

the Senators—that this time Democrats and Republicans here in the Senate can get it done, that after 60 years of bickering and quarreling partisanship, at this time, it can get done. TED says there is no reason the richest and strongest country on Earth cannot figure this out and cannot figure out a way to get good health care to all of our people. I especially like the way TED points out that we have thousands and thousands of wonderful doctors and hospitals and health care providers. They are ready and waiting for the political leadership to step up and tackle this issue.

Now, nobody has stepped up on health care the way TED KENNEDY has. Nobody has put the effort into looking ahead and what is it going to take to fix the system, to build the coalitions—business, labor, seniors, doctors, health care providers—all the people who are going to be necessary to fix health care.

We should be very grateful that TED KENNEDY has always stepped up on fixing American health care, particularly the challenge of our time, universal coverage. And I for one am very glad this afternoon that Senator KENNEDY is looking forward to being back at his post, as we go forward, Democrats and Republicans, and tackle this issue, this issue so important to our people and our families. That is what Senator KENNEDY and his public service is all about. I want to report this afternoon, he is sure looking ahead to the big challenges we face. And we want him back here with us as soon as he can.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. ALLARD. I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. ALLARD. Mr. President, my understanding is we are in morning business, talking about the budget.

The PRESIDING OFFICER. The Senator is correct. Senators are allowed to speak for up to 10 minutes.

#### THE BUDGET

Mr. ALLARD. Mr. President, last year we were obligated to accept the assurances from the majority that under this new regime, pay-go would be respected, spending would be curbed, the entitlement crisis would be addressed, and the debt would be attacked. Undoubtedly, that was an ambitious agenda. Obviously, it didn't happen. We now have results, not predictions. When all was said and done last year, there was an \$83 billion increase in discretionary spending. There was \$143 billion in pay-go violations. Pay-go violations are provisions we put in the budget that help assure we get moving toward deficit reduction and

eventually balancing the budget and reducing debt. We didn't close the tax gap. We added to the national debt. The budget was used to add spending, not reduce it.

Previous to that year, we had always had strong budget provisions that forced budget discipline that actually held down spending. We did nothing for entitlement reform, and we assumed tax increases.

When we began consideration of the fiscal 2009 budget resolution, I hoped everyone was aware of what was promised last year and what transpired. I hope they will use that knowledge with what we see today to understand that what we have now, with two budgets written, soon to be approved, is a pattern, a distinct pattern. That pattern is fiscally damaging to this country. The Democratic budget assumes a tax hike of at least \$1.2 trillion which will hit 116 million Americans. This is the second year in a row that the majority party is expecting the American public to surrender more of their income to fund big government.

The pay-for assumed in this budget is simply fantasy. The tax gap, for instance, instead of being closed, was actually expanded last year. Middle-class tax relief was not passed last year either. This budget pushes annual spending over the \$1 trillion mark for the first time ever. It increases spending over the President's budget by at least \$210 billion over 5 years. That is without including the \$79 billion we are considering on the floor this week in the supplemental. We have certainly lost control of our budget.

I want to take a moment and comment that our Budget Committee chairman must be having a little fun with us with his chart showing the difference between his budget and the President's budget. His claim that there is little difference between the two lines on his chart must be intended to be humorous, when the Y axis is over a trillion dollars. If he is teasing us, I appreciate his humor; if he is serious, I fear for us.

Another huge problem in this budget is that the biggest fiscal danger in our future, the looming entitlement crisis, is made worse. Actually, "danger" isn't the word. It is not a threat. It is not a danger; it is reality. It is a fact. We need to deal with it. For a second year in a row, nothing is done to address the \$66 trillion entitlement crisis now on our doorstep. The budget allows entitlement spending to grow by at least \$500 billion over 5 years. This is a huge avalanche of debt waiting to bury our future. But we do nothing. We are not even doing something as productive as fiddling. We are just talking year after year and perhaps wishing it will go away. Instead of reducing the debt as they promised, the majority allows gross debt to climb by \$2 trillion by 2013. That debt will have to be paid back by future generations. In fact, every American child will owe an additional \$27,000 or more under this budget.

We didn't see many amendments that tried to reduce the debt. I offered one to try to do that, where we looked at those programs that were rated as ineffective. I asked the Members of this body to vote with me to not have a pay increase to these ineffective programs. I thought at least we will let them maintain their funding levels for the previous year. We won't give them an increase, just as we would do with a poorly performing employee. We were not able to get the votes we needed to even put that simple policy in effect. We face a huge challenge, and we need to have a budget that provides the enforcement mechanisms that bring some fiscal sanity back to the process.

There is so much that is disappointing in this resolution that I hate to call attention to some specific points for fear of ignoring all others. But let me point out that an amendment I added in markup, which called for disclosures on debt, was removed. This shows the American public that there are things being done to their paychecks in this bill that the majority party doesn't want them to know. Now that our economy is trending in the wrong direction and when we need the benefits of a reasonable and pro-growth tax policy, we are going to depress our economic growth by adding to the debt and increasing taxes.

When we consider these tax increases, let's remember, last year we were assured we would see tax relief. The first vote we were presented on the budget last year was to budget for an alleged middle-class tax cut. This never materialized. I believe Congress and especially the Budget Committee should be committed to rigid budget discipline, not politically expedient gamesmanship. I urge a return to a tighter and more credible budget document. I plan to offer several amendments to shore up the fiscal discipline we are seeing erode.

Given that this budget assumes raised taxes, increased spending, increases in the debt, failure to address the entitlement crisis, and continuing the ongoing erosion of fiscal discipline in the Government, I feel compelled to vote against it.

