

serious plans. I also believe it is vitally important, before we raise the debt limit, that we can put this Nation on a path to a balanced budget. We cannot afford to continue to borrow 40 cents out of every dollar we spend in Washington. We cannot afford, as the commercial that many of us have seen on television, to have the Chinese own America's money, and the United States be in such debt that China has an increasing and unhealthy influence on the United States.

I intend to vote for this agreement. I believe we could have done a lot better, but it is a step in the right direction. It is the first time we have made serious efforts to reduce spending in quite a number of years around here. I hope it will serve as something that the American people can support and spur us on to greater efforts in the coming weeks and months.

I notice the presence of the majority leader, and I yield the floor.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. REID. Madam President, I say to my good friend from Arizona, we came to the House of Representatives together, came to the Senate together. When we came here, we both had the same service except the State of Arizona had more people than the State of Nevada, so he is one step ahead of me in seniority. I appreciate my friend's statement.

Mr. McCAIN. That is in the eye of the beholder. I thank the Senator.

Mr. REID. I appreciate my friend's statement. He and I are both going to vote for this piece of legislation for different reasons, but as I have said publicly and privately, there have been very few people in the history of our country who have served our country so valiantly in battle and in the government than JOHN McCAIN. Even though we have disagreed on a number of issues over the years, my admiration for him will always be there.

(Mr. WHITEHOUSE assumed the chair.)

RENO AIRPORT INCIDENT

Mr. REID. Mr. President, as the country learned today, certainly we learned in Nevada, there was a terrifying close call at the Reno airport last night. It is a miracle that everyone is OK today, and we are grateful they are.

This is what happened. Only one air traffic controller was in the tower during last night's overnight shift. Medical aircraft carrying a critically ill passenger couldn't land because the controller fell asleep on the job. We now know that the pilot circled several times. We now know that he tried to call the tower not once, not twice, but seven times. The controller slept through every one of the calls. He slept through the circling of the aircraft.

More than 15 minutes later, with the passenger critically ill in the airplane, minutes during which no one could reach the air traffic controller while

this critically ill passenger suffered in that aircraft, the pilot landed without any guidance from the airport.

The Reno airport is situated right below the great Sierra Nevada Mountains. It is an extremely difficult place to land. Those of us who have been landing there for all these years know how terribly rough it is many times coming out of there with the winds coming off the Sierras. To think this pilot was forced to land without any control on the land is very scary.

This should not happen in Nevada. It should not happen anywhere in the country. It shouldn't happen in any airplane, and it certainly shouldn't happen to an air ambulance.

Just a short time ago, I spoke with Secretary of Transportation Ray LaHood. I am very happy he is acting, and acting quickly, to make sure this never happens again in Reno or anywhere else. We know we had an experience a few weeks ago right here in Washington, DC, the same type of situation.

Why did it happen? Reno was one of 27 airports across the country that sometimes had only one air traffic controller on the overnight shift. Because of Secretary LaHood's quick action, there will now be zero—effective immediately, every airport will have at least two air traffic controllers in the tower at any given time.

As I indicated, I have flown into and out of that airport many times. In October I was there for a celebration. We were opening a new control tower. It was very badly needed. From the old one, you couldn't see parts of the runway. When Reno's old control tower was built, Dwight Eisenhower was President and the Dodgers were in Brooklyn. In the half century since, the area's population has more than tripled. So it was fitting, we said at the time, that the airport open a control tower three times as tall as the old one.

Last night's near tragedy reminds us that state-of-the-art structures and the best technology work only as well as the people operating them. If these people fall asleep on the job, literally, they risk the lives of millions of Americans flying into and out of airports every day.

Secretary LaHood and Randy Babbitt, FAA Administrator, are doing their jobs. I appreciate their responsiveness and share their outrage that this ever happened, but Congress also has a key role to play. We have to do our jobs.

The Senate passed a bill in February to modernize America's air travel. With that legislation we created or saved 280,000 jobs. It would improve aviation safety and protect travelers, and that is an understatement. It would even help reduce delays, improve access to rural communities, and it would do all this while creating jobs.

The Republican House also passed a companion bill a few days ago, but the House bill is almost the opposite of

ours. It is dangerous. It doesn't protect passengers, it imperils passengers. The Republican bill would cut the modern navigation systems at our Nation's airports. It is hard to comprehend—an FAA bill, to which we have had to give short-term extensions—I don't know exactly the number of times but like 14 different times—now we are going to try to pass a bill that doesn't modernize our navigation systems at our airports. That would be wrong.

The FAA said the House bill would force it to furlough safety-related employees—not just any employees but those whose primary job is keeping air travel safe. That doesn't make any sense. It would also keep airports from making the infrastructure improvements they need and would completely end the program that ensures rural communities—in small towns such as Ely, NV—have air service.

