In the last 10 years meth has become America's worst drug problem. I say that, even putting it before marijuana, cocaine, and heroin, in that the use of it has increased so significantly and it is so terribly addictive.

Last year Tennessee ranked No. 2, tied with Iowa and just behind Missouri, in the number of meth lab seizures. Through tougher laws and tougher enforcement over the last year and a half Tennessee is starting to see a turnaround, and that is one of the reasons I am so convinced this legislation will have a dramatic impact in a short period of time.

It was in March of last year that Tennessee signed its Meth Free Tennessee Act, a much needed law that required retailers to take cold medicines and sinus medicines containing pseudoephedrine off the shelves and put them behind the counter where they can be closely monitored. As a result of this powerful new approach, lab seizures have declined dramatically, down 40 percent in May and another 60 percent in June.

In addition, district attorneys across the State have told me of the tremendous impact it has made and they joined Governor Bresden in launching the Meth Destroys campaign. Through videos and brochures and bulletin boards and other means of public relations, the Meth Destroys campaign is reaching out to schools, to church groups, to parents, to civic organizations, to educate the public on the grave dangers of this highly addictive drug, methamphetamine.

Now with the imminent passage of the Combat Meth Act here in the Senate today at 3 o'clock, everyone's job is going to get a whole lot easier.

We learned that when one State restricted access to the precursors, meth cooks simply crossed over to the adjoining State, bought their ingredients and brought them back. Law enforcement told us again and again that they needed uniform law to be able to cut off this access to and purchase of these ingredients.

Senator TALENT and Senator FEINSTEIN introduced the Combat Meth Act to restrict access to cold medicines containing pseudoephedrine and ephedrine across all 50 States. Under the Combat Meth Act, meth users will no longer be able to jump from State to State, cruise from State to State in order to buy these ingredients.

Once again I thank Senator TALENT and Senator FEINSTEIN for pushing hard to get this done. It will have a direct impact in a short period of time. Lives will be saved, communities will be better protected because of their commitment. I urge all of our colleagues to vote for the PATRIOT Act, which includes the Combat Meth Act, this afternoon. It applies directly to the well-being and safety of our neighbors and fellow citizens.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The minority leader is recognized.

ORDER OF PROCEDURE

Mr. REID. Mr. President, before the distinguished majority leader leaves, will the Senator be so kind as to allow 5 more minutes in morning business on each side, with 20 minutes on each side. We have a number of people seeking recognition.

Mr. FRIST. That will be fine.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business for up to 40 minutes, with the first half of the time under the control of the Democratic leader and the second half of the time under the control of the majority leader.

Mr. REID. Mr. President, I yield 10 minutes to Senator BAUCUS of Montana and 10 minutes to Senator KENT CONRAD of North Dakota, in that order.

The ACTING PRESIDENT pro tempore. The Senator from Montana.

Mr. BAUCUS. I thank the Chair. I thank the leader very much for the allocation of time.

INCREASING THE FEDERAL DEBT LIMIT

Mr. BAUCUS. Mr. President, on December 29 of last year I received a letter from the Secretary of the Treasury, John Snow, asking that Congress increase the Federal deficit. This is extremely important, obviously; that is, whether we should and the degree to which we should increase the Federal debt limit. But we don't have any scheduled debate on this and I don't think, frankly, the leadership wants to schedule debate on whether we should and the degree to which we should increase the Federal debt. I think the reason is pretty clear. It is because it is embarrassing. It is an embarrassment that our Federal debt is growing so much and at a rapid rate.

I say that in part because the Secretary says the United States will hit the limit in the middle of this month. That is not too many days away. I hope very much this body exercises its responsibility to do what it should do and let's have a discussion on our fiscal situation: How great is the debt? What should be done about it? How big is the deficit and what should be done about that? Where are we? Where are we headed? What are the implications?

These are very real questions that affect the financial security of the United States and which affect very greatly individual Americans. I very much hope we have that debate of the points I think we should consider. It is our responsibility to address the implications of our huge Federal debt and deficits. We have a responsibility to do that. That is our job. It is much more our job to address that than it is some other things I think we do here in the Senate, and I am going to do what I can to urge my colleagues and urge, frankly, anybody listening and watching to begin to think about what is going on here because this is critical.