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. BUNNING. I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. BUNNING. Mr. President, in recent polling, close to 80 percent of the American public have told pollsters the Nation is on the wrong track. We have enormous problems to solve. The American people know it, and we should be working together to solve those problems. But this budget, written behind closed doors and in secret by a partisan group of Senators, will do

nothing to close the gulf that is keeping us from the people's business. Maybe that is by design.

Majority Leader REID recently explained that Senator CLINTON recommended to him that the Democrats should have a Senate "war room." The war room is up and running today, churning out falsehoods, such as claims that Republicans have staged 71 filibusters—a claim now disputed by the non-partisan Congressional Research Service. Who are the Democrats at war with?

Just as my good friend, General Petraeus, began to make progress reversing the insurgency in Iraq, the leadership of the Senate decided to wage a different kind of war—a war on Americans who do not share their vision of the future. The vision Democrats would promote, to the exclusion of all others, is laid out in this budget document before us. It begins with more tax enforcement. Everybody should abide by the law and pay the taxes they owe. And I support our new IRS Commissioner. But the notion that we can save anywhere near the amount proposed by Senator CONRAD is nonsense, and he should know it.

The only way to collect that revenue would be to toss out the procedural rights American taxpayers now enjoy. These rights are critical because they assure fair and evenhanded enforcement by the IRS. The Government will lose far more revenue than Senator CONRAD proposes to save if the public loses confidence in the fairness of our tax system.

His own colleagues in the House are not serious about this either. If they were, the House would not have voted on party lines to stop audits of a handful of wealthy Americans under audit by the IRS who claim to be Virgin Islands residents. What is the IRS to make of this mixed message?

The next part of the Democratic vision is predictable: more taxes. In order to achieve balance, the Democrats' budget assumes \$1.2 trillion in additional revenue compared to today's baseline. Has anybody asked the 80 percent who think we are on the wrong track whether they would raise taxes on 116 million Americans?

At least 43 million American families will pay \$2,300 more per year in Federal tax for the spending in this budget proposal.

Finally, and most significantly, the Democrats' plan on entitlement reform is to stay the course. Senator DOMENICI, the former chairman of the Budget Committee, told Budget conferees yesterday that he fears for our future and the future of our children and our grandchildren. Having 35 grandchildren, I share his concerns.

As any ship's captain knows, when you are heading for the rocks, it is time to change course. Staying the course is the wrong policy and the wrong message, and I am disappointed my colleagues have been unwilling to work with me and with the President

to turn the ship of state in the right direction with this budget document.

Please—the American people are watching—let's do what is right and reject this partisan document and write a budget we can all be proud of.

I yield back.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CONRAD. 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. CONRAD. Mr. President, while we have been in caucus discussing how the business of the Senate will be concluded over the next several days, I note that a number of my colleagues have spoken to once again assert and claim that there is a tax increase in the budget conference report before us. That is a fiction. Our friends on the other side have a very consistent speech, and they give it regardless of what is actually in the legislation. I can say that because we have a record now of their giving this same speech, because they gave the exact same speech last year, almost word for word.

Last year, as shown on this chart, this was the description of the ranking member of the Budget Committee with respect to the conference report. He said then:

It includes, at a minimum, a \$736 billion tax hike on American families and businesses over the next five years—the largest in U.S. history.

Now we are able to check the record and able to see what, in fact, has happened. Did the Democratic Congress pass the largest tax increase in history in the last year? No. Did we pass any tax increase? No. Here is what we did do: We passed \$194 billion of tax reduction. That is the record. People do not have to know what specific legislation has occurred here to know what I am saying is true. All they have to do is go to their mailbox. Because tens of millions of Americans are getting a check from the U.S. Treasury, courtesy of the Congress controlled by Democrats and, in fairness, a law signed by the President—one negotiated in a completely bipartisan way to provide stimulus to the economy.

There were \$7 billion of loophole closers enacted during the same period. So the net effect of the two is \$187 billion of tax reduction. That is our record.

Now they are saying: Well, they have this big tax increase in this package. No, we do not. That is their assumption. It is not ours. What is provided for in this package is \$340 billion of tax reduction. The Baucus amendment, passed here—it is included in the conference report—extends all the middle-class tax cuts and reforms the estate tax. Mr. President, \$340 billion of tax reduction.

Now, our colleagues say: Well, they had that in last year's budget and did

not pass a law to implement it. That is true. You do not need to implement it until the tax reductions that are in place expire. They do not expire until 2010. So, yes, we have provided for them in the 5-year budget. That is to be responsible to show we can balance even with those tax cuts extended. But you do not need to pass the law now because those tax cuts are in effect until 2010.

I wanted to say that to set the record straight. I know Senator KYL is here waiting to speak, so I will stop at this time so he has a chance to make his remarks.

I say to Senator KYL, for the good of the order, could you give us a rough idea how long you might speak?

Mr. KYL. Mr. President, I say to Senator CONRAD, I would say no more than 10 to 15 minutes. I will say 15, but probably I will not take that much time.

Mr. CONRAD. Would it be appropriate to have a unanimous consent agreement that the Senator have 15 minutes—or 20, and then he can yield back time if he wishes.

Mr. KYL. No. Mr. President, I am happy to ask unanimous consent to speak for 15 minutes, and then whatever time Senator CONRAD would urge after that, subject to Senator GREGG's intercession as well.

Mr. CONRAD. Might I say, then we have a couple of other Senators on our side who wish to say something and, hopefully, we will then be done on our side.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from Arizona.

