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## Senate

The Senate met at 9:30 a.m. and was called to order by the Honorable CHUCK HAGEL, a Senator from the State of Nebraska.

### PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

Eternal Spirit, who lives and reigns in majesty, thank You for another opportunity to help people see Your power working through human effort. Thank You also for the wonderful law of sowing and reaping that inspires us with the knowledge that no good is ever lost. Thank You for unsung heroes and heroines who work behind the curtains to make this Senate great. As we strive to mend broken hearts and to repair shattered dreams, give us Your favor. Use Your Senators today and all who labor for Your glory as ambassadors of reconciliation and renewal as they glorify Your Name. Teach us to cherish the things that inspire and steady our hands to grasp the torch of freedom and illuminate the darkness of our world. We pray this in Your mighty Name. Amen.

### PLEDGE OF ALLEGIANCE

The Honorable CHUCK HAGEL led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

### APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. STEVENS).

The assistant legislative clerk read the following letter:

U.S. SENATE,  
PRESIDENT PRO TEMPORE,  
Washington, DC, March 9, 2004.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable CHUCK HAGEL, a Senator from the State of Nebraska, to perform the duties of the Chair.

TED STEVENS,  
President pro tempore.

Mr. HAGEL thereupon assumed the Chair as Acting President pro tempore.

### RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The distinguished assistant majority leader.

### SCHEDULE

Mr. McCONNELL. Mr. President, this morning the Senate will resume debate on the budget resolution. Under the order from last night, 40 hours remain for consideration of the resolution. We anticipate the amendment process will begin today and, therefore, Senators can expect rollcall votes throughout today's session.

I remind my colleagues that the majority leader has stated we will finish the budget resolution this week. Therefore, late night sessions, obviously, can be expected, and Senators should make their plans accordingly.

Having said that, I believe we are ready for the resolution to be reported.

### 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 2005

The ACTING PRESIDENT pro tempore. Under the previous order, the

Senate will resume consideration of S. Con. Res. 95, which the clerk will now report.

The assistant legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 95) setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. REID. Mr. President, I would like to ask a question of the distinguished acting majority leader.

The ACTING PRESIDENT pro tempore. The Senator from Nevada.

Mr. REID. Mr. President, I am wondering if a decision has been made as to what we are going to do tonight at 7 o'clock or thereabouts. As the leader knows, we have the Archives dinner. In fact, it will be the last dinner that will ever be held in the Rotunda, for a number of reasons. That is going to be tonight. It is a bipartisan dinner. I wonder if a decision has been made yet as to what is going to be done, whether we are going to stay in session or whether there will be time yielded off the resolution during the time we are there.

Mr. McCONNELL. Mr. President, I say to my friend from Nevada, the plan will be to stay in session, unless we can reach an agreement to yield back time.

Mr. REID. I would also ask, through the Chair to the distinguished whip, has there been a decision made as to what we are going to do during the normal recess we take on Tuesdays for party caucuses?

Mr. McCONNELL. I think, at the risk of being redundant, our plan would be, if we could get an agreement to equally yield back time, we would recess for those lunches; otherwise, we would try to press through.

Mr. REID. So there can be some planning, I wonder if the two managers have any objection to having that done as it relates to the noontime recess we normally take on Tuesdays, with that time equally divided.

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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Mr. CONRAD. Mr. President, I think we should see how the morning goes before we make that decision.

Mr. MCCONNELL. I thank my friend from North Dakota.

Mr. President, I yield myself time on the concurrent resolution.

The ACTING PRESIDENT pro tempore. The Senator has that right.

The Senator from Kentucky.

Mr. MCCONNELL. Mr. President, the Senate has a full agenda of business this session. To give the American people a full year's worth of work, I had hoped the politics of the election this fall would maybe wait at least until some of the leaves had sprouted on the trees late this spring.

Sadly, that is not the case. We see the one thing in full bloom in Washington, DC, right now is all politics, all the time. The most repeated political saw can be summed up by quoting Charles Dickens. We are told today in America: It is the best of times, and it is the worst of times. It is the best of times for some, and the worst of times for others. We are not one nation, indivisible, but two Americas, they say—two Americas.

What are we? Are we staring into painful reality or are we just hearing political spin?

Well, Mr. President, I would like to think of myself as a fair person. So I think we should let the facts themselves do the speaking.

Fact No. 1: To say it is the best of times and the worst of times at the same time is simply political spin. It is spin to say the same fact can be good in one place at one time but bad in another place at another time. Yet many of our colleagues insist on that very twist, that very twist of logic.

So let's look at the unemployment number, for example. When the unemployment rate dropped to 5.6 percent back in 1996—5.6 percent back in 1996—the Senate Democratic leader, our friend, Senator DASCHLE, said:

The economy is doing extraordinarily well. Extraordinarily well.

We have the lowest rate of inflation and unemployment we've had in 27 years.

That is when the unemployment rate was 5.6 percent in 1996.

At the same time, President Clinton was saying:

I was gratified to hear our partners praise the strength of the economy. . . . Lower interest rates have helped us slash unemployment to 5.6 percent.

That was President Clinton in June of 1996.

So, in 1996, 5.6-percent unemployment was viewed by our friends on the other side as good news and a healthy economy.

Today, we have 5.6-percent unemployment under President Bush—the very same unemployment figure, a different President. Today our good friend, Senator DASCHLE, says:

President Bush suggested that the current unemployment rate of 5.6 percent was a good number. Well, I was a little surprised at that. I'm not certain I would agree that it's a good number.

In 1996, under a Democratic President, 5.6 percent was considered a good number; 5.6 percent today under a Republican President is not considered a good number.

Our friend Senator CLINTON from New York says about the 5.6 percent today:

This Administration refuses on so many fronts to accept the obvious and in this instance it is obvious the economy is not creating jobs.

President Clinton, when unemployment was at 5.6 percent, was praising the healthy economy. Senator CLINTON, when the unemployment rate is at 5.6 percent, says the economy is not very good.

It is difficult to understand how this same 5.6 percent jobless rate back in 1996 can be considered indicative of a healthy economy and today not be so considered. So a 5.6 percent jobless rate was the best of times under President Clinton and now it is the worst of times under President Bush. It's the best of times under President Clinton, worst of times under President Bush. This is spin. That is all it is. How can at one time 5.6 percent be considered the sign of a healthy economy and at other times not?

We see the same kind of spin on policy. Under the previous administration and when the House and Senate were controlled by our friends on the other side of the aisle, temporary unemployment compensation benefits were allowed to expire at 6.4 percent unemployment. Again, temporary jobless benefits expired when the jobless rate was at 6.4 percent and not a word of complaint was heard from our friends on the other side of the aisle in 1994. It was the best policy back in 1994 to allow temporary unemployment to expire at 6.4 percent. That was the policy back then. Now 10 years later, when the same temporary unemployment compensation benefit expired because the unemployment rate is at 5.6 percent, the same policy under a better economy is called an outrageous act.

So the very same decision made under a Republican President is the worst policy. Under a Democratic President, it is the best policy. It makes no sense. Why would it be good policy to let the temporary unemployment policy expire at 6.4 percent under a Democratic President and not be a good policy at 5.6 percent under a Republican President? What can we conclude from all of that? It is political spin. That is what it is—political spin.

Letting temporary jobless benefits expire at a 6.4 percent jobless rate under President Clinton and a Democratic Congress is the best policy, but letting the same benefits expire at a 5.6 percent jobless rate under President Bush and a Republican Congress is the worst policy. It is all Washington spin.

But it is not just the number or policy that gets spun around; it is also the words. Let's look at the much discussed term "outsourcing." The term "outsourcing" has become a lightning rod. When an economic advisor to

President Bush discussed the outsourcing of jobs, amendments were offered, strong condemnations were delivered, and heads were supposed to roll. When the former President's Secretary of Labor claimed, in a Washington Post op-ed on November 2, 2003 that high tech jobs are going abroad but that is OK, not a peep was heard about the former Secretary of Labor's writing.

This is Secretary Robert Reich, November of this past year. Headline: "High Tech Jobs Are Going Abroad! But That's Okay." This is the Democratic Secretary of Labor. Again we see the same words as the worst idea by a Bush advisor but a great idea by a Clinton advisor.

Confused? It is just more Washington spin. When the outsourcing issue was discussed by a Bush advisor, it was considered the worst advice. When the same thing was said by a former Clinton Labor adviser, it was considered good advice.

What can you conclude from all of this? Just Washington spin. The whole issue of outsourcing shows how things are spinning out of control. After all, Robert Reich, the former Democratic Labor Secretary, is Senator KERRY's top labor adviser and a member of his steering committee. It says so right on his Web site. Perhaps most amazing is their campaign road show announcement on outsourcing that charges President Bush continues to send jobs overseas. But in the very next sentence they announce the participation of Robert Reich in these road shows.

This is the same Robert Reich who said high tech jobs are going abroad, but that is OK; the same Robert Reich who says he doesn't believe the outsourcing of jobs is something to lose sleep over; the same Robert Reich who says it makes no sense for us to try to protect and preserve high tech jobs or block efforts by American companies to outsource; the same Robert Reich, the top labor adviser to Senator KERRY, who is at political events across the country to bash Bush for his adviser's views on outsourcing.

If this doesn't leave you dizzy, nothing will. Why all the spin? Why is this word acceptable by one speaker but an outrage when uttered by another? Why is policy fine one day but a horror the next? Why is the number applauded one day but the same number condemned the next? Confused? That is what you get in a political year.

The sky-is-falling crowd seems to be spinning the wheel of misfortune hoping to hit the political jackpot this fall. And to win this fall, they must say the sky is falling this spring. They must put the worst possible spin, the worst possible light on our current economic situation.

Opponents claim we have had the greatest job loss since the Great Depression. How many times have we heard that, the greatest job loss since the Great Depression? That was a time when one out of four Americans was

jobless. Today we have 138.5 million jobs and growing in the United States. Comparing our economic situation today to the Great Depression is utter nonsense. In the Depression, one out of four Americans was unemployed. Today there are 138.5 million jobs and growing. Close to 95 percent of Americans who want a job are employed. The sky-is-falling crowd says this is the worst number in almost a century.

