

he mentioned, we have strong disagreements from time to time, but we have always made a strong effort—and I think successfully—to remain respectful of each other's views. I appreciate his kind words today and that of the Republican leader. I thank them.

#### THE BUDGET

Mr. McCONNELL. Mr. President, anyone who turned on C-SPAN2 over the past 2 weeks could be excused for wondering what has been going on here in the Capitol. Most people outside Washington do not know much about reconciliation instructions or points of order. But behind the legislative lingo, an extremely important debate has been taking place on the Senate floor. It is a debate about the future of our country. And in the course of that debate, two very different philosophies have emerged. On one side are those who think American lives will improve in direct proportion to the size of the Federal Government; that the answer to all the challenges we face as a nation is to just simply follow Europe, where people look to the government for almost everything from the cradle to the grave. On the other side are those who think Government has an important role to play in keeping people safe and creating the conditions in which Americans can succeed and that Government can also play a role in helping people weather temporary or permanent troubles and even to provide temporary help to private institutions if the failure of those institutions imperils the well-being of the whole.

But in all these areas, the role of Government is limited. Liberty and freedom are primary. The first group defends the administration's budget proposal which we first saw a couple of months ago and which outlines the administration's vision for America over the next several years. The second group has warned about the consequences of the budget, which calls for a dramatic and potentially irreversible shift of our Nation to the left in the areas of health care, education, and private enterprise, and which in order to get there imposes the biggest tax hike in history, massive spending, and a titanic amount of debt our children and grandchildren will have to pay back.

This is a debate that has been worth tuning in to because its outcome affects absolutely everyone. So I would like to highlight just a couple of things we have seen over the course of this debate that everyone should know.

The first thing people should know is the one thing that many already do know: The administration's budget simply taxes too much, spends too much, and borrows too much at a moment, interestingly enough, when we can least afford it. There is good reason to believe the American people agree. Several of the amendments Republicans have proposed adding to the budget as a way of protecting Amer-

ican businesses and families have been approved by wide, bipartisan margins.

The American people cannot afford new taxes, and that is why Senators approved the Johanns amendment yesterday, an amendment which forces an open debate on the budget's proposal for a massive new national energy tax that would hit every American family by up to \$3,100 a year. As the senior Senator from Missouri put it on Tuesday, "Families are struggling to make ends meet, unable to pay their mortgage, bills or debts . . . We should oppose an energy tax."

The junior Senator from Nevada also knows Americans cannot afford having their taxes raised, especially in a recession. That is why he offered an amendment yesterday that would make it harder to raise taxes on middle-class couples. As he put it, "Americans are struggling to pay for life's essentials . . . What we should be discussing is extending tax relief," not raising taxes. This is common sense. His amendment passed.

The junior Senator from Texas knows that business owners cannot afford a tax hike. That is why he offered an amendment that would make it harder for Democrats to raise taxes on small businesses. This is also common sense. His amendment also was adopted overwhelmingly.

Americans know the trouble they get into when they spend money they do not have, and they do not want Government to spend money it does not have. That is why the junior Senator from Alabama came to the floor Monday and lamented the lack of fiscal responsibility in this budget.

The American people are worried about the size of the national debt, and they are worried about a budget that doubles that debt in 5 years and triples it in 10—a budget that adds more debt in 5 years than the entire debt accumulated under every President from George Washington through George W. Bush. The senior Senator from Tennessee is worried about the size of the debt too, and that is why he offered an amendment to keep the growth of that debt relative to the GDP in check. As he put it on the Senate floor on Tuesday:

This is not a matter of not letting the horse get out of the barn. This recognizes that the horse is already out of the barn and we're trying to put a fence around him before he gets into the next country.

Democrats rejected that amendment too.

Throughout this debate, Americans have started to focus a lot on the national debt, and they have heard some troubling things.

If they were listening Tuesday, they would have heard a very illuminating discussion on the topic between the senior Senator from Tennessee and the senior Senator from New Hampshire. The senior Senator from New Hampshire said that at the end of this budget, every American household will have an obligation relative to the Federal

debt of \$133,000—\$133,000 per household. The senior Senator from Tennessee asked who holds that debt. The answer, of course, is that China is the primary holder of that debt, along with Russia and oil-producing nations in the Middle East.