Mr. KYL. Thank you, Mr. President.

Mr. President, let me engage in a little bit more of the sparring between the distinguished chairman of the Budget Committee and the distinguished ranking member, both of whom have had a good debate here. But I would like to add to that debate.

There is a lot of discussion here that must cause Americans watching this to wonder what on Earth is going on here when we pass a budget and that budget assumes various things, and then there are charges back and forth that you have passed a tax cut, you have not passed a tax cut, you have passed a tax increase, you have not, and so on.

Let me see if I can clarify that with what are, in fact, the real assumptions in the budget and what the Senate has and has not done.

The ranking member of the Budget Committee is correct that the budget that has passed the Senate already, and that the Senate is about to enact again, in fact, assumes tax increases which will amount to the largest tax increase in the history of the world—\$1.2 trillion. Those are assumed in this budget.

Now, the chairman of the committee correctly says: Well, we have not actually passed those tax cuts. That, of course, is true. The budget is not a law, a bill that is sent to the President for

his signature so he can sign it and then it becomes law. That is not what a budget is. The budget is the document we use to frame our deliberations in the Congress for this coming year. We are supposed to stick to it. It sets an upper limit on spending. It sets the revenues that we assume will come in, and part of the revenue is based on taxes.

So what this budget does is to say we assume we are going to have taxes of \$1.2 trillion more than we have today. That is what this budget assumes, and that is the largest tax increase in the history of the world.

Now, the chairman responded first by saying: Well, actually we have also included something else in this budget so you cannot say it is necessarily the biggest tax increase in the history of the world because we passed what is called the Baucus amendment, and the Baucus amendment is supposed to provide an extension of certain current tax rates that would otherwise expire in the year 2010, and if we do that, then we will not actually have that tax increase.

The answer is, that is true, were we to do that, that tax increase would not occur—at least it would not occur to that amount.

Well, we did the same thing last year. We had the Baucus amendment last year. But Congress never passed any tax relief based on the Baucus amendment. So while the Baucus amendment was in the budget, it was never implemented. The truth is, it is not going to be implemented this year either. I think everyone will acknowledge that.

So it is no answer to say the tax increases that are assumed in the budget are actually wiped off because the Baucus amendment is also a part of the amendment. The Baucus amendment is not going to be implemented this year, just as it wasn't implemented last year.

The third response the chairman of the Budget Committee made was: Well, that is true, but we actually don't have to pass the Baucus amendment until these current tax rates expire because they currently exist until the end of 2010. So we can still say we passed a tax cut, even though we haven't enacted anything, because we are going to assume existing law continues until the end of 2010.

Well, that is an odd way to argue that you have actually cut taxes. You haven't cut any taxes at all. You have done nothing but allow current rates to continue for next year and the year 2010. It is a good thing those rates are continuing; we wouldn't want them to increase. They are the Bush tax cuts that many Democrats have been very critical of. But here now Democrats are bragging about keeping them in effect for another 2 years. Well, I am glad. I am happy they are being kept in effect for another 2 years. I am worried about what is going to happen after that. The problem is this budget assumes they are going away. That is the \$1.2 trillion we are speaking of.

Now, what happens to average Americans if this tax cut fails to materialize and, in fact, the tax increase actually occurs? Well, this budget conference agreement we will be voting on assumes that single people earning as little as \$31,000 a year, couples making \$63,000, will see their taxes go up. That is because it assumes the 25-percent bracket which kicks in around \$32,000 next year for single filers, \$63,000 for married couples, will go to 28 percent. Well, is this 3 percentage points a lot? Is that a big deal? Well, it is a marginal tax rate increase of 12 percent. When you add percentage points onto 25 and go to 28, that is a 12-percent increase. That means people in the 25-percent bracket—and that is people earning as little as \$32,000 a year—will give the Federal Government 12 percent more of every dollar they earn over \$32,000 more than they do today.

What does that mean? Well, let's look at some high school teachers in Phoenix and Tucson, AZ, my home State. In Phoenix, they make between \$42,000 and \$63,000 on average. So they would see a significant tax increase. How big? Well, according to calculations run by the Budget Committee, the average tax increase for this middle-income family will be more than \$2,000. That may not be much to some, but it is a lot of money to the average school teacher in Phoenix. The average school teacher in Tucson makes between \$38,000 and \$56,000, on average. Most people think of that as middle class, not wealthy. But under this budget, they would see their taxes go up almost the same amount—\$2,000.

Small businesses, which are the backbone of our economy—that is where most of our employment is occurring today. Yet this budget conference agreement raises taxes on small businesses because all income tax brackets above the 15-percent bracket will increase, and small businesses pay on those upper tax brackets. Most small businesses—in fact, the owners of small businesses report their business income on their individual income tax returns and, in fact, over 80 percent of filers in the top bracket report small business income. So you think you are going to soak the rich by increasing the top tax bracket? Well, you are increasing taxes for the small businesses of America. That is who ends up paying the increased taxes.

According to the Small Business Administration, small businesses represent 99.7 percent of all employer firms. They employ about half of all private sector employees. They generate between 60 to 80 percent of the net new jobs annually. Increasing small business taxes will hurt our economy.

How about investors? This is becoming an investor Nation, people saving for their retirement, American seniors living off their savings. In fact, every American who saves and invests rather than spending their extra earnings will see their taxes go up under this budget.

The budget allows the 15-percent capital gains rate to go to 20 percent. That is a 33-percent increase in the tax rate. The dividends tax rate will go up a whopping 164 percent. We talked about a little bit of an increase—164 percent is not little. That is on dividends. That is what seniors get when they invest their retirement savings and get a dividend from the corporation they have invested in. That goes from 15 percent to 39.6 percent.

