

last couple of weeks but also by providing protection against frivolous litigation against communications providers that have assisted the Nation in the wake of the 9/11 attacks on a voluntary basis.

It is no secret that the Director of National Intelligence has noted that given this world of wireless communications, we need to adopt new means to intercept communications from foreign nationals to other foreign nationals which could well be directed through the infrastructure in the United States and which, unless we pass this legislation, we would not be able to intercept. The biggest problem we have, of course, is that their cooperation is entirely voluntary, and unless we protect them under this bipartisan Senate legislation from frivolous litigation, in the future not only will citizens—whether they be individuals or corporate—not cooperate, but we will be left with a fraction of the actionable intelligence necessary to detect, deter, and defeat those whose sole wish is the murder of innocent Americans.

I quote the Democratic chairman of the Senate Intelligence Committee, who said:

What people have to understand here is the quality of intelligence we are going to receive is going to be degraded.

Those, of course, are not my remarks, and they are not the words of a member of the Bush administration; those are the words of JAY ROCKEFELLER, the distinguished chairman of the Senate Intelligence Committee. That is why this legislation passed out of the Senate with a strong bipartisan vote.

I don't know about the political implications of the Democratic House leadership's failure to act responsibly, and I am not here to talk about politics, but I do know there are serious national security interests that we face, and threats, and the majority of Democrats in the House are not taking those threats seriously enough. So rather than taking a vacation from their duties, it is past time for the House to act and to do the responsible thing. I hope Speaker PELOSI and Majority Leader HOYER will call up this important bipartisan legislation and allow an up-or-down vote on the bipartisan Senate legislation that will make this Nation safer from the terrorist threats we face.

Mr. President, I have other remarks I wish to make, but I see the distinguished majority leader on the floor. I want to make sure—if he has any housekeeping business he wants to take care of, I will be glad to defer to him for that purpose and then to reclaim the floor later on. I do not want to have him necessarily have to wait.

I understand he is motioning for me to continue, and I will do that. I thank the Senator.

The PRESIDING OFFICER. The majority leader.

Mr. REID. Mr. President, I appreciate very much my friend from Texas allow-

ing me to do that, but he should finish his statement, and I will do some wrap-up when he finishes.

THE FEDERAL BUDGET

Mr. CORNYN. I thank the majority leader.

Mr. President, I wish to now transition to talk about the issue that will be in front of the Senate next week, and this has to do with the Federal budget.

This is so important across so many areas because not only does this budget talk about what the tax burden of hard-working Americans will be in the coming year, it also has an impact on energy costs, on health insurance costs, on the ability of Americans to buy homes. How do we create better schools for better jobs? How do we deal with the issue of runaway lawsuits that threaten the business environment and have a dampening effect on job creation? How do we revive capital markets, rebuild our roads, bridges, railroads and airports? How do we provide a simpler, fairer tax system than we have now? And How do we make sure Americans retain the right to work in the job of their choosing without having to become part of a union when they don't want to?

The part of this budget that concerns me the most is not the proposed \$1.2 trillion tax hike that is contemplated under this budget that passed strictly along party lines in the Budget Committee yesterday afternoon, although that is bad enough. It will hit family budgets hard. Mr. President, 43 million families will owe an average of \$2,300 more in 2009 in taxes as a result of this budget if it is adopted on the Senate floor. I am also concerned about the spending increase under this budget, some \$211 billion in additional spending that is part of this budget proposed from the Budget Committee that will be before the Senate this next week. That means, in fiscal year 2009, if adopted, a 9-percent increase over what the Federal Government spent in fiscal year 2008. Now, as bad as the higher taxes and higher spending is, I wish I could say that was the end of the story, but it goes on from there and it doesn't get any better.

As a result of the increased spending and the increased taxes contemplated under this budget, America will find itself \$2 trillion deeper in debt by the year 2013 if this budget is adopted. That is more than \$6,000 in extra debt for every American.

And I would say this budget also fails in another important respect. It fails to deal with the impending crisis in entitlement spending and the future insolvency of both Medicare and Social Security, two important safety net programs, and ones we have made a promise to fund and to make sure is there for not only present beneficiaries of these programs but for our children and grandchildren as well. We know that unless something dramatic hap-

pens, we will not be able to keep that commitment.