Americans are worried about more Government spending, higher taxes, and higher debt that we may never be able to repay, and a lot of groups that represent these Americans are amassing against these things. Groups opposed to this budget include the National Association of Manufacturers, the Tax Relief Coalition, the American Conservative Union, Americans for Prosperity, Citizens Against Government Waste, the Club for Growth, the Council on National Policy, Associated Builders and Contractors, Independent Electric Contractors, International Foodservice Distributors Administration, and the National Association of Wholesaler-Distributors. These groups represent millions of small business owners, independent contractors, and millions of ordinary Americans who do not want to see their dreams fade away because of someone else's vision of what Government should do for them.

Americans want the freedom to do for themselves, and they worry freedom may slip away if this budget passes in its current form. They cannot afford a new national energy tax that could cost every American household up to \$3,100 a year. They do not want to have to pay for 250,000 bureaucrats who will be needed just to spend the money this budget wants to spend. And they do not want their children literally buried in debt. What Americans want is for Republicans and Democrats to work together to craft a budget that let's them keep their hard-earned wages, spends their tax dollars wisely, and does not saddle their children and grandchildren with debt. That is what they have not seen this week.

What they also will not see are the backdoor negotiations where the chairman of the Budget Committee, the senior Senator from North Dakota, has said he will strip out many of these good amendments we have adopted this week and where some budget writers intend to fast track a massive new energy tax even though we passed an amendment to keep that from happening. Americans oppose this energy tax. And if the senior Senator from North Dakota has as much influence over the outcome of the budget as I hope he does, then he will make sure that the will of the Senate and the American people is reflected in the final product. I hope he will make sure that a new national energy tax costing American households up to \$3,100 a year is not rushed through Congress on a party-line vote.

So the drama that has unfolded in the Senate put two very different philosophies on display. It showed Republicans fighting to keep our Nation from an irreversible drift to the left, and it showed some Democrats agreeing to

some of our proposals. But the proof of their commitment is in the final product—what finally comes out of conference.

This debate isn't over with the passage of this budget today, and Republicans are not finished fighting on behalf of the priorities of the American people—not even close.

Mr. President, I yield the floor.

#### RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

#### CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR FISCAL YEAR 2010

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of S. Con. Res. 13, which the clerk will report.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 13) setting forth the congressional budget for the United States Government for fiscal year 2010, revising the appropriate budgetary levels for fiscal year 2009, and setting forth the appropriate budgetary levels for fiscal years 2011 through 2011.

Pending:

Ensign amendment No. 805, to require certain higher income beneficiaries enrolled in the Medicare prescription drug benefit to pay higher premiums, as is currently required for physicians' services and outpatient services, and as proposed in the budget of the U.S. Government most recently submitted by the President.

McCain amendment No. 882, in the nature of a substitute.

The ACTING PRESIDENT pro tempore. Under the previous order, there is 90 minutes of debate remaining on the resolution, of which 40 minutes is for the debate of amendment No. 882, offered by the Senator from Arizona, Mr. MCCAIN.

The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, I am going to respond briefly to the Republican leader and then we will go to the McCain amendment.

First of all, I have just listened to remarks that are an attempt to rewrite history. Trying to put this deficit and this debt at the door of our new President is simply misplaced. He inherited a debt that was doubled over the last 8 years, and most of my friends on the other side were silent sentinels as that debt grew and grew and grew. Most of them said nothing; worse, they supported the policies that created that doubling of the debt. Beyond that, they tripled foreign holdings of U.S. debt and left the country in the worst recession since the Great Depression. This President inherited a crisis in the financial markets, a crisis in housing, a fiscal crisis, and two wars.

The budget that is before us is not as described by the Republican leader. The budget before us reduces the def-

icit by two-thirds over the 5 years of its term. In fact, as a share of GDP—which most economists say ought to be the measuring point because it excludes inflation—we reduce the deficit by three-quarters, all while maintaining the President's key priorities of reducing our dependence on foreign energy. That is not just a Presidential priority, that is an American priority. If we are going to be strong in the future, we have to dramatically reduce our dependence on foreign energy.