So the political season is here. Facts don't matter; up is down; left is right; the best is worst, and vice versa. To be sure, the economy is not perfect. As long as someone wants a job and can't find one, we are not going to rest. But let's be honest. If a 5.6 percent unemployment rate was good 8 years ago, then a fair person would have to say it is not so bad now. But we haven't heard that, nor will we hear that. Instead we are told we are in a jobless Armageddon. Why? Because this is an election year and that is just the way the world spins.

Mr. SANTORUM. Will the Senator from Kentucky yield for a question?

Mr. MCCONNELL. Yes, I yield to the Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, the Senator from Kentucky makes a very persuasive case about how up is down, right is left, that the other side is doing an incredibly masterful job of trying to spin the economy.

I want him to comment on something that has concerned me. Over the last 7, 8 months we have seen and heard talk about how bad the economy is, how difficult. I want him to recall from 3 years ago the discussion in the Senate. I want to see if the Senator from Kentucky sees what was claimed at that time by Senator CONRAD and others as potentially occurring again in the year 2004.

Senator CONRAD said in March of 2001, almost 3 years ago to this date:

I don't think there's any question but the President is talking down the economy, and the Vice President has hurt confidence. . . . It hurts the economy because it puts doubt in people's minds about the underlying strength of the American economy. And any economy is in part based on confidence. So when the Vice President was talking about recession back in December, that set off a string of newspaper headlines—

By the way, the newspaper headlines: "Support for Bush Falls on Economy . . ." after a whole day of speeches on the part of Democrats belittling this economy.

It says:

Newspaper headlines led to a string of additional emphasis on the negative. When you consistently emphasize the negative, you contribute to a climate that loses and lacks confidence.

Mr. President, I ask the Senator from Kentucky, does he think over the last 7 or 8 months Democrats railing on the negative aspects of this economy has hurt economic growth and, in fact, may have caused people to lose their jobs as a result?

Mr. MCCONNELL. There is no question, I say to my friend from Pennsyl-

vania, there has been a concerted, coordinated effort to cause Americans to lose confidence in an economy that is, by all standards, rolling. You cannot find a category that is not heading in the right direction.

As I pointed out, a mere 8 years ago colleagues on the other side of the aisle were cheering for an economy of 5.6 percent unemployment, saying that was terrific. Today they act as if we are in the Great Depression.

I say my friend is right on the mark. There has been a coordinated, concerted, consistent effort over the last 4, 5 months to talk the American people into believing the economy is not heading in the right direction.

Mr. SANTORUM. Will the Senator yield for an additional question?

Mr. MCCONNELL. I yield to the Senator for a question.

Mr. SANTORUM. I ask, when the administration in March of 2001 was talking about their concerns about the economy, does the Senator from Kentucky recall whether the economy was growing in January and February and March of 2001?

Mr. MCCONNELL. It was clearly not growing. They were stating the obvious.

Mr. SANTORUM. In fact, I believe that quarter of 2001 in which the Vice President and the President were talking about their concerns with the economy was, in fact, the first quarter of a recession that was actually in place at the time; correct?

Mr. MCCONNELL. Yes.

Mr. SANTORUM. So what they were doing was reflecting the reality of an economy that was in trouble when they took office.

I just want to, again—Senator CONRAD is here. I don't want to pick him out as being the only one who was accusing the President and Vice President of talking down the economy because Senator DASCHLE was doing the same thing:

I think we're talking down the economy, and in talking down the economy, I think we're beginning to see the results in the market. The Bush administration has been talking down the economy now for some time . . . but look at what's happened.

I say to the Senator from Kentucky, at the time the administration was "talking down the economy," the economy was, in fact, in trouble. At the time the Democrats are talking down this economy, is this economy in the same shape it was in January, February, and March of 2001?

Mr. MCCONNELL. No, this economy is rolling, and virtually every category by which one can measure the direction in which the economy is going is heading in the right direction—in some cases dramatically in the right direction. Even the unemployment figure, which they want to harp on, is the same unemployment figure they were praising a mere 8 years ago—praising as the best of times. Today it is the worst of times, and the only thing that is different is there is a different President in the White House.

Mr. SANTORUM. So basically the contrast about who is talking up or talking down the economy, which is my point, is the Bush administration was reflecting the reality of what was going on in trying to be honest with the American public as to the state of the economy at the time, and what is going on now, as you have clearly illustrated, is the economy is on an upswing and we have a group of people who are trying to drive that economy back down where we hoped, we thought all of us did not want it to be?

Mr. MCCONNELL. I thank my friend from Pennsylvania for his question. It is pretty obvious the facts illustrate the economy is rolling, it is moving dramatically in the right direction, and even though unemployment is higher than we would like it to be, it is the same figure as a mere 8 years ago when our friends on the other side of the aisle were cheering the healthy economy.

Mr. President, I yield the floor.

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

Mr. CONRAD. Mr. President, I have been interested to listen to this early morning repartee on the other side about what the status of the economy is and what the status of the job market is. I do not think it is a matter of spin to talk about what the facts are, and the facts are really very clear with respect to this President and what has happened to the job market under this President.

When people say this is the first President to have lost private sector jobs since Herbert Hoover, that is a fact. Nobody is saying, as the Senator from Kentucky represented, the Bush record on the economy is the same as the Herbert Hoover record on the economy. That is not what anybody has said here. The Senator from Kentucky has not been here; perhaps he missed what has been said.

What has been said is the simple fact that this administration is the first administration since Herbert Hoover to lose private sector jobs. In every other administration—Roosevelt, Truman, Eisenhower, Kennedy, Johnson, Nixon, Ford, Carter, Reagan, the first President Bush, President Clinton—there has been in every one of those administrations growth in the private sector job market.

Under President Bush, we have seen a loss of private sector jobs. The last time that was true was in the administration of Herbert Hoover. That is a fact. That is not talking down the economy. It is a fact.

The second fact is this recovery is very different from every other recovery from recession since World War II. That also is a fact.

If we look at the average of the nine recessions since World War II, what we see is, after 17 months, after the business cycle peaked, we start to see substantial job recovery. That has been the pattern of the nine recessions we have had since World War II.

Look what is happening in this recovery. Here we are 36 months past the peak of the business cycle, and still we are not getting job recovery. Something is wrong. If we want to be serious about figuring out how to solve the problem, we first have to diagnose it correctly. We are 5.4 million jobs short of the typical recovery in the nine recessions since World War II. Something is wrong.

Private sector jobs have declined. We have seen 3 million jobs lost since January of 2001. That is not talking down the economy. That is a fact, I say to my friend. It is a fact. If we are going to diagnose what is going wrong here, we have to figure out how is this different from what we have seen previously. I think any objective observer looking will have to conclude this is something dramatically different.

The Chairman of this President's Council of Economic Advisers, in a briefing on the 2004 Economic Report of the President, which was issued just last month, said:

[W]e expect sort of on average jobs in 2004 to be 2.6 million more than the jobs in 2003.

That was this administration's projection a month ago. For that projection to come true, there would have to be 520,000 jobs created in every month from now to the third quarter of this year.

Look what happened in February. There were not 520,000 jobs created. There were not 420,000 jobs created. There were not 320,000 jobs created. There were not 120,000 jobs created. There were 21,000 jobs created in February. That is 500,000 jobs short of the monthly totals this administration will need to meet its projection.

Every one of these jobs that was created was a Government job. There were no jobs created in the private sector. Something is wrong.

When we report to the American people on the status of the economy, there is a dramatic difference between what was occurring during the Clinton years—remember, during the Clinton Presidency, 22 million jobs were created. This President has lost 3 million jobs. In the Clinton administration, there were 22 million jobs created in the private sector.

If we look at this current recovery, one of the things we see is that we have the longest average duration of unemployment in over 20 years. In other words, when somebody loses their job, it is taking them longer to find a new job than at any time in 20 years. Now, that is dramatically different than what occurred during the Clinton administration. During the Clinton administration, there was very powerful job creation. In fact, there was not only powerful job creation but the longest economic expansion in our Nation's history.

In addition to that, we had the lowest unemployment in 30 years, the lowest inflation in 30 years, the highest level of business investment in our Nation's history, and record deficits were turned

to record surpluses. That is the economic record during the Clinton administration. So if that is what they want to debate, we would be delighted to join in the discussion. We would be delighted to talk about the difference between the economic performance during the Clinton years and the Bush years.

This is just one indication, the longest average duration of unemployment in over 20 years. That is what is happening in this Bush administration. Something is wrong.

When we go further and look at the number of people employed, the Senator from Kentucky said we have over 100 million people employed—I do not remember the exact number he used but I am sure he was accurate in his number—but if we look at it in a different way, we see the smallest share of the population at work since 1994; 62.2 percent of the American people are employed. That is the lowest level in a decade.

Again, it is just a fact. If we are going to analyze what is happening in this economy, we have to diagnose what is happening. To diagnose what is happening, we have to describe accurately what is occurring.

We also look at real wages. I asked my staff to find out for me what has happened to real wages in this country during this administration. We went back to 1996—we probably should have gone back even further—and look what happened in 1996 to 2000, the last term of the Clinton administration. We saw a dramatic growth in weekly wages. Since that time, they have basically stagnated. Real wages are up less than \$8 a week in this administration.

If we are interested in public opinion, which I think we all are—the Senator from Kentucky talked about public opinion—consumers believe jobs are hard to get. Eighty-eight percent believe jobs are not plentiful or are hard to get. Only 12 percent believe jobs are plentiful. So this is not just a matter of opinion on the Senate floor. The American people are saying jobs are hard to get. They are saying jobs are scarce.

This is another look at what is happening in the job market. We see that wage growth of production workers is starting to fall behind inflation. Again, we went back to the beginning of this administration. The red line is consumer prices. The green line is average hourly earnings. We can see now for the first time the lines crossing. So wage increases are not keeping pace with inflation. That is putting pressure on people. That is why I think we see this strong concern all across the country. People are worried about what is happening in this economy.

Mr. REID. Will my friend yield for a question?

Mr. CONRAD. I would be happy to yield.

Mr. REID. I say through the Chair to my distinguished friend, the ranking member of the Budget Committee, I

listened to the statement of the distinguished Senator from Kentucky and the questions asked by my friend from Pennsylvania. One thing the debate this morning has not touched upon, and I would like to hear the Senator from North Dakota explain a little bit, when this administration came into power there was a huge surplus over a 10-year period. It is my understanding that is gone and we are going to have record deficits as far as the eye can see. Is that a fair statement?

