage.

If we are talking about tax policy to help us avoid dependency on foreign oil, it is not cuts to dividends and capital gains and huge benefits to the wealthiest, it is perhaps providing tax support for those people and those companies that will put vehicles that get 45 or 55 miles per gallon on the road. We can build it. That might give us an advantage or another opportunity to reassert ourselves as the premier leaders in automobile technology in the world and the premier manufacturers, a position that we are losing.

In December, Senator SNOWE and I wrote a bipartisan letter, signed by 30 Senators, asking the President to fully fund energy efficiency and renewable energy programs authorized in the Energy Policy Act of 2005. When we passed the Energy Policy Act, we increased funding for energy efficiency provisions and renewable energy programs. Our letter must have been lost somehow because the budget cuts key energy efficiency programs such as building code programs, Energy Star, weatherization programs, and industrial energy efficiency.

I had a visit yesterday from architects from the American Institute of Architects. These are local Rhode Islanders. They pointed out that a huge amount of our energy is wasted because buildings are not properly designed and properly built to contain energy and use it efficiently.

We could have significant savings with improved building technology. It begins with some of these rather everyday programs such as building codes, weatherization, industrial energy efficiency—these programs are being cut.

I agree with the President. We need to end our addiction to oil. But to do that, our budget needs to support programs, initiatives, that reduce our dependency in the short and long term, and funding for energy efficiency and renewable energy programs will reduce our demand for fossil fuels such as natural gas and petroleum. Supporting energy efficiency and renewable energy is the best approach we can take to deal with the issue of energy dependency in the United States.

I have already spoken about the LIHEAP program. We must support LIHEAP funding because we have low-income families struggling and literally suffering today because they are caught in this vise of cold weather and high energy costs, and we have to give them relief.

The President also speaks, as we all do, about the need for good housing in this country. But again, this budget does great harm to the Housing and Urban Development Department. Overall, the Bush HUD budget proposes \$33.6 billion in discretionary spending authority, as compared to \$34.3 billion last year. That is a 2-percent cut—\$622 million off the top.

I don't know anybody in this Chamber or our colleagues in the other body who will come to us and say we have solved the affordable housing problem.

In fact, I think they would say this is perhaps one of the most persistent and difficult problems we have to face in every community in this country, the ability to rent affordable, decent housing, or the ability of a young family to buy a starter home. It is excruciatingly difficult.

Yesterday, we had representatives from our disabled community in our office, who are down here talking about the issues confronting them. The No. 1 problem they have is finding affordable, adequate housing for disabled Americans.

We talk about our commitment to people with disabilities, but when we have put resources to the rhetoric, too often the resources aren't there.

At a time when people need better housing, this budget is not responding. The President proposes to cut funding for programs to assist at-risk people with their housing needs, including a \$190 million cut in programs to assist the elderly with housing costs, and a \$118 million cut in programs to assist persons with disabilities with housing costs—that is the No. 1 concern of many families—and a \$35 million cut in programs to support lead hazard reduction in public housing.

The section 8 voucher program is also underfunded, threatening families with the loss of their vouchers, threatening families who are now being helped to afford their housing and seeing that help disappear.

The President's budget will also cut the Community Development Block Grant Program by \$736 million. We all know, because we have mayors coming into our offices constantly, that CDBG funds are a key element in allowing local leaders to help develop their communities. That is the kind of money that can be used very adroitly to leverage other funds to help economic development, to help renewable housing—all of these things which are so important. That cut will be devastating to the mayors in every community across this country.

The administration also proposes zero funding for the Brownfields Economic Development Initiative, which is a very smart way to redevelop formerly contaminated lands in our urban areas. These are areas of former industrial production that can be renewed, if we can environmentally restore or remediate the property.

There are also cuts to the Empowerment Zone/Enterprise Communities Program. All of these things go right to the ability of municipalities and counties to provide viable economic development which supports jobs and families in communities across the Nation.

Public housing programs, which serve more than 1 million children and more than one 1 million families with seniors in residence, would experience deep cuts.

The HOPE VI Program, which pays for the rehabilitation or replacement of dilapidated and rundown housing,

takes public housing and transforms it into mixed-income housing.