The Senate-passed bill and the House-passed bill are now in conference to work out the differences. Clearly, there are a lot of differences. The conferees have some choices to make, and they are important, but they need to make them quickly so that both Houses can pass this bill and send it to the President, and do it quickly.

This bill passed on a huge bipartisan vote. Again, we are grateful everyone in Reno is OK, but the next time we may not be so fortunate. Let's make our airports and our travel as safe as possible as soon as possible so the next time we don't have to rely on luck. That is what it was.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

THE BUDGET

Mr. GRASSLEY. Mr. President, I suppose I and a lot of my colleagues had an opportunity to hear the President's speech this afternoon. It is very nice that the President is being engaged for the first time in the budget debate and the long-term fiscal problems of this country, and the deficit problems of this country. It is good he is following on with some of the recommendations of his own deficit reduction commission. We have to remember a little less than a year ago he appointed a deficit reduction commission. They reported on December 5. It seems as though they had broad bipartisan support because the four Senators on the commission—two Democrats and two Republicans with probably very different political philosophies of the four—have endorsed it. Then, all of a sudden, since December 5 until today, there has been a lot of quiet on the part of the President of the United States about whether he

likes what his deficit commission suggested.

I don't know the details of where he is coming from, whether he agrees with every detail that is in the deficit reduction commission recommendations, but at least he is getting on board along the lines of what 64 Senators—32 Republicans and 32 Democrats—said in a letter about a month ago to the President: We are ready to start tackling some of these big problems, but we need leadership. Maybe this speech today is an answer to that leadership. Or, if I want to be cynical about it, I could say maybe the President gave his speech today because of the very positive comments that Congressman and Chairman PAUL RYAN got for his budget ideas that he released last week.

But the President also took advantage to renew the class warfare—the demagoguery of taxing the wealthy. It doesn't contribute much to the debate. In fact, I think it makes it very difficult to bring people together. Or, if I want to be cynical, I could say this is maybe the President's first speech about his reelection. But either way, I think there is analysis that we have to look at very carefully and see if it does the economic good that is intended in the speech, even though it is welcome that the President is being engaged at this time.

So I would give some reaction to some of the things the President said, but I want this as background: From World War II through 2009, every dollar of new Federal tax revenue coming into this Treasury resulted in \$1.17 of new spending. Think of that: Every new dollar coming in wasn't a dollar that reduced the deficit, it was a dollar that resulted in \$1.17 of additional spending. That is like a dog that chases its tail and never catches it. So we are sending a new dollar to Washington to do something about the budget deficit and nothing happens as a result of that, except more deficit.

The President made the point that tax reductions in 2001 and 2003 added tremendously to the deficit he inherited or the part of the deficit that now exists. But, in fact, the tax reductions of 2001 and 2003 resulted in more revenue to the Federal Treasury. The expanding economy, spurred by the Tax Relief Acts of 2001 and 2003, helped to reduce the annual budget deficit from \$412 billion in 2004 to \$160 billion in 2007, not because we taxed more but because we taxed less and we had more economic activity as a result. That brings me around to the principle of deficit reduction. Obviously, when I say a dollar of additional taxes doesn't go to the bottom line, that doesn't do anything about the deficit. But on the expenditure side, reducing that and the economic growth that comes from it is what reduces the deficit—more economic activity.

Even the most sincere arguments that raising taxes would reduce the deficit and the debt do not have history to back them up. Outside of Wash-

ington, it is obvious to people the problem is not that people are undertaxed but Washington overspends. The voters said this so loudly and clearly in the last election, and elections are supposed to have consequences. I think the budget agreement of midnight Friday night is evidence of words from the grassroots of America getting through to Washington, DC. I think most people at the grassroots are cynical whatever happened, and I suppose we have to do a lot more to prove to them there might be a different day in Washington. But it was pretty loud and clear the results of the last election and the message sent to Washington.

Government spending increased by 22 percent during the last 2 years, a non-sustainable level of increased expenditures. If we follow the budget proposed this year by President Obama, we would add another \$13 trillion to our national debt over the next decade. This debt gets in the way of economic activity that creates jobs, and it is a terrible burden to leave to future generations. We talk dollars and cents when we talk about the deficit and the debt, but it is a moral issue of whether those of us of our generation ought to live high on the hog and leave the bill to young people such as these pages here who have to pay for it. It is a moral issue as much as it is an economic issue.