Mr. CONRAD. That is a fair statement.

Mr. REID. A final question, as part of that, do deficits matter?

Mr. CONRAD. Well, let's first talk about what is happening with deficits under this administration. Over the next 5 years, under the President's plan, the debt of the United States will increase by \$3 trillion. Now let's think about that. That is an average of \$600 billion a year of increased debt.

The President says he is going to cut the deficit in half over the next 5 years, but he only gets that by leaving out things. For example, he leaves out any war cost past September 30 of this year. He says there is no cost of the war in Afghanistan, the war in Iraq, the war on terror, past September 30 of this year. Does anybody believe that?

When we ask his people about it, they say, well, it is hard to predict what the cost will be. Well, we would agree with that, it is hard to predict. The right answer is not zero. The right answer is there is not going to be no cost. The Congressional Budget Office tells us the cost is going to be \$280 billion. Yet the President has nothing in his budget.

It does not stop there. If one looks at the cost of the President's proposed tax cuts, what one sees is that in the first 5 years they are relatively modest, but the cost of those tax cuts explode in the second 5 years. It does not end there. The alternative minimum tax, which is going to cost some \$600 billion to fix, according to the Congressional Budget Office—my colleagues will remember the alternative minimum tax was designed to catch millionaires. It was put in place back in the 1980s, but it has not been adjusted. The result is, more and more middle-income people are being sucked into the alternative minimum tax. There are about 3 million people affected now. By the end of this decade, 40 million people will be affected.

In his budget, the President provides 1 year of the cost of fixing the alternative minimum tax. He lets the rest of it go, which is writing in a tax increase beyond the first year, and it will be a tax increase increasingly on the middle class.

It does not end there. The biggest thing the President is proposing, in terms of how he finances these massive deficits and debt, is to borrow money. The President is fond of saying it is the people's money, and he is exactly right, it is the people's money. It is also the people's debt.

How is he financing these enormous deficits and debt? First, he is borrowing every penny of the Social Security surplus over the next 10 years, every dime, \$2.4 trillion, money that is really not in surplus at all because it is going to be needed when the baby boomers retire.

So the President is really not showing the American people how serious our fiscal condition is. When he says he is going to cut the deficit in half, he says the deficit in the fifth year will be \$237 billion, but if we add back all of the things he has just left out, what we find is the debt of the country will actually increase by over \$600 billion in that fifth year. All of this is right before the baby boomers retire.

So on the question of do deficits matter, certainly deficits matter. The trade deficit matters. That is running nearly \$500 billion a year. The budget deficit matters. That is going to run nearly \$500 billion this year. Why does it matter? Deficits matter because when the Government spends more than it takes in, it has to borrow the money. When the Government borrows money, it is in competition with others to borrow money.

In this society, we have over \$20 trillion of debt—government debt, Federal Government debt, State and local government debt, corporate debt, private debt—\$20 trillion. When the Government has to go borrow money in competition with the private sector, most economists would argue that puts upward pressure on interest rates. When you have \$20 trillion in debt in an economy, a 1-percent change in interest rates costs you \$200 billion.

I can remember very well when Lloyd Bentsen was Secretary of the Treasury, he called me to lunch one day down at the Treasury Department. I walked in and sat down.

He said: KENT, you probably wondered why I asked you here today.

I said: Yes, I did wonder.

He said: I wanted to share with you because now you are on the Finance Committee, you have my seat on the Finance Committee, something that is very important to remember when you are dealing with the economics of the country; that is, when you look at the debt of the country in all forms—government debt, corporate debt, individual debt—and you look at a change in interest rates, you come to understand how critically important it is to manage this economy in a way that keeps pressure off of interest rates. That means it is critically important to hold down deficits and to hold down debt because that will keep pressure off of interest rates. If you hold down pressure on interest rates, you are giving more lift to the economy than anything you can do on the tax cut side of the ledger. It is so powerful, the difference 1 percent makes in interest rates in this society because of all the debt there is.

It is a lesson I have never forgotten. I don't think any of us should forget it. That is why deficits matter.

Some will say interest rates are at very low levels now. Indeed they are. In fact, one of the reasons we have seen the economy resume growth is because interest rates are at a 40-year low, even though we have these massive deficits. How can it be? How can interest rates be at a 40-year low when we have these massive deficits? It is because right now there is very little competition for money from the private sector because the economy has been weak. As the economy resumes growth, as it has, we will see upward pressure on interest rates. That is something we have to keep in mind as we fashion Federal policy on the budget.

We have the ability in the Senate, the Congress and the President, to influence the fiscal policy of the country. There are two things that contribute and affect the economy. One is fiscal policy, spending and revenue decisions that are made here and in the House of Representatives and by the President. The other aspect of Government policy that affects the economy is monetary policy.

The monetary policy is guided by the Federal Reserve. The Federal Reserve has put in place a very accommodative economic policy, the lowest interest rates in 40 years. It is a key reason for this economic recovery. But that is jeopardized, it is threatened if interest rates are forced up.

What might force them to go up? As we see economic recovery, as we see the private sector borrowing more money to build and expand their businesses, and the Federal Government is also borrowing these record amounts of money, that will put upward pressure on interest rates. That will threaten long-term economic growth and recovery. That is why deficits matter.

Does the Senator from Pennsylvania seek time? I yield the floor.

The PRESIDING OFFICER (Mr. ENZI). The Senator from Pennsylvania. Mr. SANTORUM. Mr. President, I will pick up where the Senator from North Dakota left off. I suggest historically the lesson we learn from the conversation he had with Lloyd Bentsen: Lloyd Bentsen was wrong. The bottom line is there are a lot of other factors that go into the calculation of interest rates other than the deficit. That is obvious from the fact that we have a relatively high deficit right now and interest rates remain low.

It is a very complex economy. I think the idea we are going to focus in on one thing or another that is going to create jobs or not create jobs is folly. What we need to do is try to put a grand strategy together, including keeping inflation low, working to keep interest rates low, keeping tax rates low, trying to reduce litigation costs, trying to reduce the costs of regulation. All of those are a complex series of factors, and there are a whole lot of others, frankly, beyond the control of the Senate that we need to look at as to creating an environment in which jobs can be created and wealth can be created.

Our job in the Senate comes down to a few simple things. We have been debating this year trying to reduce the cost of litigation. This side of the aisle, generally speaking, has been on the side of reducing that transaction cost to the economy, and it is a huge cost to this economy. We have a couple of other bills coming up such as asbestos litigation that I am hopeful will be scheduled in the next couple of months so we will get a date certain to have a vote in the Senate. I would argue we can do more to help the manufacturing economy in this country by taking away the burden of asbestos litigation which is crippling dozens upon dozens of large manufacturers who employ hundreds of thousands of people who make this economy go. It is crippling them, having to defend tens of thousands of lawsuits. Most of them are frivolous. Most are filed by people who are not sick. They are filed by lawyers who are looking for big fees and big settlements and tying up enormous resources and clogging up our courts.

We have an opportunity to solve that problem and, more importantly, get the money to the people who are truly sick and injured as a result of exposure to asbestos. We have an opportunity to do that right here. If you want to help the manufacturing economy, if you want to create better jobs, if you want to loosen up the burden of frivolous lawsuits on a whole sector of our society, the manufacturing economy, let's pass this asbestos litigation. I don't hear any of you talking about that.

How about class action reform? That is another abuse of the legal process by a handful of trial lawyers who, again, put together these massive suits, with people getting very little benefit except, of course, the lawyers who are suing on "behalf" of this class of people. We have an opportunity to do something there that will dramatically help this economy, help the manufacturing economy, help the economy in general. So the idea there is just one aspect we need to focus on is false. There are a lot of things we can do in the Senate.

I can tell you another aspect we need to focus on in the Senate, and that is spending. There is a big concern in our markets today, in the economy today, about the appetite for spending in Washington, DC, and the potential impact that will have on our economy because it will lead to further spending. Growing the Government will lead to higher deficits and, as we will see over the next 4 days, calls to increase taxes to pay for more Government spending. What do increased taxes mean? That means less money in the private sector out there creating jobs and more money in Washington—well, maybe creating a few jobs in town.

So the idea of more spending and higher taxes is what the Senate is going to be dealing with in the next few days. That is an important topic to discuss, and one that will have profound consequences on this economy—

beyond the talking down of the economy that I illustrated before that has been going on for months during the Democratic primary, and the chorus in the Senate talking about how terrible things are. To pull out a chart, as the Senator from North Dakota pulls out, saying that we have a percentage of the population that is working which is lower now than it has been in 10 years, the percentage—does that matter? The question is, How about the percentage of the people who are looking for work? That is really what we are interested in. The fact that the percentage of seniors has grown in America over the last 10 years will mean by definition that probably fewer people as a percentage of the population are going to be working. That is sort of a natural thing to assume. This idea that we are going to pull out all these incredible sort of arcane statistics to make a point when the overwhelming body of evidence is that this is an economy that is growing, unemployment rates are at historically low levels, and wealth is growing in this country, household income is growing in this country, the idea that this is the worst economy since the Great Depression is folly.

It is the kind of talking down of this economy that the President and the Vice President were accused of 3 years ago when the economy was in bad shape. The idea that somehow or another this administration has lost all these jobs when this administration entered office during a recession, which, I assume, the Democrats at least will admit the President had nothing to do with when he was sworn in in January of 2001—we were in a recession—that somehow or another we are going to blame the President for the resulting job loss of that and the events of 9/11, or the corporate scandals which ran amok during the Clinton administration, which, again, this President had to patch together—this idea that because the economy was in terrible shape when the President rose his hand and said I take this oath is now the President's fault, again, just doesn't, thankfully, make a whole lot of sense to the American public.

The American public isn't buying a lot of this snake oil salesmanship that is going on about how bad things are in America. I think the more we get the information out about what really is happening in this economy, and the things this administration is doing now and which we are trying to do in the Senate to make it better, the better this economy will do—even more than it is doing today.

But our job in the Senate over the next 4 days is to ask whether we want to see this economy grow.

No. 1, how much are we going to resist the call to increase spending? That is a big concern out there in the private sector. Will Washington try to live within its budget?

And, No. 2, how much are we going to try to take from the American public in the form of higher taxes?