Why are these rates important? Because keeping tax rates low on investment income gives people the incentive to put their money to work by investing it; by investing in businesses, small and large, and it gives the businesses the resources they need to grow: to hire more employees, to buy more equipment, produce more goods and services. All this, of course, helps the economy grow; it helps produce more wealth and, by the way, it helps produce more revenue for the Federal Treasury as well.

I said we have become an investor Nation. Capital gains. Now, 45 percent of all elderly taxpayers reporting capital gains had an adjusted gross income of \$50,000 or less. Rich? We are going to tax the rich here? No. We may be aiming at the rich, but we are hitting the middle class. A \$50,000 income is not rich. These are our senior citizens' dividends. Mr. President, 67.6 percent of all elderly taxpayers reporting dividend income had an adjusted gross income of \$50,000 or less. The same thing; these are not wealthy people. They are receiving dividends based on retirement income, and they are going to receive a whopping tax increase under the assumptions of this budget. In fact, if you look at the data for all filers under \$50,000, capital gains that are \$50,000 of income, 35.8 percent of the filers reported capital gains income. Forty-one percent of the filers with incomes of less than \$50,000 reported qualified dividend income. So we are talking about folks who are not wealthy, who are reporting not only income but dividend income and capital gains income, getting a huge increase in their taxes because the rates on dividends and capital gains are increased under the assumptions of this budget.

As I said before, there has also been talk of not only taxes going up, but the budget chairman actually said we have actually cut taxes by about \$187 billion. Now, this is—well, let's say it bears examination. The tax cut the chairman is counting is simply the existence of the law today. It is existing law. It is continuing that law. As he said before, we don't have to take any action because it is already law, and it continues for 2 more years. That is right. But it is not as if we passed a law to cut taxes. We haven't. We have left them alone. That is not cutting taxes.

This year we are going to enact a 1-year fix for the AMT because we don't want people to have to pay for that. We are going to extend the so-called tax extenders for businesses, such as the

R&D tax credit. We will do those things, but it is not as if the people should be grateful to us for cutting their taxes. That is simply taking action to make sure their taxes don't go up. It is to keep them exactly where they are. That is not a tax cut; that is protecting people to retain the existing level of taxation.

Then, the stimulus checks which make up the rest of this, they are not a tax cut either. Remember, that is what the President did when he negotiated with the House of Representatives and said: Let's stimulate the economy by giving people \$300 or \$600 to spend, and that money is starting to be received by Americans today.

So I don't think the Congress should be bragging about a big tax cut when, in fact, all we have done is to retain existing rates, and all we are going to do is retain existing rates. When I say all we are going to do, believe me, that is important. It is important that we not let taxes increase, but that is what this budget assumes. As the ranking member of the committee pointed out, the biggest tax increase in the history of the world is assumed in this budget, and here is the problem: Right now, Congress does not have to do anything, as the chairman of the Budget Committee said. That is true. But in 2 years, we do have to do something or else taxes are going to go up. This is not a matter of stopping a big tax increase; this is a matter of all these tax rates—the marginal income tax rates, the death tax, capital gains rates, dividend rates—all these rates that are currently in law expire, and they are all increased unless we act.

That is the assumption of this budget. That is why it would be irresponsible for us to support this budget and assume Congress is not going to do the responsible thing and stop those tax rates from increasing. That would be devastating to our economy. It is the last thing you would want to do in a time of economic downturn, and it would be the last straw for American families who are already seeing too much of their income having to go to buy gasoline, to buy a quart of milk or to buy whatever else it is they need for their families with the prices having gone up. To have a tax increase on top of that would, as I said, not only be devastating for the economy, but it would be critical to American families. Ironically, if we are concerned about revenues to the Federal Government, it is also the best way to make sure the Government doesn't collect very much revenue either, because in an economic downturn, the people don't make as much, and therefore they don't pay the Government as much in taxes.

The bottom line is this is a budget that assumes a huge tax increase. It doesn't do a thing to cut taxes. It is not something we should be supportive of. I appreciate the comments of my colleague from New Hampshire earlier in pointing out the fact it is a budget Congress should reject on behalf of the

American people. Go back, do this work over again, abide by the instructions to conferees that we passed on the floor of the Senate last week, and ensure that these things can occur without raising taxes, which would be the last straw for the economy we are in right now.

Mr. President, I yield the floor to the Senator from Michigan.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Ms. STABENOW. Thank you, Mr. President. I wish to, once again, thank Senator CONRAD and all the conferees who have worked so hard. I know Senator GREGG and Senator CONRAD may have a different view on the budget, but certainly I appreciate our ranking member's professionalism in working across the aisle on so many issues and working to place this budget resolution, the final resolution, in front of us.

The chairman and the conferees are presenting the American people with a budget resolution that lays out the Nation's priorities and focuses on what we ought to be doing to improve our economy. We put together a budget, and as a member of the Budget Committee, I am very proud to have played a role in putting it together. I believe it gets it right. It is about our values and our priorities. It is about investing in our future as Americans.

Today we are saying our Nation's budget, which lays out our values and priorities, will focus on the economy, on jobs, and on the future of the country. I come from the great State of Michigan, where the issue of jobs is very serious and very real. People in Michigan want us to act in a way that is going to allow people to have a good-paying job, to be able to work hard, to be able to pay the bills and pay for the outrageous gas prices and the soaring costs of health care and the cost of college and food and all the other things that are squeezing families on all sides. They want to know they have an opportunity to work. We work hard in Michigan. People across this country, middle-class families every day are working hard, and they want to know that our Federal priorities include creating opportunities for people to work, to be able to care for themselves and their families.