Let's review some of the facts about the debt limit. Currently, our Treasury, the U.S. Treasury, is authorized to issue debt totaling over $8 trillion. That is the current statute. Last year's budget resolution proposed an increase in that authorization of $781 billion. That is an increase. That would be the fourth largest debt limit increase in the Nation's history.

If I might briefly indicate in a graphic way literally what that means. This basically is a chart showing the amount of Federal debt limit increases the Congress has enacted over various years going back not too long ago—1986 up to the present.

The red bars here indicate the amount of the debt increase Congress has enacted because our Federal debt was going up so quickly. You can see there was a big increase back in 1990. That was the time when, frankly, our country was under a little bit of pressure and the debt was going up. Between 2000, 2001, we did not have any debt increases. But what has happened lately?

You can see all these huge increases in the last 4 years. In 2002, the Congress increased the national debt by $450 billion.

Here is a whopper. In 2003, Congress increased the Federal debt by close to $1 trillion. The next year it increased the Federal debt by $800 billion, four-fifths of a trillion dollars in 1 year. Last year it did not have to increase the debt because the $800 billion carried us over through 2005, but here again we have to increase the Federal debt by $781 billion.

The debate point is that in the last years there have been big increases in the Federal debt. Why? Because we have been borrowing so much in this country, Congress has authorized and the President has proposed very large expenses.

More striking, though, is that total increase has occurred since the year 2002.

During this administration, America's debt, the total deficit, has increased by $3 trillion. You can imagine. Since 2002, if you add up all the increases in the Federal debt, our Federal debt has increased by $3 trillion. That is not the level now; it is close to $9 trillion if it is increased further. But this is the increase—and those increases have occurred only in the last 4 years. That is a 40-percent increase in the entire Federal debt accrued by our

country in its entire history. Forty percent of the increase in the Federal debt has occurred in the last 4 years.

Who is lending the Federal Government these funds? Ask yourself that question. That is a lot of debt out there. Some of it is internal. The U.S. Government borrows from Social Security, and we all know that pretty soon those chickens are going to come home to roost. We can't do that much longer. We will have to start paying back all that is due to Social Security—and that is an awful lot. Much of the borrowing is from American citizens and businesses.

But what is more alarming is the trend where much more of the debt is held by foreigners and central banks in foreign countries; that is, the amount of debt held by foreign governments is much worse. Five years ago foreigners held about $1 trillion of our Federal debt.

What is that number today? It is double. In over 5 years the amount has doubled. The number held by foreigners has now doubled to $2.2 trillion.

Today, Japan holds two-thirds of a trillion dollars of our foreign debt. China holds a quarter of a trillion dollars. China's reserve is scheduled to be about $1 trillion by the end of this year.

The rate of increase in Federal debt held by foreigners—simply by foreign banks, central banks—is alarming. I tend not to be an alarmist. In fact, sometimes people say: Max, you are kind of easy going, you don't get too upset, and so on. But I am quite concerned about these trends. They are worse.

I might also add that the debt held by foreigners after World War II was extremely high, too. It was. But the composition of that debt—investments held by foreigners—was just that: investment in infrastructure in the United States and capital assets; that is, investments foreigners made in the United States after World War II. The composition was not much debt. It is securities to finance the borrowing by Uncle Sam, and we have to pay back the interest on that borrowing.

The question is, How long can we continue to borrow all of that money? That is the basic question.

What are the implications to our foreign policy as foreigners increase their holdings of U.S. debt? What does that mean? What might happen?

Try to be wholly analytical about this. What does that mean? What percentage of the American taxes are being used to pay interest on that debt? How much are American taxpayers paying to foreigners directly through interest on the national debt?

I think that should be debated. That is something I think is quite concerning, particularly with the large numbers.

These are just some of the issues I think we should debate. We also should remember—this is not rocket science—that ordinarily there are limits on debt. Ordinarily, credit card companies or businesses or banks just do not automatically increase debt, which is happening in this country in the last 4 years as I showed in that chart. It has been automatic. We have increased the debt.