I have decided to resurrect a couple of charts I have used over the last year. One is the Democratic spendometer. For every amendment that is offered which increases spending, we will put that amendment here. We will put the number of Democrats who voted for this amendment, the 1-year cost, and the 5-year cost over this budget.

Just to recollect, I heard the Senator from Nevada, who is a very persuasive and articulate spokesman for the other side, talk about this horrible deficit we have. I remind all who are listening that last year at this time the Democrats proposed adding \$1.3 trillion in new spending over the next 10 years to last year's budget.

Let me repeat that: \$1.3 trillion in new spending not offset by other spending cuts added to this deficit over the next 10 years. Had we done what they wanted to do last year, this deficit would be in much worse shape than what it is today.

That was just in the budget. The first time I brought out this chart was during last January's discussion of the appropriations bills which the Democrats failed to pass when they controlled the Senate in 2002. That was the omnibus bill of January of 2003. During that debate on Democrat appropriations bills that passed out of their committee, they sought to add a half trillion dollars in new spending to the fiscal year 2003 budget—the omnibus spending, the appropriations bill in 2003—and \$1.3 trillion over 10 years to last year's budget, which again, thankfully, was defeated. Then, after the budget passed and we had to deal with last year's appropriations bill to which they again attempted to add, the spend o meter was brought out—\$800 billion in new spending to those bills.

I just remind everybody who will come to the floor and bemoan budgets and deficits and how irresponsible the President and those of us who are in the majority are, they attempted to add \$800 billion to last year's appropriations bills, and \$1.3 trillion to last year's budget, all of which was not offset with any other spending reductions.

I will again put up this chart.

There is a clever thing, I suspect, that many on the other side will do this time; that is, they will pay for these amendments. They will say they are concerned about the deficit. Last year, they were not. Last year, we did not offset these expenditures. Last year, they simply ran up the tab. But all of a sudden, we are awash with fiscal conservatism. We have this great concern now about the Federal budget deficit. What is going to happen with a lot of the amendments that will be offered by the other side is that they will be paid for. How will they be paid for?

That brings me to my second chart, the Democrat taxometer. What they are going to do is not only increase spending with more money flowing to the bureaucrats in Washington, DC, but they are going to do so on the backs of taxpayers in America. They

will say: Oh, all we want to do is tax the richest of the rich, and our amendments are designed only to go after those wealthy people who can afford to pay taxes. But, of course, we know that is not what their amendments do. What their amendments do is instruct the Finance Committee to come up with revenue raising. That is all this amendment does. It is all it can do. It cannot specify what the Finance Committee will do nor what this Congress will do. So all it will do, and will do repeatedly, is instruct the Finance Committee to raise taxes.

For every amendment that is offered that is "paid for," we will have, again, the amendment, the number of Democrats who voted for this tax increase, the 1-year cost to the taxpayers in increased taxes, and the 5-year cost to taxpayers in increased taxes.

When we hear this debate, what we are back to again is sort of a typical saw that we hear in Washington, DC, tax and spend, tax and spend, all in the name of trying to have fiscal accountability. In reality, it is growing the size of government. It is growing the power and influence of the Federal Government over your life and taking your money so we can have more power over you, and you can have less freedom to do what you believe is in your best interests and the best interests of your family. Of course, we know, if you listen to the other side, that we can spend your money better than you can; that the money we have to spend is for great and wondrous causes which will have a tremendous benefit to the American public; and, of course, if we let you keep this money, you would use it on frivolous things that have no great benefit to you or to your family or to the community and to the country.

The same kind of cynicism that we have seen pervade on the other side of the aisle for decades, nothing has changed. It is the same old saw. We know what to do better with your money than you do, and we are going to prove it time and time again over the next 4 days as hundreds of billions of dollars in tax increases will be voted on on the floor of the Senate. Hundreds of billions of dollars of new taxes will be voted on in the Senate, with hundreds of billions of dollars of wonderful new Government programs that will solve all the problems we have in America that, of course, if that money were left to you, you would not have any idea what to do, that would be of any benefit to the American public or to these great causes we announce in the Senate.

This is the debate. There is lots of talk about deficits and fiscal responsibility, but in the end this comes down to more Government, bigger Government, more Government control, less freedom.

The late Paul Coverdell used to say his basic understanding of taxes was it is an issue of freedom. The more money we take from you, the less free you are

to take care of yourself and to provide for yourself and your family. The less money we take, the more freedom you have. So this is an issue of basic freedom, economic freedom in this country.

We will see over the next 4 days what party sides with the American public, what party trusts you, and what party believes they can do better with your money than you can, that they know what is best for America than the millions of Americans across this country whose money will be taken and sent to Washington for new programs that will better solve American problems than leaving the money at home with Americans to solve it for themselves.

I am looking forward to this debate. I could be wrong, but I suspect I will need more than one of these charts. I suspect I will need several of these charts about where the Democrats and how much the Democrats are going to try to increase taxes over the next several days. We will need several charts of how Democrats will try to increase spending and grow the size of Government. It will be hundreds of billions of dollars. It may even be, over 5 years, \$1 trillion, and they will do so all by maintaining a straight face that they are the protectors of fiscal discipline in Washington, DC; they are the ones who are for lower deficits, who are for Government control—of controlling Government spending; they are the fiscal watchdogs on guard to the American taxpayer.

Let's see what happens over the next 4 days. Let's see who calls for spending increases. Let's see who calls for tax increases. And let's find out who really is on your side.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I am delighted to follow the Senator from Pennsylvania. I have been looking forward for a long time to this opportunity because the Senator from Pennsylvania makes a lot of aggressive assertions. Unfortunately, he is aggressively wrong, wrong, wrong.

Let's start with the question of when the deficit starts. The Senator from Pennsylvania says it started in the Clinton administration.

Mr. SANTORUM. If the Senator will yield?

Mr. CONRAD. I am happy to yield if I misstated.

Mr. SANTORUM. I did not talk about the deficit starting in the Clinton administration. I am talking about when the recession started.

Mr. CONRAD. I apologize; I meant to say when the recession started. I think the Senator from Pennsylvania said the recession started during the Clinton administration.

Mr. SANTORUM. Again, Mr. President, I think I said it started when the President was taking the oath of office in January of 2001.

Mr. CONRAD. I am happy to have the Senator state his position.

Let me just say the problem with that is the National Bureau of Economic Research, which does the official dating of recessions, says the downturn began in March 2001, early in Bush's Presidency.

But that is not the thing I am most eager to answer in terms of what the Senator from Pennsylvania has said. He has repeatedly used his spend-o-meter chart in the Senate and that chart is just a complete fabrication. I don't know of a nice way to say this. That chart is a complete fabrication.

How is it a fabrication? First of all, all the Democratic amendments to last year's budget resolution were paid for. The Senator from Pennsylvania said they were not paid for. That is factually wrong and he ought to come out here and correct the record because it is wrong. All he has to do is look at the record to know it is wrong. Our amendments were paid for. I will go to a complete list of those amendments next to demonstrate the statements of the Senator from Pennsylvania are false.

In addition, the Democratic amendments were offered individually, not as a package. The Senator from Pennsylvania wants to act as though the Democratic amendments were offered as a big package. False. They were offered individually.

Third, the Senator from Pennsylvania wants to act as though these amendments were all 10-year amendments. False again. Half of these amendments were for 1 year.

What the Senator from Pennsylvania has done is very conveniently taken 1-year amendments and multiplied to make them 10-year amendments and then cumulate them to act as though they were a package. Wrong, wrong, wrong.

What is most wrong, he asserts they were not paid for last year. He ought to have done his homework better before coming out and making an assertion like that because even the least bit of research, even the least bit, would have demonstrated that is a false statement.

Let's go to the amendments that were offered. I have a list of all of the amendments. We can see whether the statement of the Senator from Pennsylvania was correct. He says the amendments were not paid for. Let's go down the list.

An amendment by Senator BIDEN to restore the COPS Program was a 10-year amendment and costs \$1 billion. It was fully paid for, plus \$1 billion to reduce the deficit.

An amendment by Senator KERRY on HIV/global AIDS cost over 10 years about \$800 million. Completely paid for, plus an additional amount to reduce the deficit.

We can go right down the list. Every single one of the Democratic amendments was completely paid for—in most cases, more than paid for—so the deficit would be reduced as well.

The chart of the Senator from Pennsylvania is wrong. Factually wrong. He ought to come out here and correct the record.

As I say, I will put this entire list in the RECORD because it demonstrates all of the Democratic amendments were paid for, countering the assertion of the Senator from Pennsylvania—and more than paid for. So if you did cumulate them, it would reduce the deficit \$687 billion. It is not right to cumulate. They were not offered as a package but individually.

There was an amendment by Senator DORGAN for veterans, to give greater budget resources for veterans health care, for \$1 billion. But that was completely paid for, plus an additional amount to reduce the deficit. That is the fact of the matter.

These amendments were offered not as a package, they were offered individually. So this amendment was offered. It was defeated.

Then we offered another amendment on rural health care. That amendment was defeated. Then we offered another amendment. The idea you can combine them as a package is false and misleading.

Then the Senator from Pennsylvania has another chart on the appropriations bills. This is my favorite because this is another complete fabrication. The Democratic amendments to the Omnibus appropriations bill were offered individually, not as a package. You cannot accumulate them.

No. 2, the Democratic amendments were for 1 year, not 10 years. They just took 1-year amendments and multiplied them by 10. They were not 10-year amendments. They were 1-year amendments.

No. 3, if you did total them and take out the duplication, they totaled \$37 billion, not the \$500 billion asserted by the Senator from Pennsylvania. That is an absolute fiction, a concoction. It has absolutely no merit.

What is really interesting is what the Republicans did. Our amendments, if you can total them—which you should not do because they were not offered as a package—but if you did, they were \$37 billion.

But do you know what the Republicans did when they recaptured control? They went into a conference committee, locked out the Democrats, and they came back and increased spending by \$63 billion.

Let's look at the difference between what they are saying and what they did. Here are the amendments we offered to the Omnibus appropriations bills. Each one of them was offered individually.

We offered improvements in homeland security. It would have cost \$5 billion. That was defeated. So that money was still available. We then offered an amendment to improve education. That was defeated. It would have cost \$6 billion.

What the Senator from Pennsylvania has done is add up all these. They were not offered as a package. They were offered individually. They were 1-year amendments, and he multiplied them as 10-year amendments. What is interesting is, if you did add them all up,



they do not cost \$500 billion; they cost \$37 billion.