This trillions of dollars of debt gets in the way of economic activity that creates jobs, and it is a terrible burden on future generations. Washington needs to get behind policies that clamp down on spending and, as a result, we will grow the economy. Increased economic activity increases revenue to the Federal Treasury, enabling deficit and debt reduction. We know that to be a fact, because from 1997 to the year 2000, we actually, because of the growth of the economy, paid down \$568 billion on the national debt during that period of time. The answer is not ways to grow government. We need to grow the economy, but we don't grow the economy by growing government.

Getting back to the issue of the President making a big deal in his speech about the 2001 tax cuts being a major cause of the budget deficit, and probably the implication of the unfairness of it because there weren't higher taxes on higher income people, I would suggest that the President is wrong in both regards.

In 2001, the tax cut included an across-the-board income tax reduction and reduced the tax rates on the lowest income people from 15 percent to 10 percent. It resulted in removing millions of low-income people from the Federal income tax rolls entirely. It increased the child tax credit from \$500 to \$1,000. The legislation included marriage penalty relief and the first-ever tax deduction for tuition.

Two years later, after 9/11, the 2003 dividends and capital gains tax rate cuts spurred economic growth and created jobs.

The result was more revenue to the Federal Treasury, not less. The expanding economy helped reduce the annual budget deficit—and I am repeating these numbers because they are significant—from \$412 billion in 2004 to \$160 billion in 2007.

I know it is counterintuitive to a lot of people to hear a Member of the Senate say if you reduce marginal tax rates, you are going to bring revenue into the Federal Treasury, because the obvious common sense tells people that if you increase taxes, you are going to bring in more revenue. As I said earlier in a speech today, it doesn't work out that way because some people in this country can decide I have paid enough taxes, I am not going to pay any more. So they disincentivize to be productive, probably do leisure or invest in non-productive activity. When you lower marginal tax rates, it encourages those people to be productive and, at the same time, creating jobs, growing the economy, and bringing more money into the Federal Treasury.

When you look at the sources of the deficit, contrary to the President's claim, tax relief has been a small part. Unprecedented spending contributed much more to the deficit than the tax relief did and particularly in the last 2 years—a 22-percent increase in expenditures on top of the \$814 billion stimulus.

Here is something that probably is counterintuitive as well and probably something the President misses from his analysis of the 2001 and 2003 tax relief bills, which he blames the big budget deficit on. Those reductions actually ended up with taxes being more progressive. The effective Federal tax rate on the top 1 percent of households is more than seven times the rate paid by the bottom 20 percent of households. That is up from less than five times as much in the year 1979.

If tax relief enacted since 2001 is allowed to expire in a little more than a year and a half—because last December we only extended the existing tax policy until December 31, 2012—if that happens at that time, a family of four with two kids who earns \$50,000 today would see a \$2,155 increase in their tax bill. More than 6 million low-income people who currently have no Federal income tax liability would be subject to the individual income tax, and that would be at a rate of 15 percent instead of the current 10 percent.

Washington needs to learn that leaving more money in the pockets of the taxpayers unleashes a positive chain reaction in our economy. On the other hand, government spending doesn't create wealth because government is not an institution that can create wealth. Government is an institution that can only provide an environment for people outside the government to create wealth. In fact, what the government does is it consumes wealth and, as a result, doesn't generate a stronger economy.

Instead of growing the government, Washington needs to focus on helping

create private sector jobs. The President's new plan will reduce the deficit by \$4 trillion over 12 years. He does that by reducing spending by \$2 trillion but raising taxes by \$1 trillion, and, thus, lowering interest payments by \$1 trillion. The President has again failed to realize that we don't have a revenue problem, we have a spending problem.

At least a couple times since I have been in the Senate, I have heard this argument: Let's increase taxes \$1, and we will reduce expenditures \$2 or \$3 or \$4—sometimes it is \$2, sometimes \$3, and sometimes \$4 behind those ideas. That sounds very good, doesn't it? But here is why it doesn't work and why bringing in \$1 in new taxes actually leads to spending of \$1.17. I often quote Professor Dave Vedder of Ohio University, who has studied tax increases and spending for a long period of time. In fact, you increase taxes until you decide to do something else with the taxes. But appropriations are reviewed annually and, for some reason or other, after that first year, appropriations tend to creep up and up and up. Consequently, the well-intentioned raising of taxes \$1 and reducing expenditures by \$3 or \$4—as well intended as it is, it gradually is eroded on the expenditure side—that half of that proposition—so you end up not reducing expenditures as you have originally indicated.

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. NELSON of Florida. 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. NELSON of Florida. Mr. President, may I address the Senate?

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

Mr. NELSON of Florida. Mr. President, we have come through a crisis. It is not over yet because we don't have a law that has been passed by both Houses averting the shutdown of the government, and once it has passed both Houses—which we anticipate tomorrow—then it will be signed into law by the President, and we will avert the shutdown.