We have seen one example in Rhode Island—a project in Newport, RI—which is transforming the whole neighborhood.

This HOPE VI program is going to be eliminated in the President's budget. It is the only significant source of Federal money for new housing and new opportunities.

The President also proposes to cut the public housing capital fund, which is the capital investment for public housing agencies. He proposes a \$260 million cut there. Finally, the public housing operating fund is level funded.

Again, how do you level fund operating for residents and public housing at a time when costs all are going up, particularly energy costs?

I don't think there is any expert sitting around suggesting that the spike to \$60 per barrel is a temporary phenomenon. Once OPEC realized they can get away with charging \$60 a barrel and not provoke an economic meltdown yet in the world economy, that will be their target for the next several years, if not for the foreseeable far future. We are stuck with huge energy expenses, and those expenses will hit public housing and community-based activities heavily. If we don't respond by at least helping a bit, it is going to be an excruciating burden on municipalities and counties all across our country.

Let me finally also comment about the Defense budget. As I mentioned, this budget is highly invested in defense, and at this moment in history that approach seems to be unavoidable. I believe we should be responsible and pay for it rather than continuing to borrow these funds. But you can't avoid the obvious. We are still threatened by implacable, ruthless enemies. We are still engaged in a very difficult challenge in Iraq and Afghanistan. As a result, we have to continue to spend on our own protection and our national security.

But the administration again refuses to recognize that this is not a passive phenomenon. They talk about a long war, they talk about a generational struggle, but each year they come to us and say this is emergency funding for Afghanistan, for Iraq, for many provisions on the war on terror.

Since September 11, this administration has requested \$440 billion in supplemental funding. A significant part of that, I believe, has to be internalized in the regular budget process. It is tough. It will require very tough, difficult choices, but it is the truth; it is reality.

The other thing I think we have to do, and the President has to lead us in, is we have to ask the American public to make sacrifices. There are people sacrificing today. Soldiers, marines, airmen, sailors, and their families are sacrificing dramatically. But that is a rather small spectrum of Americans.

I challenge anyone here to say what the President has asked of the average



American in terms of sacrifices necessary to support this war on terror. He certainly hasn't asked them to put their hands in their pockets and pay for it. He hasn't challenged them to stand up and do many other things.

This is reaching a level that takes on a moral proportion. We cannot continue this struggle without at least some commitment as a whole nation, not just those men and women in uniform and their families but the whole Nation to become engaged and involved in this effort.

As I said, many of the provisions in the budget of the Defense Department, the supplemental budget, I believe should be included in the regular budget process.

The President's budget has requested authorization for 482,400 active-duty soldiers and 175,000 active-duty marines since 9/11. Yet the Army has maintained an active-duty force of over 500,000, and the Marines have ranged from 178,000 to 180,000 personnel.

In a sense, the President is sending up a budget which has a significantly less number of personnel that are on active duty.

Again, that is not something that we know is going to go away. We have come a long way in the sense in March of 2003 or May of 2003 that we would have very few people in Iraq and Afghanistan, that it would be resolving itself.

We are in the midst of a very difficult insurgency, and these troops will be needed on duty and in uniform for at least the next years, or several years. I believe that should be included in the budget.

The Army and the Marine Corps have a huge pricetag for rehabilitation of the equipment they have been using—\$68 billion. Many of my colleagues who have gone to Iraq and Afghanistan understand that. They are operating in the summertime at 120 degree temperatures in a sandy climate. That eats up the equipment. We have helicopters operating at 15,000 feet in thin air, and that chews up the engines in very difficult conditions. We know that. We know we have a price tag of \$68 billion, and, yet a small fraction of that is being, I think, inadequately included in the budget. When it comes to defense and national security, we have to provide the money to do it reasonably and responsibly.

We are looking at a deficit as far as the eye can see. As we look at the huge commitment by our fighting men and women in Iraq and Afghanistan, I would think you would see a shift in the administration approach; I would think you would see the President stand up and say we have to pay for these things. It is a long-term effort, and we can't let this devastate and overwhelm us because we know eventually, as we have seen in the past, there is no free lunch.