But look what our friends on the Republican side did when they captured control and wrote the final Omnibus appropriations bill. They went into the conference committee and came back with \$63 billion of add-on—\$63 billion—trumping us almost two to one if you did accumulate our amendments.

Mr. REID. Will the Senator yield for a question?

Mr. CONRAD. I am happy to yield.

Mr. REID. I say to the Senator, will you leave the chart, please?

Mr. CONRAD. Yes.

Mr. REID. It is my understanding that the \$37 billion was done in the Senate where there was full debate and recorded votes. Is it true that the \$63 billion, which was added on, was done in a secret, closed meeting, with no public able to watch what went on, no one knowing how the votes were cast, and not a single Democrat was in the room?

Mr. CONRAD. That is correct. Rarely have I seen in my time in the Senate—I have been here 17 years—rarely have I seen somebody come out with a more fabricated chart than the one presented by the Senator from Pennsylvania. It is false in its detail. It is false in its assertion. It is a complete fabrication. For him to come and say our amendments on the budget resolution were not offset is absolutely false, and the record shows it as clearly as it can be shown.

On the appropriations bills, to assert we offered \$500 billion of amendments is just false. It is not true. We authored, if you totaled them, \$37 billion of amendments. But you cannot total them. They were offered one after another. We would offer an amendment. It would be defeated. Then we would take that same money and offer a different amendment. That is the fact of the matter.

But what is most interesting is, if you did total them, we were completely outstripped by what the Republicans did when they went into the conference committee between the House and the Senate to work out the differences and they came back and increased spending \$63 billion.

Now, let's talk about who has responsibility here for the explosion of the debt, because that record is very clear. Our friends on the other side are in total control. They control the House. They control the Senate. They have since 2001. They control the White House. This is what has happened to the debt under their stewardship and under their leadership. The debt has exploded.

When President Bush took office, the publicly held debt was projected to be, in 2008, at that amount, \$36 billion. In his 2002 budget, it got raised to \$1.2 trillion. Then his tax cut passed and it went up to \$1.6 trillion. Then the President's 2003 budget came up and he expanded the debt to \$3.3 trillion. Then we got his budget for 2004 and it in-

creased the debt to \$5 trillion. Then we got the Senate GOP 2005 budget and they increase the debt to almost \$5.5 trillion.

These guys are totally in charge. The Republicans control the House. They control the Senate. They control the White House. It is on their watch that the debt has exploded. That is the fact of the matter. It is no wonder they are now trying to distort our record to give themselves cover for what they have done.

#### AMENDMENT NO. 2704

Mr. President, I am now going to lay down an amendment. I send an amendment to the desk. I might add, I have the agreement of the chairman of the committee that we will proceed with this amendment at this time. I inform the Presiding Officer, I have discussed this with the chairman. I send this amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from North Dakota [Mr. CONRAD] proposes an amendment numbered 2704.

Mr. CONRAD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To require Congress to pay for any new tax cut or mandatory spending legislation until the budget is balanced without counting the Social Security surplus, to encourage Congress to work expeditiously to ensure the long-term viability and permanent sustainability of the Social Security program for current and future generations, and to ensure that Social Security benefits are not cut to offset the costs of enacting new tax cuts or extending the President's tax cuts that benefit the wealthiest among us)

At the end of title IV, insert the following:  
**SEC. \_\_\_\_ POINT OF ORDER TO PROTECT SOCIAL SECURITY FIRST.**

(a) POINT OF ORDER IN THE SENATE.—It shall not be in order in the Senate to consider any direct spending or revenue legislation that would increase the on-budget deficit in any fiscal year until the budget is balanced without Social Security.

(b) SUPERMAJORITY WAIVER AND APPEAL.—This section may be waived or suspended in the Senate only by an affirmative vote of three-fifths of the Members, duly chosen and sworn. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

Mr. CONRAD. Mr. President, the amendment I am offering today is to protect the Social Security trust fund surpluses from additional raids. My amendment would establish a 60-vote point of order against the consideration of any direct spending or revenue legislation that would increase the on-budget deficit in any fiscal year until we have balanced the budget without counting the Social Security surpluses.

Very simply, what this amendment does is to say, no new spending, no new

tax cuts, unless they are paid for, until we secure Social Security, until we stop the raid on Social Security trust fund surpluses.

I said from the beginning that President Bush's fiscal plan would ultimately threaten Social Security. I believed it then, and I, unfortunately, believe that events have confirmed how seriously the President's fiscal plan threatens the fundamentals of our economic security.

Now we see the Chairman of the Federal Reserve, Chairman Greenspan, suggesting we are overcommitted. He has said to the Congress of the United States that he recommends we consider reducing Social Security benefits. That is where the President's overall fiscal plan leads. It fundamentally threatens not only Social Security but Medicare as well.

I want to go back to 2001 and what the President told us then. The President told us, in his budget blueprint for the 2002 budget:

None of the Social Security surplus will be used to fund other spending initiatives or tax relief.

Yet that is precisely what we see happening. Not only is the President using Social Security, he is using \$2.4 trillion of Social Security surpluses over the next 10 years. Let me be quick to say they are not surpluses. All of that money is going to be needed to pay for the retirement of the baby boom generation. The President, who pledged not to take the money and use it for other purposes, is doing precisely that. He is using every penny of the Social Security surplus over the next decade to pay for his tax cuts and other expenses of Government.

Interestingly enough, if one looks at the Social Security money that he is borrowing over this next 10 years to pay other bills and compares it to the cost of his tax cuts—both those already passed and those proposed—one finds a very close fit, a very close fit between the money he is borrowing from Social Security, with no plan to pay it back, and the cost of his tax cuts. They are almost identical.

There is \$2.4 trillion of Social Security money taken over the next 10 years—all of it financed with payroll taxes, primarily paid by middle-income people—and he is using it to provide income tax cuts that disproportionately go to the wealthiest among us.

It is very interesting to pierce the veil and to see what the President is doing and to see the full effects of his policy: \$2.4 trillion taken from Social Security—borrowed, if you will—and then used to finance income tax cuts.

If we look at who the beneficiaries are of those income tax cuts, here it is: We see overwhelmingly they are going to the wealthiest among us. The top 1 percent, those earning over \$337,000 a year, get 33 percent of the benefits of these tax cuts. Almost 69 percent of the benefits go to the top 20 percent.



Shown down here on the chart, the bottom 20 percent get virtually nothing. The second 20 percent gets 4.8 percent of the benefits. The middle 20 percent gets 10.6 percent of the benefits.

The fourth 20 percent in terms of income, those with \$73,000 or less in income, get 15.8 percent of the benefits. The top 20 percent get 69 percent of the benefits.

If we look on the recipient side, those who get Social Security benefits, that is instructive as well. What this chart shows is almost two-thirds of retirees rely on Social Security for more than half of their income. In fact, 31 percent of Social Security beneficiaries get at least 90 percent of their income from Social Security benefits; 33 percent get 50 to 89 percent of their income from Social Security; and 36 percent get less than 50 percent of their income from Social Security.

What is going on is—again, I like to use the term “pierce the veil”—the President is borrowing from the Social Security trust fund, \$2.4 trillion during this next 10 years, using it to finance income tax cuts costing \$2.5 trillion. The income tax cuts go overwhelmingly to the wealthiest among us. Thirty-three percent goes to those earning over \$337,000 a year, and it is all financed by payroll taxes paid disproportionately by middle-class people. In fact, over 70 percent of Americans pay more in payroll taxes than they pay in income taxes.

This is the greatest shift of wealth that has perhaps ever occurred in our history, from the many to the few. That is the President's plan.

Here we see the difference Social Security has made, before we had Social Security and without it. Nearly 50 percent of beneficiaries would be in poverty. That has been the extraordinary power of Social Security and Medicare. It has lifted people out of poverty. Before we had Social Security and Medicare, almost half of seniors were in poverty. Social Security has reduced that to 9 percent; 9 percent now of our seniors are in poverty. What a remarkable social program this has been, the combination of Social Security and Medicare, to lift people out of poverty.

The President says: Well, we have a big shortfall in Social Security over the next 75 years.

Indeed, we do. The 75-year shortfall in Social Security is \$3.8 trillion. That is according to the actuaries. But interestingly enough, if you look at the cost of the President's tax cuts over that same 75-year period, they are three times as much: \$12.1 trillion is the 75-year cost of the President's tax cuts.

All of this should inform what we face in the very near future. The President's massive runup of deficits and debt is occurring at the worst possible time, right before the baby boomers begin to retire. This chart shows it very well. It shows the tax cuts explode as the surpluses in the trust funds of Social Security and Medicare become deficits.

The green part of these bars is the Social Security trust fund. The blue part is the Medicare trust fund. The red is the costs of the President's tax cuts. What you can see is right now the surpluses from Social Security and Medicare are larger than the cost of the tax cuts. As I have indicated, over the next 10 years the Social Security surpluses that are being taken to finance the tax cuts are about equivalent to the cost of the tax cuts. That is over the next 10 years. But look what happens when the trust fund goes cash negative. At that very time the cost of the tax cuts explodes, driving us right over the cliff into deeper deficit and debt. This is what is so fundamentally flawed about the President's fiscal plan for this country. We see the same flaw in what has been reported out of the Budget Committee. It is seen most clearly in the President's plans because of his adherence to even more tax cuts when we are running record budget deficits. The President is proposing increasing spending and cutting revenue when we already can't pay our bills. What does that do? We can see what it does as he takes more and more of the Social Security money to finance tax cuts and other expenditures. That string starts to run out when the trust fund goes cash negative.

Unfortunately, the President has made no provision for it. His answer is: Cut the revenue more. Spend more, when you already have record deficits.

This is where it is all headed. It is not just the Congressional Budget Office and it is not just this Senator's calculations. We see these warnings coming from the Comptroller General of the United States. We see them coming from the International Monetary Fund. We see them coming from responsible budget groups warning the President has us on an unsustainable course.

Here is what is going to happen with Social Security. We are going to see a dramatic increase in the number of people who are eligible to receive it. There is going to be a doubling of those eligible for Social Security. We have about 40 million people now who are eligible for Social Security. That is going to double to more than 82 million. The President has no plan to deal with it.