Let me first indicate it gets pretty old. You know, it seems the old, tired refrain comes from colleagues on the other side of the aisle. When in doubt, when you can't say anything about the economy under this White House and 6 of the last 8 years under colleagues on the other side of the aisle, when you can't say anything about soaring deficits, when you can't say anything about the inaction and unwillingness of the White House to work with us in a manner that will quickly respond to the housing crisis; when you can't say anything about any of those things, what do you say about Democrats? Well, it is the tired, old refrain of tax and spend.

I wish to remind my colleagues that this budget resolution is 1 percent higher than the President's budget resolution—1 percent higher—and it returns to a surplus. In other words, we balance the budget in 2012 and in 2013. It is a 1-percent difference. What does that mean? This is not about tax increases on low-income or middle-income families. This is not a budget that is focusing on adding costs to families. This is a budget that focuses on taking costs off families and valuing work and creating opportunity and investing in the future of our children with education, focusing on the things Americans want to see focused on. People in America are saying, what about us? We are seeing a war where we are spending \$12 billion a month, unpaid for—hundreds of millions of dollars that have gone into rebuilding roads and schools in Iraq, even though they have oil revenues and have not been contributing, as they should, to rebuilding their own country. People in America are saying, what about us, our roads, schools, and jobs in America?

That is what this budget addresses. We focus on the future and on making sure American families have the confidence that we are putting them first. Last year, Congress began fixing the fiscal mess caused by the administration's 6 years of neglecting the home-front. This budget continues that effort by focusing on what is most important to American families.

We have three priorities in this budget: jobs, jobs, and jobs. I am very proud of that.

Today, we are bringing fiscal sanity back to our budget, while at the same time investing in a plan that will create good-paying American jobs, including rebuilding our Nation's aging infrastructure, our roads, bridges, and other infrastructure—in other words, rebuilding American jobs, rebuilding America, with jobs that cannot be outsourced overseas—good-paying jobs, middle-class jobs—investing in America.

Promoting education and job training is so critically needed in this fast-paced, changing world we live in. There is also investment in the future of our energy economy. I am proud my green collar jobs initiative is a part of that. Let me speak to that for a moment. As part of our effort to create jobs and look to the future, I was very pleased that the Senate included my green collar jobs initiative, and that it is substantially intact as it comes out of the conference committee. We focused on 5 areas in the proposal that we put forward: energy efficiency, and conservation, jobs, weatherizing buildings, grants to State and local communities for energy efficiency, and conservation. We can immediately create thousands and thousands of jobs by doing the right thing on energy efficiency and conservation.

Secondly, there is advanced battery technology. When you come from my great State, where we are proud to make automobiles, the buzz word these

days is “batteries.” If we are going to compete and meet our mandate on fuel efficiency and move away from dependence on foreign oil, we have to be investing in advanced battery technology. Right now, China, Japan, and South Korea are ahead of us. When Ford Motor Company decided to make their first hybrid SUV—and I am proud they did that—they could not find a battery in America. They had to buy that from Japan. With all of the American ingenuity and the smart people we have, we have not been investing in advanced battery technology.

Last year, the President’s budget had something like \$22 million in it versus the hundreds of million around the world. Our plan that we passed here in the Senate had \$250 million in investment in advanced battery technology to make sure we can do the plug-ins, and that GM can quickly move on this technology, and Chrysler is investing in hybrids and other technology, so our companies can compete globally because America invests in our technology.

Retooling older plants. We don’t want to say come over and we will build you the plant. We want to keep the jobs in America.

As to biofuel production and access, we know we have spent a lot of energy on biofuel production.

Infrastructure and assets are very important. It is great to make the fuel. We want to grow it in Michigan—and we are—but if you cannot buy it at the pump, it doesn’t do much good. This focuses on that as well.

Finally, green job training programs, to create new opportunities. That is what this resolution is all about—value work and looking to the future. This budget provides, as well, \$2.5 billion more than the President requested for transportation accounts for rebuilding America. It fully funds the highway and transit programs authorized by the highway bill and includes funding for airport improvement—all things that help us and our communities create safer ways to be able to move around, whether it is airports or roads or whether it is commerce or families going on a vacation or going back and forth to work. These are investments in America. It is about creating good-paying jobs.

The Department of Transportation estimates that for every \$1 billion in highway spending, you create 47,500 good-paying middle-class jobs. This budget recognizes that. It also creates \$2 billion in economic activity for every \$1 billion we invest in infrastructure.

I am glad to see, for the benefit of our country and our families, that the conferees have also invested in other important areas related to education and job training for the future. This is absolutely critical for us.

This budget resolution reflects the values and priorities of the American people. It makes sure we are rejecting the President’s efforts to eliminate the

COPS program. We want to keep our families safe in their communities, with our children being able to play in parks and on the streets, and know that we have community police officers available to help keep them safe. Then there are the Byrne grants to help our first responders, the firefighters and police officers.

We also, I am proud to say, keep the promise we began last year to fully fund veterans health care as a major priority for our country.

So there is a lot to celebrate in this budget. On top of the new investment and new priorities and changing the way things are done, these investments are paid for because we are following what is called the pay-go rules, which helped balance the budget back in the 1990s and brought us into surplus at the end of the last decade.