As a matter of fact, unless this Congress acts, there is \$66 trillion in unfunded responsibilities under the current entitlement programs we need to fix; that we need to take into account.

Now, there is an important piece of legislation I think we ought to take up and that is the Conrad-Gregg task force to deal with this gathering storm of an entitlement crisis. It is a bipartisan bill by the chairman and the ranking member of the Budget Committee. But we are not taking that up, as we should, as part of dealing with the Federal budget. Because we know that if we don't do anything, there is going to be a terrible financial catastrophe, and the people who will ultimately suffer as a result of our failure to act will be future beneficiaries under Social Security and Medicare—our children, our grandchildren, and future generations.

The last thing I wish to mention with regard to the budget is what the Wall Street Journal has called the pay-go farce. You will recall that pay-go was the name given to pay-as-you-go requirements under the budget. Sounds good. That is what the family budget has to do. If there is no money coming in the front door, then you are not going to be able to spend yourself into debt. You pay as you go. That is the way most businesses operate but not the Federal Government. The Federal Government can continue to print money and spend money it doesn't have and pass the debt down to our children and grandchildren.

If you take into account this unfunded liability of \$66 trillion because of the entitlement crisis—the gathering storm I mentioned a moment ago—that boils down to about \$175,000 per person—every man, woman, and child—that we owe now for those unfunded liabilities unless we take action now. But the pay-go farce the Wall Street Journal article mentions—and the date of this article is December 10, 2007—quotes Speaker NANCY PELOSI in remarks she made on December 12, 2006. She said:

Democrats are committed to ending years of irresponsible budget policies that have produced historic deficits. Instead of compiling trillions of dollars of debt onto our children and grandchildren, we will restore pay-as-you-go budget discipline.

Now, I have to tell you, just taken at face value, that sounds pretty good. We do need to take responsibility. We do need to do that on a bipartisan basis. But the pay-go promise made by this Congress looks like Swiss cheese. There are so many holes in it that you could drive—not to mix my metaphors—but you could drive a truck through it. And let me explain why.

First of all, these pay-go rules that promise financial discipline do not apply to discretionary spending. That is about \$1 trillion a year. And it doesn't restrain spending increases under current law in entitlements,

such as Medicare or Medicaid, the programs I mentioned a moment ago. The main goal, and this is a problem, is that it is designed to make tax relief for working families and small businesses almost impossible.

Now, we ran into this pay-go requirement when it came to relieving middle-class taxpayers from the alternative minimum tax this last December. And I agree in that instance it was important to waive the pay-go requirement. Because, frankly, if you will recall, the alternative minimum tax was never designed to hit the middle class. But because it was not indexed for inflation this last year, it covered 6 million taxpayers. If we hadn't acted, it would have hit 23 million middle-class taxpayers. So I agree it was appropriate not to require pay-as-you-go principles for that alternative minimum tax that Congress never intended the middle class to have to pay.

As a matter of fact, back in the 1960s, the alternative minimum tax was adopted, as a result of a report issued by the Department of Treasury that said that 155 high-income taxpayers did not pay Federal income tax because of other deductions. But as is typical in schemes designed to "tax the rich,"—we have heard that before—eventually it grows and grows and grows to cover the middle class. So be wary when Congress says: We are only going to tax the rich. That means we all need to put our hand on our wallet because it eventually grows into a middle-class tax.

Another time Congress used the pay-go gimmick, which gives rise to the title of this article called "The Pay-go Farce," was on SCHIP. Now, you will recall that is the State Children's Health Insurance Plan, something we all support on a bipartisan basis. But the way it was proposed by the leadership last year, to fund the 140-percent increase in this program, was a joke. The SCHIP bill included a spending cliff that disguised its actual cost. It assumed spending would rise to \$14 billion by 2012, but then pretended the costs would fall to less than half in 2013, which just so happens to fall outside the 5-year budget scoring window. Some \$60 billion in spending over the next 10 years were hidden through this ploy of creating a cliff in spending, suggesting that somehow Congress would cut this program in half and deny children access to health insurance, something we all know would not happen.

So that is why the pay-go requirement has been called a farce and why I likened it to Swiss cheese. It has so many holes in it, it doesn't do what it has promised to do, which is to restore budget discipline; and it unfairly impacts the ability to provide tax relief to working families in a way that can grow the economy and allow people to keep more of what they earn—money they can use to pay for things like education, health care, and transportation.