Unfortunately, what he is doing is taking the Social Security surpluses. We can see the pattern on the Social Security surplus. We can see it is at very high levels now. The Social Security surplus for this year will be about \$160 billion. That continues to increase dramatically in preparation for the retirement of the baby boom generation. But instead of using this money to pay down the debt or prepay the liability, the President is taking it all to finance current tax cuts and other expenditures, putting us in a more vulnerable position.

My amendment says, let's protect Social Security first. We protect the Social Security trust funds from fur-

ther raids by preventing the consideration of new revenue or new spending that is not paid for until the budget is balanced without counting the Social Security surplus. This is enforced by a 60-vote point of order.

I want to make clear, the basic idea is if you want new spending, if you want new tax cuts, you can do it, but you either have to pay for it, or you have to get a supermajority vote. We would maintain that discipline until the raid on Social Security is stopped, until we stop the Bush administration from using Social Security funds to pay for tax cuts and other expenditures.

This is a commonsense amendment. I hope very much our colleagues will support it. It is critically important to provide the discipline on both the spending side and the tax side as we go forward.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I thank my colleague for this amendment. For the information of our colleagues, it is my expectation we will probably vote on this amendment shortly after lunch, unless others wish to speak on it. We are happy to accommodate that.

I rise in opposition to the amendment, but I want to give a little explanation about what, in my opinion, this amendment does and does not do.

First, if we did what my friend and colleague from North Dakota is saying, we would be in violation of the Budget Act.

In the Congressional Budget Act of 1974, section 301, there is a Social Security point of order that says it is against the law to bring any budget concurrent resolution to the floor of the Senate if you do anything detrimental to the so-called trust fund. I will read the point of order:

It shall not be in order in the Senate to consider any concurrent resolution on the budget or amendment or motion or conference report on the resolution that would decrease the excess Social Security revenues over Social Security outlays in any of the fiscal years covered by the concurrent resolution.

That is strong. That is the law. We comply with the law. If we did not, our entire budget would fall. I make that point.

Senator CONRAD eludes to the fact that we are raiding Social Security. I disagree with that entirely. With great respect, I will say Senator CONRAD's budget, which he wrote in 2002 that passed the committee but did not pass the Senate, did the exact same thing, for at least \$866 billion. I understand politics, and I understand the way this is being framed, but it is absolutely wrong. What do we do with a Social Security surplus? Senator CONRAD is correct, there is \$166 billion more Social Security taxes coming into the Social Security trust fund than money going out.

What do we do with the excess money? We do exactly what the law says we should do. We take that money and buy Treasury bonds that are supposedly invested in West Virginia. I say "supposedly" because all the money got into one big pot. Social Security, as well as income taxes, all goes into one big pot.

If you are an employee and look at your W-2, you have withholding for Social Security and income taxes that goes out every payroll period. All that money goes into the U.S. Treasury. Half does not go over here and half over there. All of it goes into the Treasury, and Treasury writes the checks.

With Social Security, if they determine there are less outlays than income, they take the balance and buy T bills. That is a commitment by the U.S. Treasury to pay it back with interest. That is the law of the land, and that is exactly what we do. That is exactly what we do under this resolution.

This chart shows exactly what the trust funds will be approximately, with the budget and without the budget. The trust fund is exactly the same because we take every dime of the surplus and we buy T bills with it. I might add, if our colleagues on the other side of the aisle offered a budget, it would be exactly the same or else their budget would fall.

I just make that point. I hope people do not get confused about all the raiding talk. We buy T bills with the Social Security surpluses. That is what has been done for years because that is the law of the land.

There is some discussion that if we had a surplus, maybe we should buy equities or not buy equities. You could buy major corporations, you could buy a very significant portion of the stock exchange, and so on. But we did not do that. We follow the law of the land. Instead of picking out which company or sector might benefit from a Government investment, we said, no, we are going to buy T bills.

With those T bills, we can do one of two things: spend the money or pay off debt. But that is beside the point. The trust fund is basically the same, the obligation to pay. We are not changing the law of the land. The law of the land is we have obligations to pay Social Security benefits based on formulas. We can change those formulas. We can change eligibility. We can change retirement age. We can change the cost-of-living benefits. We can take a lot of different actions. Congress can do that. We cannot do it under a budget resolution, not if it is detrimental to the health of the trust fund.

I want to make sure everybody understands we are not raiding the Social Security trust fund. The Social Security trust fund is going to be exactly the same under this resolution as before because that is the law of the land, and we abide by the law.

I also repeat, Senator CONRAD's budget and, frankly, any budget that I have

seen in my years in the Senate—and I have seen 24 of them—we did not pass Senator CONRAD's budget, but the 23 we passed all treated Social Security the same—all did.

What about this point of order he is creating? That sounds pretty good, and I think I hear him correctly when he says no new spending and no new tax cuts unless we have this supermajority. Guess what? We exempt a whole lot of spending. According to CBO, we exempt about \$1 trillion of spending under the baseline. They just assume the spending is going to continue, even though, in many cases, the authorizations expire. But the way this is drafted and the way I can tell, we more or less exempt that.

For example, the farm bill. The farm bill expires at the end of 5 or 6 years. Under this amendment, we would not say the new farm bill has to be paid for, at least that is not my interpretation of the amendment. So spending has an advantage compared to tax cuts.

Any tax cuts, because tax cuts are for a definite short term, a limited term, when they expire, they would have to be 100 percent paid for. But a lot of spending programs, over \$1 trillion worth of spending programs, would continue even though they are scheduled to expire. They are assumed to continue. Tax cuts are not assumed to continue. There is a big difference.

We also exempt appropriations. We can have big increases in appropriated accounts. Discretionary accounts—the money we spend—in some cases have been growing rather dramatically. We will exempt that. In this fiscal year, fiscal year 2004, we are going to have discretionary spending of about \$788 billion, according to the Congressional Budget Office, and we are projecting under the budget resolution \$814 billion. It may be higher. CBO scores the President's budget at \$823 billion. There is a difference between \$823 billion and \$788 billion of about \$35 billion. Under this amendment, no, you do not have to pay for that.

If we can have lots of increases in discretionary spending, that wouldn't have to be paid for. We basically exempt all the appropriated accounts, about \$1 trillion of mandatory spending that is assumed to continue. That does not have to be paid for.

What has to be paid for? What is the real target of this amendment? The real target of this amendment is if you want to continue present law in the Tax Code, you have to have 60 votes. That is what this amendment is really getting at, and it is trying to cloud the issue with Social Security.

We treat Social Security exactly the way Senator CONRAD did in his budget. We treat Social Security the same as every other budget that has been before the Senate. We treat Social Security according to the law. If we have surpluses, we buy T bills—that is an IOU—period.

The real essence of this amendment is, they would like to make sure that if

we are going to continue present law, we have to have 60 votes. That is the essence of it.

It means if there is going to be a lot of other legislation—maybe it is the prescription drug bill, maybe it would be the Energy bill, maybe it would be anything else—oh, that has to have 60 votes, too. We basically would be changing the way we do business in the Senate and say we have to have 60 votes for anything.

Some people think that should be the case anyway. I disagree. Some people go in with the idea that we are going to have a filibuster on every bill, have to have 60 votes. That is not the tradition of the Senate. That is not how the Senate historically has worked, and it should not work that way. Filibusters should be very rare and few, and it seems as if everybody wants to pull that trigger every time we turn around. I disagree with that practice, and I hope people will think about that further because it will greatly undermine the workings of the Senate.

Also, this amendment, in my opinion, would encourage spending because a lot of people around here do not like tax cuts. They would realize you could never have a tax cut if we were not in balance, minus Social Security, and, therefore, there is real tendency to increase spending with a majority vote and you have to have a supermajority to get tax cuts. So it is going to be a lot harder to get tax cuts and less harder to get more spending, and the more spending you get, the less likely a tax cut will happen.

Some of our colleagues and many people would love this bias towards spending because you can pass spending increases, discretionary spending increases, with a majority vote. They do not count and, therefore, if you spend more, it would be less likely to have tax cuts. Tax cuts would be out of order.

The more I think about this, the less I like it. I have great respect for my colleague from North Dakota, Senator CONRAD, but I think this amendment demagogues on the issue of Social Security.

Maybe it tries to inflame people about raiding Social Security. I absolutely think that is false. I told my colleague from North Dakota I look forward to having a hearing in the Budget Committee in the not too distant future on this whole concept of trust funds, what is there, what is not there, what obligations we have, what they really mean, because I think there are a lot of misconceptions about trust funds in general. I look forward to that.

I also will make a couple of comments on a few facts relating to Social Security. I know Senator CONRAD asked, is it not interesting because the Social Security surplus is just about equal, the same amount of money as the tax cuts? Well, I will show Social Security taxes and payroll taxes are just about equal—not quite equal—to

the total amount of money that we pay out in Social Security and Medicare.

So one could easily say the Social Security surpluses are used to pay Medicare. That is the point I am making.

As a matter of fact, they do not quite pay for Medicare. It so happens the Medicare beneficiaries are by and large the same beneficiaries of Social Security, and those are just some facts.

To give an example in the year 2004, actually the total benefits for Social Security and Medicare together are \$784 billion. The total amount of money coming in from payroll tax is \$753 billion. In other words, we pay out \$31 billion more than we take in on payroll taxes for Medicare and Social Security.

Somebody says: I am not aware of that. I thought we had big surpluses. We have surpluses in the Social Security trust fund theoretically because 12.4 percent of payroll tax goes in for Social Security; 2.9 percent of payroll tax goes into Medicare. I started to say it is the same payroll tax. If one looks at their W-2, it says FICA tax. A lot of people do not even know what FICA means. That is the Social Security and Medicare tax. It is 15.3 percent, which is 12.2 and 3.9. Do I have that right? I know that did not add up right—I have not given this speech in a while. It is 12.4 and 2.9, which equals 15.3, and that is what individuals pay. Self-employed individuals pay all of it. Individuals who have an employer, they pay half and the employer pays half. It adds up to 15.3 percent of payroll, up to a taxable base of \$87,900. Wow.

So my point is, if we add all the payroll taxes up, that is a lot, but it does not quite pay for all of the benefits that are going out in Social Security and Medicare. It is about \$30 billion short. Some people can say, well, those Social Security excesses are used to pay for tax cuts. I disagree with that. I think they are being used to pay for Medicare.