Had there been a shutdown or, in the alternative, had a law proposed in the House of Representatives, H.R. 1, been law, what we would have seen is a number of the hunger programs we have been savaged. There would have been a huge savaging of the feeding programs around the world—USAID, an arm of the State Department, which saves untold thousands, if not millions, of lives, particularly of children. They have a program right now in Africa, for example, of just providing mosquito netting, which cuts malaria by 30 percent. But also, USAID uses a lot of American agriculture to help feed hungry populations. Those programs would have

been cut significantly had H.R. 1, the House of Representatives' appropriations bill, been the final decision.

Fortunately, it wasn't and, fortunately, for the hunger programs, both abroad and at home, the least among us will not have to suffer those cutbacks to the budget for the duration of this fiscal year—for the next 6 months.

Even so, there were some significant cuts in what has been agreed to in the funding for hunger programs here in America. There was a \$500 million cut in the Women, Infants, and Children Program, otherwise known as WIC, the Federal health and nutrition program for women, infants, and children. We will have to deal with this, as we are now putting together the mathematics in building the next budget for 2012.

I decided to come over and talk because I wish to talk about one of my closest personal friends, former Congressman and former Ambassador, Tony Hall of Ohio, who started a fast 16 days ago. That fast he is going to continue, only having water. He is going all the way through Easter, which is another week and a half away. The duration of that fast will be somewhere around a month.

You can imagine what happens to your body when you don't take in any nourishment other than water for 30 days. That is what Tony Hall is doing. It is very interesting that people are joining him. Some 35,000 people nationwide have joined Tony in a fast. It may not be a complete fast such as he is doing, with only water, and it may be just that they are doing a fast 1 day a week. It is interesting that 30 Members of the House of Representatives have joined their former colleague, Congressman Tony Hall, in this fast, and that includes—as just announced—14 U.S. women lawmakers who plan to protest the deep cuts in the programs that help the poor and battle hunger in the United States and overseas.

In conclusion, you can tell a great nation by how it takes care of the least of those among us. It is certainly a part of our Judeo-Christian heritage, throughout the Hebrew Scriptures and the New Testament, that, over and over, the most referenced part of the Scriptures is the obligation of a society to take care of the least privileged among us.

Back in the old days, some 2,000 years ago—and even before—they had a social security system in that agricultural economy of the time called gleaning. Those who owned the wheat fields would go in and reap the wheat, but it was the standard practice of the day that they would leave enough wheat on the stalks so the poor could come in and glean the fields in order that they would have sustenance. That was their social security system of the day. Our systems of aiding the poor are much more sophisticated and include the programs of USAID, and here at home a lot through the Department of Agriculture. But as we have to cut the budget, we must constantly remind

ourselves, as Ambassador Tony Hall is reminding us right now with his fast for a month, that it is an obligation of all of us to take care of the least among us.

I will close by quoting that passage from Matthew 25: When you did it for the least of these, my brothers and sisters, you were doing it for me.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. BENNET). The majority leader is recognized.

Mr. REID. Before my friend leaves the floor, I had the good fortune to serve in the House, as my friend did, with Tony Hall, a very dedicated, thoughtful man. I wasn't aware of his doing this fast. That is a real fast. It shows how strongly he feels and has felt for many years about this. So it is nice my friend from Florida brought this to the attention of the American people.

EXTENSION OF MORNING BUSINESS

Mr. REID. Mr. President, I ask unanimous consent that the period of morning business for debate only be extended until 7 p.m. tonight, with Senators permitted to speak for up to 10 minutes each, and that at 7 p.m. I be recognized.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. REID. Mr. President, I ask unanimous consent that on Thursday, April 14, following any leader remarks, the Senate proceed to a period of morning business for debate only with Senators permitted to speak for up to 10 minutes each until the Senate receives the papers from the House with respect to the following items:

H.R. 1473, the Department of Defense and Full-Year Continuing Appropriations Act for fiscal year 2011; H. Con. Res. 35, a correcting resolution relative to a prohibition of Federal funds for health care reform; and H. Con. Res. 36, a correcting resolution relative to a prohibition of Federal funds for Planned Parenthood; that when the Senate receives the papers from the House, the Senate proceed to votes on the two concurrent resolutions and passage of the bill in the following order: H. Con. Res. 35, H. Con. Res. 36, and H.R. 1473; that there be 2 minutes of debate equally divided prior to each vote; that there be no amendment in order to the bill or the concurrent resolutions prior to the votes; that the motions to reconsider be considered made and laid upon the table; that the correcting resolutions and the bill be subject to a 60-vote threshold; that the only points of order and motions in order be budget points of order and the applicable motions to waive; further,