On education, there is a focus on excellence in education. If we are not the best educated, we are not going to be the strongest country in the world very long.

The prospect of major health care reform, which is provided for in this budget, is the 800-pound gorilla. We are now spending \$1 of every \$6 in this country on health care. If we stay on the current trend, we will spend more than \$1 of every \$3 in this country on health care. That is utterly unsustainable.

They describe the budget of the President as having all these tax increases. I would remind my colleagues that when the Congressional Budget Office scores the President's budget, they say there is \$2.2 trillion in tax cuts. If they look at the budget I have offered, which is a 5-year budget instead of a 10-year budget, it has \$825 billion in tax cuts on a net basis. As I say, all while cutting the deficit in half, which was the President's goal. In the President's budget and the budget I have offered, we cut it by two-thirds.

Now, on spending. Well, on spending, the hard fact is, the budget I have offered reduces deficits and debt by \$608 billion compared to the President's budget, on a 5-year comparison to a 5-year comparison. We reduce it by \$608 billion in the budget that is before us. And on spending, we increase domestic spending, on average, by 2½ percent a year. Believe me, I have heard lots of criticism from the left with respect to the fact that is not enough. But when you lose \$2.3 trillion in revenue because of the new CBO forecast, we felt it was necessary to make adjustments in the President's budget while maintaining his priorities.

Now, in terms of middle-class tax relief, which is contained in this budget, let me be clear that all the provisions from 2001 and 2003 are included in this budget. The 10-percent bracket, the child tax credit, the marriage penalty relief, the education incentives—all of it—is in this budget and an extension for the full 5 years.

In addition, the President's Make Work Pay provision was previously provided for in the stimulus package for 2 years, and we provide the ability to extend that, if there are offsets. In addition, we have provided for alternative minimum tax reform, fully funded for 3 years. No other budgets in the last 5 years have done it for that long. It has always been a year-by-year fix.

On estate tax reform, we take the provisions from 2009 and extend them for 2010—a \$3.5 million exemption per person, \$7 million per family. Instead of going back to \$1 million in 2011, we continue that \$3.5 million exclusion per person, \$7 million per couple, adjusted for inflation.

We also provide for the business tax provisions and the extenders fully paid for. That is a total of almost a trillion dollars of tax relief, offset by certain loophole closers to go after these abusive tax shelters—these offshore tax havens. We have the spectacle now of companies buying European sewer systems, not because they are in the sewer business but in order to depreciate them on their books for U.S. tax purposes. That is outrageous—United States companies buying European sewer systems so they can write them off on their books here, and then they lease them back to the European cities that built them in the first place.

The guys who came up with these scams didn't limit themselves to sewer systems. They are doing the same thing with public buildings and city halls. We have companies that have bought city halls in Europe in order to depreciate them on their books in the United States and then lease the city halls back to the European countries that built them in the first place. Is that acceptable? I don't think so. The President in his budget and we in our budget say: Enough of that. Let's shut down these abusive tax shelters. Let's shut down these offshore tax havens, which our Permanent Subcommittee on Investigations tells us is costing us \$100 billion a year.

If anybody wonders about it, read the Stanford saga. Mr. Stanford was running these offshore tax havens; running billions of dollars through these offshore tax havens. Why? Why are they sending their money down to the Cayman Islands? Is it because they think the banks down there are more secure? Oh, no. They are sending their money down there to dodge the tax liability in the United States. That is the basis upon which Mr. Stanford sold his services.

On a net basis, our budget has \$825 billion in tax cuts. Again, on spending, domestic spending increased at an average rate of 2½ percent a year. That is pretty tough.

In our proposal, in the budget before the body, there is no energy tax. There is none contained here. This reference to a national sales tax on energy, it is not in this budget proposal. It is not there. We have a reserve fund that permits the committees of jurisdiction to come up with a way of reducing our dependence on foreign energy. We have the ability for the committees of jurisdiction to write climate change legislation. But there is no endorsement of any specific plan in this budget around climate change that has been posited by others.

I wish to make clear that this budget is responsible, it controls spending, it