We subsidize Medicare. Under the budget, we pay for three-fourths of part B. That is the doctor expense. The beneficiary pays one-fourth and the Government pays three-fourths. The Government pays for it out of general revenues. My point is, this money is all going into one pot. All the money goes into one pot and comes out of one pot.

There is a balance. If there is a balance in Social Security, we credit that to the Social Security trust fund. We do it by the law. We do it the same way Senator CONRAD did when he passed his budget out of the Budget Committee.

So I hope we have a little less talk about we are stealing or raiding because that language is somewhat political or inflammatory. Again, let's stay with the facts and stick by the budget resolution. That is exactly what we do. Let's not create a bias for let's spend more, but if we are going to do more in spending, we are really not going to count that. We are not going to count incremental increases in discretionary. We are not going to count a trillion

dollars of entitlements that are assumed to be expanded forever, but if we want to extend present law on the Tax Code, oh, it has to be paid for.

Right now the child tax credit is \$1,000 per child. That is present law. Some of us want to extend that. The President of the United States wants to extend that. Some people are saying, oh, no, we think we should have to pay for that. What do they mean? They are trying to say, well, we think there should be higher taxes some place else. In other words, we want to extend entitlements.

I will make an editorial comment. I did not hear this argument raised when we were dealing with greatly expanding the Medicare bill. People said, oh, let's pay for it, let's make sure that is paid for with increased revenues or reduction in spending. No, it was not.

We have a bill that CBO estimates it will be a \$395 billion expansion over last year's bill. I think it will be more than that. The OMB said they thought it might be higher than that. They thought it might be \$500 billion and something. I would not be a bit surprised if it was higher than both estimates because we put in some very generous benefit increases. I did not hear a hue and cry about that.

Guess what. We did not terminate that law after 5 years or 10 years and say at the end of that 5 years it has been paid for. So it is going to terminate and go to zero unless other offsets or other cuts are found.

There is a real bias the way this would work that would benefit spending and be very much to the detriment of a continuation of tax increases at least, not to mention further tax reduction.

I happen to be proud of the tax reduction that we passed last year. I was very involved in it. I think that was very good tax relief. I think we have seen positive results of the tax bill that we passed last year.

Yes, we cut the tax rate on capital gains, and I think revenues are starting to come in. We cut the tax on dividends. We tax dividends higher than any other country in the world. Chairman Greenspan said we should probably have a zero individual tax on dividends. He said we should only tax dividends once. Now we tax them about one and a half times. We have a 15-percent rate on dividends.

I understand some people want that rate to go up to 35 percent, or maybe they want it to go to 39.6 percent. Maybe they want it to go higher than that. I wonder what the reaction would be for the stock market and what people's 401(k)s would do and what their investment balance would be. Because we made those tax changes last year, there is the best economic growth news we have had in decades in the last two or three quarters. It has been great, positive economic news. That is really good. We have seen the stock market grow by 40 percent from last year at this same point.

Now, some people want to increase those taxes. I do not. I want to continue them. Yet under the Senator's amendment to continue present law, there would have to be 60 votes. A lot of people realize right now 60 votes are very hard to obtain on a lot of issues.

Under Senator CONRAD's amendment, I would think there would have to be 60 votes to do anything. There would have to be 60 votes to pass an Energy bill. There would have to be 60 votes to pass an increase in child nutrition on which Senator DOLE and some others are working. There would have to be 60 votes to pass family tax relief; i.e., the marriage penalty relief that we gave for married couples who have taxable income of \$58,000, we are going to tax them at 15 percent. That is present law. Some of us want to continue that.

If we do not continue that, that means instead of paying 15 percent up to \$58,000, people start paying 25 percent around \$52,000. There is a \$900 difference. I do not want to sock it to middle-income families who earn \$58,000. Maybe it is a teacher and a spouse with taxable income of \$58,000. They are not particularly wealthy. I keep hearing about all of this benefit going to the wealthy. The tax cuts we are trying to extend are very pro-family tax cuts and, frankly, directed towards middle-income Americans. I want to be able to continue that. Senator CONRAD's amendment says there would have to be 60 votes. There would have to be 60 votes for almost anything at least for the next 10 years.

I do not think that is the road we want to go down. I urge our colleagues at the appropriate time to vote no on the amendment.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I think this is a very important debate, and I thank my colleague for the way he has joined the debate. I disagree profoundly with him. He knows that, but that is what a debate is about. I think this is absolutely one of the most critical debates that we can have because of where we are headed.

The Senator from Oklahoma put up a chart that lumps Social Security and Medicare together as though they are one program. They are not. Social Security is completely separate and apart from Medicare, as the Senator knows. The Senator says if we look at all of the payroll taxes, they do not cover Medicare and Social Security. So there is no real surplus. But that isn't the way these programs are funded. Social Security is funded with payroll taxes. If you look at Social Security, the revenue coming in is far in excess of the money going out. This year there is a \$160 billion Social Security surplus. For this next year, it will be \$172 billion. By 2009, the surplus in Social Security will be \$235 billion.

Under the President's plan, and under the chairman's plan, all of these surpluses in Social Security are going to be taken and used to pay for other

things. It is very interesting to see that the Social Security surplus being taken over the next 10 years is almost equal to the amount of the income tax cuts proposed by the President. You have what I consider a spectacle of financing income tax cuts that primarily go to the most wealthy in the country out of payroll taxes being paid predominantly by middle-income people. Then you don't have the money to keep the promise in Social Security, so you have the head of the Federal Reserve coming to Congress and saying: Whoops, you are overcommitted, you better cut Social Security benefits.

Look, I don't think it was ever anticipated when Social Security was reformed that those surpluses would be used to pay the operating expenses of the Government. You couldn't do that in the private sector. No private sector employers could take the retirement funds of their employees and use them to pay the operating expenses of the company. You could not do that in the private sector. If you did, you would be on your way to a Federal facility, but it would not be the Congress of the United States. It would not be the White House. You would be on your way to a Federal facility, all right. It would be a Federal prison, because that is a violation of Federal law, to take the retirement funds of employees and use them to pay the operating expenses of a company. That is a violation of Federal law. That is exactly what we are doing here. Let's understand what we are doing.

Mr. NICKLES. Will the Senator yield?

Mr. CONRAD. I will be happy to yield.

Mr. NICKLES. Correct me if I am wrong. What we are doing with the excess money is exactly what the law states. According to the statute, and I will show you the statute, it says you buy T-bills with it, and correct me if I'm wrong, that is exactly what we are doing with the surplus.

Mr. CONRAD. The Senator is exactly right. The problem is this. That is what is being done. How do those T-bills get redeemed? We have borrowed the money under the President's plan, all of us, instead of using it to pay down debt or to prepay the liability. The cash is gone. The cash has been used for something else, leaving an IOU behind.

How does the IOU get paid back? The President has no plan to pay it back. The only way I believe the President intends to pay it back is dramatically reduce Social Security and Medicare payments in the future. I think we have seen a forewarning of where it is headed with the head of the Federal Reserve saying to people you ought to consider cutting Social Security benefits.

The Senator said payroll taxes don't pay for Social Security and Medicare. They were never designed to pay for both. Payroll taxes were designed to pay for Social Security and those funds

are in surplus, but they are being used for another purpose. Medicare is a separate program, financed in part by payroll taxes, in part by general fund transfers. So these are not the same programs. They are not funded in the same way. The fact is payroll taxes, in both the part of Medicare they fund and in Social Security, are in surplus, and the surpluses, the funds, are being taken and used to pay the operating expenses of the Federal Government. I think that is a serious mistake.

What is the alternative? I think the alternative is to use the money to either pay down debt or prepay the liability. That is what most people would do in their private lives, getting ready for retirement, and that is what we should have done to prepare for the retirement of the baby boom generation.

The Senator says all the money goes in one pot, and that is exactly right. That is how it works. All the revenues coming in go in one pot. All the expenditures come out of that pot. The problem with that is all these revenues are not the same. Some of them are supposedly for a trust fund for Social Security and Medicare. Those moneys are designed to be in surplus now in preparation for the retirement of the baby boom generation, but they are not being used in a way that will prepare for the retirement of the baby boom generation.

The Senator talked about budgets I have offered, and that they are exactly the same as what is being done here. No, I say respectfully, no, they are not. In 2002 I proposed a budget that had \$473 billion less in deficit. Why? Because I wanted to use that money to prepare for the retirement of the baby boom generation. In 2003, my budget had \$523 billion less in deficit and added debt. In 2004, my budget proposal had \$1.2 trillion less in deficit and debt for the budget period.

The reason was, I wanted to use that money to either pay down debt or prepay the liability we all know is coming.

Mr. NICKLES. Will the Senator yield?

Mr. CONRAD. I would prefer not to yield for the moment. I would like to complete a thought and then I will be happy to yield.

My own belief is that would have been a much better strategy for the country than to run up the credit card. Obviously, once this hole has been dug so deep, any budget one writes for a time will use Social Security money. There is no other way to write one anymore. This hole has been dug so deep, the Senator is correct when he says budgets I offered last year would have used Social Security funds for a time. Absolutely. There is no way to write a budget anymore that does not.

The trick is to get on a glidepath to stop it. We did that successfully in the late 1990s. I was very proud to have been part of the 1993 effort and the 1997 effort. Those two budget plans put us

on a course to stop using Social Security money for other purposes, and for 2 years we stopped what I considered to be a raid on Social Security. We stopped it.

The President pledged to continue that policy, not to use Social Security revenues for other purposes. Why did he make that pledge if he didn't think it was important? Why did he make that pledge if he didn't think it was important?

He thought it was important. I think the vast majority of Members in this body pledged to protect Social Security funds. But it is not being done.

On the question of this amendment, whether there is a bias towards spending or tax cuts, I would say there is no intention to have any bias here. When we have put in place budget disciplines, I say to my friend, the chairman of the committee, we have always targeted mandatory spending with respect to pay-go provisions and revenue. That is how we have done it in the past—mandatory spending and revenues. That is what this amendment does.

We have used spending caps to discipline discretionary spending. I support both. I think we need both disciplines. Mandatory spending is now two-thirds of Federal spending. We just saw the biggest increase in mandatory spending ever last year, a program that now they tell us will cost \$530 billion over the next 10 years. I think it would have been very healthy to have in place the budget discipline my amendment contemplates. My amendment says no new mandatory spending—and that is two-thirds of Federal spending—and no new tax cuts, unless they are paid for, until we stop using Social Security money, Social Security surpluses to pay other bills of Government, to pay for tax cuts, to pay for other expenditures of Government. I think that would be the right policy to put in place.