We can borrow the money today—billions and billions of dollars—but eventually interest rates will start creeping

up, start shutting off economic productivity here in this country, and we will see inflation begin to bump up. We will see all of the dangers and all of the difficulties that we thought in the mid-90s we had turned the corner on, at least because our policies were taking hold in terms of dealing with the deficit, funding reasonably and responsibly, and actually seeing that result in not only economic growth but growth that was lifting up all of our citizens. We are looking at increases in income and wages, not just at the top level but at the middle- and low-income levels of our economy.

The reverse is true today—huge increases in upper income compensation and benefits—spectacular. If you were in such a position, you would be quite wealthy. But if you look at the bottom wages, they are stagnant and falling. That is not going to produce the kind of country that will support families, support individuals, and make us more productive in the future.

I hope we will look carefully and closely at this budget and make appropriate changes.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

#### TRADE DEFICIT

Mr. DORGAN. Mr. President, this morning about 8:30 the administration released the information with respect to the 2005 trade deficit that our country has experienced. The trade deficit for all of 2005 was described this morning as \$728 billion. That means about \$2 billion a day every day, 7 days a week. That is \$2 billion a day more in imports from other countries into our country's marketplace than we are exporting to them, and it relates to the lost jobs that are such a problem in our country. When you import products from abroad, twice as much as you are able to export to other countries, you are in effect exporting America's jobs.

The chart I show now shows the number with China alone. Almost one-third of the trade deficit is with China. We can see what has happened with China from 1996 to 2005. The trade deficit has gone up, up, way up every single year. It is out of control. This trade deficit is reflective of, once again, a massive number of American jobs being shipped to China. Then they produce products and ship the products back to our country. It weakens our country. It means we lose jobs. We lose economic strength, especially in the middle class. It is a crisis we must address.

There is no social program as important as a good job that pays well in

this country. We will debate social programs now for weeks and weeks because the President this past Monday sent us his budget for the next year. We will debate about the need for social programs. But as I said, there is no social program, in my judgment, as important as a good job that pays well. That makes everything else possible for an American family.

Let me talk a minute about these good jobs. The good jobs are leaving. Ford Motor says 30,000 people will be laid off. At General Motors, 30,000 people will be laid off. It goes on and on. Increasingly, companies are moving their jobs from the United States to China, to India, to Bangladesh, to Indonesia. So the jobs that remain are jobs that have a downward pressure on wages, more and more pressure to get rid of retirement programs, more pressure to strip health care benefits. In my judgment, that is going to head this country toward serious trouble.

This economy works because we built a broad middle class and people go into their jobs often with job security for nearly a lifetime. At Ford Motor Company and General Motors, when people went to work there 40 years ago, they often stayed there for a lifetime. Now, of course, that is not the case.

General Motors called its 300 top parts suppliers to a meeting in Detroit recently and said, by the way, we think you need to be moving your jobs to China to cut costs. So General Motors says it. The parts supplier which split off from General Motors, called Delphi, which is now in bankruptcy, says it. They want to pay \$8 to \$10 an hour.

What is going to happen to this economy if we continue to see downward pressure, fewer jobs, fewer good jobs that pay well, downward pressure on wages, and we see more and more of these jobs being exported to other countries? I think I know the answer. The answer to that is we will have less and less opportunity in our country, less economic growth, and we will have fewer good jobs left.

My colleague LINDSEY GRAHAM from South Carolina and I yesterday announced a piece of legislation we have introduced that would change what is now called PNTR with China. PNTR is permanent normal trade relations. That means China now has normal trade relations with our country. It is permanent. It did not used to be that way. We used to have to vote every year on whether to extend what was then called "most favored nation status," now called "normal trade relations." We used to vote on that every year. But it became permanent in 2000 and we no longer vote on it.

My colleague LINDSEY GRAHAM and I decided we wanted to revoke permanent NTR and restore again an annual debate in this country about China and about trade with China. I don't mean to say China is the only issue because it is not. Obviously, with this chart we can see the single largest trade deficit is with the country of China. It is