Think a little bit about the limits an institution holds on a family and what the family wants to borrow. What about a credit card and a maximum balance. Most Americans have credit cards. Most Americans know there is a maximum balance on that credit card. You can only borrow so much. After a certain limit, you can't borrow any more. That is it.

Wouldn't it be great if each individual could say: We are going to ask the credit card company to increase the debt, and do it as the Congress is doing right now. We will just increase the debt limit. A person can't ask a bank willy-nilly to increase the maximum allowance on a credit card. There is a good reason for that. There have to be limits. We have to live within our means.

Take an ordinary business, a bank loan to a business. The bank pays a lot of attention to how that business is being run, whether it is being run well. It pays a lot of attention.

One could ask: Is the Treasury or foreigners or someone who holds the debt asking how well we are running our business?

I urge the majority leader to schedule time to hold a thorough debate on this issue.

This is real. This is really real. We all know this cannot continue. We really do not know at what point, if we continue to increase the debt, there might be some cataclysmic event. We just don't know that. But we do know that with every debt limit increase we are accelerating the time when something nasty or bad might happen economically.

Already, some countries are starting to move out of dollars into other currencies. China is on the margin of looking at holding currencies other than the dollar. Many countries worldwide are becoming more self-sufficient. They don't need the United States as much now as they once did. They are becoming more independent. They are going more in their own direction. They are doing what they think makes sense for them economically.

Clearly, the bottom line is we have to live within our means. Every time we increase the debt limit we are not within our means.

I urge us to have a debate so we can know what we really should be doing.

I thank the Chair.

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

Mr. CONRAD. I thank the Chair and I thank my colleagues.

DEBT AND TAXES

Mr. CONRAD. Mr. President, the New York Times, in its Monday edition editorial, said:

> There's nothing Congressional Republicans would like more than to escape the inescapable need to raise the Nation's debt limit. The upcoming increase, from $8.18 trillion to nearly $9 trillion, will be the fourth major hike in the last 5 years.

The editorial went on to say:

> It will come as no surprise if Senate leaders squelch debate on the debt limit until Congress is ready to begin its next week-long recess on March 17. Then, up against the Treasury's default deadline, the increase would be put to a voice vote so that no individual would have to go on record as approving the measure—

Increase in the debt.

If anybody thinks that the New York Times is just imagining that there will be an attempt to avoid a debate on this massive increase in the Nation's debt, this is what the chairman of the Finance Committee said:

> Senator GRASSLEY told Reuters that the goal would be to get the debt limit legislation passed with the least debate.

He went on to say:

> I would like to see a bill on any Thursday night just prior to a recess.

Why do our colleagues on the other side of the aisle want to avoid a discussion of the Nation's debt? Perhaps it is revealed in this chart which shows what is happening to the Nation's debt under their leadership.

Our friends on the other side of the aisle have controlled Washington policymaking since 2001. They have controlled the Senate. They have controlled the House. They have controlled the White House.

Here is their record on debt. At the end of the President's first year, the debt was $5.8 trillion. I think it is fair to leave out the first year. He is not responsible for the first year.

Look at what happened since. The debt has gone up each and every year—and up dramatically. At the end of this year, it is predicted, if the President's budget is adopted, that the debt will have reached $8.6 trillion.

Every Member of this body will recall when the President embarked on this fiscal strategy. He told us not only that he would not increase the debt but that he would have maximum paydown of the debt. He said his plan would virtually eliminate the Nation's publicly-held debt.

There is no elimination going on here. Instead, the debt has exploded. We anticipate that it will be $8.6 trillion at the end of this year, if the President's further 5-year program is adopted. The debt will skyrocket to $12 trillion in 2011, at the worst possible time before the baby boomers retire.

One of the results of their disastrous fiscal strategy is the debt held by foreigners has exploded at an even more alarming rate. It took 42 Presidents—all the Presidents pictured here—224 years to run up $1 trillion of external debt. This President has more than doubled that amount in 5 years.

This is the legacy of debt that will haunt this country for generations to come. This is the hard reality. This is a fiscal plan and a fiscal strategy that