We cannot mortgage our children’s future, as the administration has done, with soaring deficits and record spending that is not paid for. Instead, we invest in our children’s future, in our families, and we balance the budget by 2012.

Again, I congratulate our chairman for his tenacity, his passion, and his commitment to doing the right thing, doing it in a fiscally responsible way. We have all worked so hard to lay out a vision of America that is about jobs, about the future, about investing in America. It is time we did that. The American people expect us to do no less.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CONRAD. 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. CONRAD. Mr. President, I thank the very able Senator from Michigan, Senator STABENOW, who is an extremely valuable member of the Budget Committee, for her contribution throughout the budget process this year. She has been an absolute champion of the green jobs initiative. We have \$2 billion in this conference report for green jobs, which is not only going to help the economy, but it is also going to be good environmentally, and we think even better long term in the economics of the country, because we are going to have, as the world turns its attention with greater concern to environmental issues, high-paying jobs here in this country.

That takes some work, some investment. That is provided for in this conference report. Frankly, it is one of the things I am most proud of in this conference report. It would not have happened without the effort of the Senator from Michigan. She deserves great credit for that. She has also been one of the real leaders on making certain that our veterans coming home from

Iraq and Afghanistan have the health care they need and deserve. That is the second part of this bill of which I am especially proud—the additional resources—some \$3 billion above what the President requested—for health care for our Nation’s veterans.

A third area in which the Senator from Michigan has been especially helpful has been the health care. She has championed health information technology, and we have a reserve fund here to take advantage of the opportunity that is out there for the Nation by more broadly adopting the use of information technology in medical care.

The RAND Corporation has told us—and the Senator has brought it to our attention repeatedly, and that is why it is very much in my mind—that we can save \$80 billion a year, if I am not mistaken, if we would broadly adopt information technology in the health care industry, the health care sector. Think of that—\$80 billion a year, over 5 years. That is more than \$400 billion. So that makes common sense.

I will conclude by saying I think this has been a healthy and full debate today. We have had almost 4 hours, which is about typical on a conference report. I am being informed by the leadership we will not vote until tomorrow morning. I am told that the likelihood is that the budget, which is subject to agreement with both sides—I am being told of the likelihood that the budget vote will not occur until perhaps 9:30 tomorrow morning. I am told the farm bill override vote will also, most likely, occur tomorrow.

I don’t have that conclusively, but that is the initial indication I am receiving, that that is the most likely outcome. So I urge Senators not to jump in their cars and head home without checking out with leadership staffs on both sides, but that in fact is the likelihood. I don’t think I have anything further to add.

I do think we have laid out the case for this conference report clearly and, I hope, in a compelling way. This has been a difficult challenge—to write a budget in an election year. We know the Congress has not adopted a budget in an election year since 2000. It is extraordinary, if you think about it. This country, in an election year, has not had a budget since 2000. That cannot be the way we do business around here.

I am very proud we had a budget last year. I am very proud we are on the brink of getting a budget this year, even though it is an election year. I hope that sets an example for whoever is in charge that getting a budget does matter.

We have to bend our best efforts on both sides to make certain that this country, the greatest nation on Earth, has a budget. That is about as basic as it can get.

I again thank the Senator from Michigan for her leadership and her great assistance on the Budget Committee and also on the Agriculture Committee on this very important legislation on which we will be seeking to

override the President's veto. That bill really should not be called a farm bill. It is far more than that. It is a food bill, an energy bill, a conservation bill, a trade bill, although inadvertently the enrolling clerk over in the House dropped off the trade title. So that will create a bit of a challenge for us as well.

I thank very much the Senator from Michigan.

Mr. President, I ask unanimous consent to have printed in the RECORD data on pay-go.

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

**GOP CLAIMS ON PAYGO FULL OF HOLES**  
Alleged "Real PAYGO Violations"

	Claim	Fact
Immigration Reform .....	\$30.3 B	0
—Never passed Senate.		
—Fully paid for on unified basis.		
Energy Bill .....	4.2 B	—\$52 M
—Final bill sent to President more than paid for.		
—Passed Senate 86–8.		
Mental Health Parity .....	2.8 B	0
—In conference—final bill will be fully paid for.		
—Passed Senate by unanimous consent.		
Prescription Drug User Fee Amendments .....	0.2 B	—4 M
—Final bill sent to President more than paid for.		
—Passed Senate by unanimous consent.		
Minimum Wage Increase .....	50 M	0
—Fully paid for on unified basis.		
Water Resources Development Act .....	4 M	—5 M
—Final bill sent to President more than paid for.		
—Passed Senate 81–12.		
<b>TOTAL .....</b>	<b>\$38 B</b>	<b>61 M</b>

Source: SBC GOP "Swiss-Cheese-Go" chart, SBC Majority staff.  
Note: Minimum wage increase in 2007 supplemental was fully paid for on unified basis, but had small net on-budget cost.

Alleged "Gimmicks to Get Around PAYGO"

	Claim	Fact
SCHIP Reauthorization .....	\$45 B	—\$207 M
—More than paid for over 6 and 11 years.		
—5-year reauthorization—Congress will reauthorize in 2012 with new policies and offsets.		
Farm Bill .....	27.5 B	—102 M
—More than paid for over 6 and 11 years.		
—5-year reauthorization—Congress will reauthorize in 2012 with new policies and offsets.		
Higher Ed Reconciliation Bill .....	26 B	—752 M/5 yrs
—More than paid for over 6 and 11 years		3.6 B/10 yrs
—Savings will continue to grow in decades beyond budget window.		
2007 Supplemental—County Payments/PILT/MILC .....	6.5 B	0
—PAYGO rule applies to mandatory spending and revenues only—not to appropriations.		
—Discretionary spending controlled by separate caps.		
—2008 budget resolution established new 60-vote point of order to limit changes in mandatory spending on appropriations bills and strengthen PAYGO even further.		
<b>TOTAL .....</b>	<b>105 B</b>	<b>—3.9 B</b>

Source: SBC GOP "Swiss-Cheese-Go" chart, SBC Majority Staff.  
Note: Per section 201 of 2008 budget resolution, net savings enacted pursuant to reconciliation are not included on PAYGO ledger. They are reserved solely for deficit reduction.