As a matter of fact, as a result of the 2001–2003 tax relief that this Congress

voted on and passed in the wake of 9/11, in the wake of the stock market scandals, and with the recession at the beginning of that decade, we saw more than 50 months of uninterrupted job growth in the country, with 9 million new jobs being created. It should not be surprising that tax relief ends up being one of the best stimulæ we could possibly give the economy. We saw Federal revenues at historic highs and that is because more people working means more people paying taxes and more revenue to the Federal Government; and thus the budget deficit reduced from roughly 1.9 percent of the gross domestic product to about 1.2 last year.

So, in closing, I would say this debate we are going to have next week is vitally important, and the question is: Are we going to wreck the Federal budget or will we find ways to help families balance their budget, especially with the economic challenges that they face? It is all about taxing, it is all about spending, it is all about whether we are going to increase the Federal debt, it is all about whether we are going to meet our responsibilities as elected officials to deal with the impending entitlement crisis which threatens to act similar to a tsunami and engulf us in a huge wave of red ink.

Mr. President, I appreciate the courtesy of the majority leader, and I yield the floor.

The PRESIDING OFFICER. The majority leader is recognized.

UNANIMOUS-CONSENT REQUEST— S. 2664

Mr. REID. Before my friend leaves the floor, I have a unanimous consent request to make.

Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 583, S. 2664, which is the 30-day extension of the Protect America Act; further, the bill be read a third time and passed, and the motion to reconsider be laid upon the table with no intervening action or debate.

The PRESIDING OFFICER. Is there objection?

Mr. CORNYN. Mr. President, reserving the right to object, I don't believe this extension includes the immunity provision for the telecoms; thus, I will object.

The PRESIDING OFFICER. Objection is heard.

FISA EXTENSION

Mr. REID. Mr. President, let me say a few words about a number of issues today. I think we have had a productive week. I did wish to say a few words about the FISA bill—the Foreign Intelligence Surveillance Act.

Both the House and the Senate have passed bills to strengthen the 1978 FISA law. The House passed its bill in November, and we passed our bill several weeks ago. Since Senate passage, the chairmen of the Senate and House

Judiciary and Intelligence Committees have been working to resolve their differences between the two pieces of legislation.

Democratic staffers have been meeting to work out a strong and broadly supported final bill, but with the exception of Senator SPECTER, Republicans have instructed their staffs not to participate in these negotiations.

Today, the Republican leader asserted on the Senate floor once again that the Senate bill should be jammed through the House. As my friend, the Republican leader, knows, that is not how Congress works and never has worked that way. The law-making process dictates the House pass a bill, the Senate then passes a bill, or vice versa, and then Members in both Chambers work through their differences in a conference to see if they can work out a compromise.

On numerous occasions, the Republican leader himself has insisted upon following that time-honored method of legislating. On issues such as the Children's Health Insurance, raising the minimum wage, and Iraq war funding, Senator MCCONNELL has refused to jam a House bill through the Senate. But now, he insists we must jam a Senate bill through the House. Demanding the House of Representatives pass the Senate's FISA bill—as is—and refusing to sit down and talk to negotiate differences accomplishes nothing but needlessly delaying final passage of that bill.

I know my Republican colleagues are as serious about protecting the safety and security of all American people as are Democrats. If the Republican leader is interested, and I am sure he is, in getting this done, I invite him to sit down anytime with House leadership and committee chairmen—and I will be happy to be there—to work out a final bill.

Will it be a painful discussion? No, it would not be. Would it take a long time? No, it would not. It would not be a political exercise. It would be an exercise in responsible lawmaking. That is how we have done it for 233 years.

We should be negotiating on a bipartisan basis. A new FISA law that passes with broad bipartisan support in both Houses will provide greater certainty to the intelligence community to make our Nation stronger. That can only happen if Republicans take a seat at the table, and it can only happen if President Bush lays aside the overheated rhetoric and embraces bipartisan negotiations.

In order to facilitate these discussions, we have suggested a temporary extension of the Protect America Act—that is what I just did—that would ensure there are no gaps in our intelligence gathering while we work for a long-term solution. That is common sense. Even Admiral McConnell, Director of National Intelligence, has testified an extension would be valuable. But President Bush has threatened to veto an extension, and our Republican