Mr. BAUCUS. Mr. President, this budget resolution conference report allows Congress to take action on many of America's priorities.

This conference report starts by providing for many priorities through the revenue side of the budget.

This agreement includes monies to pay for extending expired and expiring revenue provisions.

These provisions include the teacher expense deduction, which helps teachers who buy school supplies.

These provisions include school construction bonds, to help repair our country's deteriorating school infrastructure.

And these provisions include help to businesses to stay competitive. In particular, the budget assumes extending the research and development credit, which gives businesses an incentive to increase research. This will keep America as a top innovator in science and technology.

This conference agreement on the budget resolution also includes monies to provide for education tax reform. So far this year, the Finance Committee has held two tax reform hearings. One of the major themes of the testimony has been simplification.

Witnesses almost always cite education tax incentives as an example of needless complexity. This conference report would allow us to help make education more accessible and affordable by making the education incentives easier to use.

The agreement also includes my amendment that was successfully added to the budget resolution on the Senate floor.

My amendment took the surpluses in the budget resolution and gave them back to the hard-working American families who earned them.

My amendment provided for some important priorities so that the business of America's families can be taken care of.

First, my amendment provided for permanence of the 10-percent tax bracket. That is an across-the-board tax cut for every taxpayer.

Second, my amendment provided for making permanent the changes to the child tax credit. That is a \$1,000 tax credit per child. This tax credit recognizes that a family's ability to pay taxes decreases as the family size increases. Unless we act, the child tax credit will fall to \$500 per child in 2010.

Third, my amendment provided for making permanent marriage penalty relief. This relief makes sure that a married couple filing a joint return has the same deductions and tax brackets as they would if they filed separately as individuals.

Fourth, my amendment provided for making permanent the increased dependent care credit and changes to the adoption credit.

Fifth, my amendment provided for tax provisions to help military families. And I am pleased to say that these are very close to being adopted by the Congress. This shows that Congress values the sacrifices that our men and women in uniform make for us every day.

Nearly 1½ million American service men and women have served in Iraq, Afghanistan, or both. Nearly 30,000 troops have been wounded in action.

Congress is about to show our support for our service men and women by

making the Tax Code a little more troop-friendly.

We will extend the special tax rules that make sense for our military that expire in 2007 and 2008.

We can eliminate roadblocks in the current tax laws that present difficulties to veterans and servicemembers.

One of these roadblocks is how the Tax Code treats survivors of our fallen heroes. The families of soldiers killed in the line of duty receive a death gratuity benefit of \$100,000.

The Tax Code restricts the survivors from putting this benefit into a Roth IRA. We are about to make sure that the family members of fallen soldiers can take advantage of these tax-favored accounts.

Another roadblock in the tax laws impedes our disabled veterans. I am talking about the time limit for filing for a tax refund. Most VA disability claims filed by veterans are quickly resolved. But many disability awards are delayed due to lost paperwork or the appeals of rejected claims.

Once a disabled vet finally gets a favorable award, the good news is that the disability award is tax-free. The bad news is that many of these disabled veterans get ambushed by a statute that bars them from filing a tax refund claim. We are about to give disabled veterans an extra year to claim their tax refunds.

Most troops doing the heavy lifting in combat situations are the lower ranking, lower income soldiers. Their income needs to count towards computing the earned-income tax credit, or EITC. Under current law, however, income earned by a soldier in a combat zone is exempt from income tax. This actually hurts low-income military personnel under the EITC.

The EITC combat-pay exception allows combat zone pay to count as earned income for purposes of determining the credit. That way, more soldiers qualify for the EITC. But this EITC combat-pay exception expires at the end of 2007.

We are about to make this provision permanent.

The budget resolution conference report also provides for some certainty to American families on the estate tax.

Lowering the estate tax to 2009 levels is the least that we can do as estate tax reform.

I am pleased that the conference report recommends appropriations of \$240 million more than the President requested for the administrative costs for the Social Security Administration for fiscal year 2009.

These funds are badly needed to reduce the enormous waiting times that many applicants for Social Security disability benefits must wait before their claims are finally approved. Funds are also badly needed to improve the low levels of service to the public in SSA's local field offices.

I am pleased to see that the resolution captures Democratic health care priorities and provides economic relief



for families. It provides funding for maternal and child health; nutrition assistance for women, infants, and children or WIC; and the Social Services block grant. And the resolution accommodates legislation to modernize the unemployment insurance program.

The resolution retains the reserve funds passed in the Senate to reauthorize CHIP and expand coverage to eligible but unenrolled kids. This is a personal priority for me.

The budget also works to protect seniors from unscrupulous marketing of Medicare drug plans, thereby laying the groundwork for a strong Medicare bill currently under negotiation.

The resolution also provides for important improvements to Medicare, such as promoting the use of Health IT.

And it would set up a "comparative effectiveness" reserve fund to help us learn what treatments work best and most efficiently to keep Americans healthy. I am working with Chairman CONRAD to introduce legislation on this topic this year.

All of these investments take steps toward addressing the underlying growth in health care costs.

The resolution is also tough on government waste, fraud, and abuse and includes important program integrity initiatives to crack down on wasteful or fraudulent spending in the Social Security, Medicare, Medicaid, and Unemployment Insurance Programs.

This budget resolution also accounts for important international trade priorities under the Finance Committee's jurisdiction. The resolution establishes a reserve fund for trade adjustment assistance and a separate reserve fund for other trade initiatives. These reserve funds will allow the Finance Committee to realize legislation to reauthorize trade adjustment assistance, as well as pursue legislation to extend trade preferences, reauthorize customs functions, and implement bilateral trade agreements.

Mr. President, I am thus pleased that this budget resolution conference report allows Congress to take action on these important priorities. I look forward to working with my colleagues to implement the improvements contemplated in the resolution. And I urge my colleagues to support the conference report.

The PRESIDING OFFICER (Ms. STABENOW). The distinguished majority leader.

Mr. REID. Madam President, I am sorry to interrupt my friend from North Dakota, but we are not going to have any more votes tonight. We expect votes early in the morning, as early as 9:30. They will go on throughout the day. So everyone should be aware we are not going to have a vote tonight on the budget or the farm bill, but we will do the budget the first vote tomorrow, and after that we will move to the farm bill.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Madam President, I thank the leader. I was thinking about

this the other night. We don't thank the leader enough. We are blessed on our side with a leader whom I think every Member on our side has high confidence in because of his good judgment, his fairness, his balance, his willingness to listen and then decide. Even though he may not always agree with any one of us on a particular issue, he always listens, and he does it with respect, and then he decides. He makes a decision. I thank him for it. I know the role of leader is absolutely the toughest job in this town. It is an extremely difficult, demanding job, and our leader does an outstanding job of it. That is why he enjoys the confidence of our colleagues and the affection of our colleagues.

Mr. REID. Madam President, if I may thank the Senator from North Dakota but also say there isn't anything that I agree to out here that doesn't have the full consent of the Republican leader. So even though Senator MCCONNELL and I in public kick and bite and scratch and all those things, I have the ability to work with him on issues, which makes it possible for us to get business done outside the press and a lot of times Senators.

I really appreciate my friend from North Dakota. He and I came to the Senate together. I can remember the first time I saw KENT CONRAD. It was in the LBJ Room. It wasn't named the LBJ Room at the time. We were there for the purpose of indoctrination—I don't know the right word—but we were nominees of our parties. We were running for the Senate in 1986. Neither one of us was expected to get elected. We were both long shots. He was running against an incumbent Senator. I was running against President Reagan and Paul Laxalt. But we surprised them; we won.

We have such a warm relationship. I love Lucy, his wife. When we first came here, a lot of people mixed up Landra and Lucy because they are both short, somewhat dark complected, but we don't mix them up.

I say to the people watching C-SPAN, the only Senators in this Chamber are Senator CONRAD, Senator REID, and Senator STABENOW. Senator STABENOW has indicated in a meeting we just completed that she said the right thing at the right time to help us get to where we are today.

I am embarrassed with the kind words of my friend from North Dakota, but I thank him very much.

Mr. CONRAD. I thank the leader.

Madam President, I wish to indicate to the Chair that we have one other Member on our side who is going to come to the Chamber to talk. Senator WHITEHOUSE is going to come. I think he will only be seeking about 15 minutes, I say to the Chair. He will be here in 10 minutes. He will seek only about 15 minutes. I mentioned this to Senator GREGG. So after Senator WHITEHOUSE, other than Senator DODD, who might still come for 6 or 7 minutes, that will complete speakers on

our side. Senator GREGG told me he does not believe he has any further speakers on his side.

I yield the floor and 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. WHITEHOUSE. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mrs. MCCASKILL). Without objection, it is so ordered.

#### THE BUDGET

Mr. WHITEHOUSE. Madam President, as we conclude the discussion on the budget, in which the Presiding Officer participated so eloquently just a few moments ago, I wanted to come to the floor because there is a significant feature in America's fiscal picture that affects this budget considerably but has not really gotten the attention it deserves; that is, the debt of the United States of America that has been run up by President George W. Bush. It is a frightening legacy, really, because of the weight, the fiscal burden of it that will weigh on our children and our grandchildren.

If I may, we calculated the Bush Debt at \$7.7 trillion, and we did it this way. We took the projections for the U.S. budget on the day George Bush took office, which, as the Presiding Officer may recall, projected that we actually would have no debt left at all in our country by as early as fiscal year 2009—and, indeed, there was economic debate among America's leading economists wondering if it is really good for our country for America to be completely debt free. What is the ideal level of debt? Should we maintain some level of debt? Are there potential problems if the United States were to be completely debt free? That was the discussion. That was what America was looking forward to.

The nonpartisan, professional Congressional Budget Office had a projection on where that budget was going to go on the day George W. Bush took office, and that is the top line of our projection. We call it the Clinton budget landscape because it resulted from the economic policies of the Clinton administration which left this country in such good health for President George W. Bush. That was what could have been. The other line is what he did, what this country has done to itself fiscally under George W. Bush. When you compare the difference between the upper line, where the country was going, and where George Bush took us, the difference is the Bush Debt, and it amounts to \$7.7 trillion. To me, that is an almost unimaginable number. So just to kind of give an idea of how many zeros that will be, this is what it looks like. That is \$7.7 trillion. Even in the great State of Michigan, where the Presiding Officer hails from, that is a