The Senator says, Then you would require 60 votes for all these kinds of spending initiatives. Absolutely, I would. I would put in place a requirement for at least a supermajority vote, at least 60 votes for new spending. I would put in place a supermajority requirement for additional tax cuts. And, I say to my colleague, I would be part of the 60 on the middle-class tax cuts. I have stated publicly I am for extending the 10-percent bracket. I am for extending marriage penalty relief. I am for extending the child care credits. I would even vote to extend the expensing for small business. Sign me up. I will work to get the 60 votes. But I think it ought to be paid for. I think any new spending ought to be paid for, until we stop taking the Social Security funds and using them to pay other bills, to pay for the tax cuts, and to pay for other expenditures of Government.

I think at this time with the baby boom generation about to retire we ought to be taking those Social Security surpluses that are being generated

now that we all know are going to be needed when the baby boomers retire and we ought to use that money in one of two ways: We either ought to pay down the debt with it to better prepare ourselves for what we all know is to come, or we ought to prepay the liability.

That is what I urged my colleagues to do back in 2001 when we had these supposedly huge surpluses. I urged that we use a third of that money to either pay down the debt more or to prepay the liability that we all know is coming. I think that would be a far wiser course than the one we are embarked on now.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. NICKLES. Mr. President, I am reminded of the movie "Show Me The Money."

I say to our friends on the Democrat side, show me this budget because this budget would do exactly the same thing. Senator CONRAD's budget that was written in 2002, which passed the committee and did not pass the floor, used \$866.3 billion of the Social Security surplus under his budget. If I wanted to—I am not going to do that because I don't believe in that—I could say you were raiding Social Security and using that spending on other programs. I am not going to do that because I don't think that is correct.

I think what he did was the same thing every other budget did whenever there has been a Social Security surplus, and that is buy securities. I will quote the law. That is the law of the land. If we are breaking the law, let people know. People say you are taking that money and spending it on other things. We are investing that money in T bills. I make the argument that it is an entry and say this is how much the trust fund is, but it is exactly the same under this budget as it would be under Senator CONRAD's budget. If I had an alternative or any other budget that anybody else would offer, it would be exactly the same. You are bound by law to purchase T bills, which are basically Government IOUs saying we will pay this amount of money with those T bills.

The Government receives money. What do they do with it? They use it to either spend money or pay down the debt. By and large, over the last many years, it has been used for other things. The Government has that money. The Government has to buy the T bills. We have a T bill. We take that cash and buy a T bill with a promise for a future obligation. That obligation is paramount. It has always been made by the Federal Government.

That doesn't mean Social Security doesn't have problems in the long term. Demographically there are fewer people writing the checks than people who will be receiving them. People who will be receiving the checks are living longer. We have some demographic problems that need to be addressed.

Incidentally, it is a lot worse in Medicare than it is in Social Security. We need to be talking about it. I am happy to discuss long-term challenges that we have, whether it be Medicare or Social Security.

The Medicare challenge is about five times greater than Social Security. I think some people think they can score political points with Social Security and are maybe trying to scare senior citizens. This is happening. They forget to say they did the same thing. We have always done the same thing but we think maybe we can score some political points. I urge our colleagues not to go down that road.

There is a bias. There is definitely a bias in this amendment towards spending. We don't count discretionary spending. You can increase discretionary spending under this resolution by \$100 million per year. You don't have to pay for that. There is a trillion dollars' worth of spending that the Congressional Budget Office has on mandatory programs that expire. Those won't be included. They can expire but we will just assume they continue. You don't have to pay for those. But if a tax cut expires, you have to pay for that. But you don't have to on mandatory programs. I find that argument very inconsistent.

For all the above reasons, I urge our colleagues to vote no on the Conrad amendment.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, this is a very important debate. I know it is probably hard for people at home to follow.

The Senator says we are treating the money exactly the same way, and that we are following the law. To a point, he is exactly right. When the money comes in, the Social Security payroll tax revenue comes in, and the money is used, as he described, to buy what are special issue Treasury bonds with the full faith and credit of the United States.

The Senator made reference to West Virginia. That is where those bonds are in a vault calling on the Federal Government to pay back Social Security for the money that has been borrowed. The difference is, What is used with the receipts? What is used with the actual cash?

I believe the right course would be to use that cash to either pay down the Federal debt or to prepay the liability that we all know is coming in Social Security.

The budget I proposed in 2001 for 2002 did precisely that. Instead of having as big of a tax cut, I had half as big a tax cut and used the rest of that money to pay down the debt or prepay the liability.

There is a fundamental difference here about how to use the cash receipts that are the overage from the money coming in from Social Security payroll taxes that are over and above what is

needed to pay the immediate benefit. The Senator says we are following the law. Yes. We are following the law. But it is also true that we are taking the money, and instead of using it to pay down the debt or prepay the liability, we are using it to pay for other tax cuts and to pay other Government expenses.

I believe that is a profound mistake. The only way we get back to some policy that stops that practice is to discipline both the spending side of the equation and the revenue side of the equation to require a 60-vote point of order against new tax cuts or new spending that is not paid for.

I think it would be a tremendous advance for this Congress to say, Let's secure Social Security first. That is the first thing we ought to protect. The way to do it is to provide additional discipline on the spending side of the equation and the revenue side of the equation, to say if it is not paid for, it has to require a 60-vote hurdle, a supermajority vote, for new taxes and for new spending that is not paid for.

I note the Senator from New Jersey is seeking time. How much time does the Senator desire?

Mr. LAUTENBERG. I would like about 20 minutes, if I may.

Mr. CONRAD. Let me yield 20 minutes off the resolution to the Senator from New Jersey.

The PRESIDING OFFICER. The Senator from New Jersey is recognized.

Mr. LAUTENBERG. Mr. President, I have listened to this debate with interest. Frankly, if this were a theater, which it often is, I would still be looking for the direction that this play is going to take.

When we look at the budget resolution before us, I think what we are seeing is downright deception. I think it is fair to say that those who look at this budget resolution with favor and try to make the case for it are doing it, but I think it has a hollow ring to it.

There are a number of games being played, as our friends on the other side present their picture of this new budget. By way of example, there is 1 year of relief from the AMT, the alternative minimum tax, included in their calculation. This AMT will cost something over \$650 billion to fix for a 10-year-period.

There is only \$23 billion included for this year. There is only 1 year of funding for continued military operations in the war against terrorism.

All Members know we speculate about where we will be going with our needs in Iraq. It hardly seems reasonable to put out a \$30 billion figure that represents a single year when over a 10-year-period it is believed it will cost \$280 billion.

The question is, What kind of accounting are we seeing in this budgeting? Is the Bush administration following the practices we are seeing in the corporate world? The practices getting so much criticism, the audit reports on Enron and Tyco and

WorldCom, are we following their example? Or perhaps they learned their accounting from the actions of our Government, which is making promises that are so outrageous they will never be kept—cannot be met? If we had a stock issued, I would say they were trying to push the stock price; perhaps they are, but it is called electioneering.

It cannot be done. The people on their way to prosecution, the leadership in Tyco, Enron, or WorldCom, who are now being punished for their deception, have learned you can say all you want but when it comes time to evaluating, it has to be in practical terms.

What happened? I served as the ranking member of the Budget Committee during the period we moved from deficits to surpluses. I and so many others were proud of our accomplishments. That is why it is so disturbing for me to see all of our hard work undone. I tip my hat to our colleague from North Dakota who is now the ranking member of the Budget Committee for his hard work. It is never an easy assignment. It is fair to say that we feel compelled on our side to tell it like it is. What is going on is shameful.

Consideration of this budget resolution also provides a much needed opportunity to review the economic record of this administration. Unfortunately, the report card does not show a passing grade. We see it in the confidence that is lost by the public across this country. Why has the confidence been lost? Because over 2 million jobs have been lost and people feel that.

Last Thursday or Friday we had a hearing at the Democratic Policy Committee where we had unemployed workers talk about what life is like after losing a job. They talked about a small company in Michigan where some 2,700 people were employed in a town of about 9,000. The company, Electrolux, is packing their bags and going to Mexico.

The man who worked there for 23 years described the personal impact it had on him. He said: I have a daughter in college. I have two kids following. I had health care taken care of. I paid my mortgage. I did everything I could for my family, held my head high, walked with dignity. Now my life has retreated into a shameful morass. He could barely talk at one point because he was choking with tears.

He asked: What has happened? He said if a cyclone hit, the damage would not be any less than closing this factory. Everything, the infrastructure, the storekeepers, the gasoline station, everyone is going to feel this impact.

That does not affect what is happening in this administration. President Bush will be the first President to preside over a net job loss since Herbert Hoover was in office during the Depression. Fortunately, or unfortunately, I am one of those people who lived through Herbert Hoover's presidency. You have to live a long time because Herbert Hoover was President at

the end of the 1920s. He brought panic and havoc to our society, our country.

It is astonishing, but there are fewer people at work today than when George W. Bush was sworn in. Yet the country has grown substantially; the population has increased.

To make matters worse, President Bush was given a 10-year surplus estimate of \$5.6 trillion. Now CBO is projecting—and we do not hear anyone challenging it—CBO is projecting a \$3.5 trillion Bush deficit for the same period. That is a reversal of fortune of almost \$9 trillion. That change in direction is so gigantic, it cannot be happenstance. It cannot be attributed to carelessness. It can only be due to recklessness or by plan.

The plan is a grand scheme to shift the size of Government—this has been pledged by this administration—and the functioning of our Government while effecting a transfer of wealth hardly seen in contemporary times, in a way often seen in the days of monarchies or revolution, the transfer of wealth from the middle class and the poor to the wealthy.

I saw a statistic the other day in the newspaper that said in 1977, the top 1 percent of the wage earners of this country earned as much as the 49 percent at the lower end of the wage scale. In reverse terms, if you took accumulated earnings of 49 percent of our people and put it in a pot, it would have to be a giant pot, it would equal the 1 percent of the people on the top end, people who had all of the means they needed. Worse, after 22 years, in 1999, that ratio shifted to 1 percent earning what 55 percent of the people earn; 55 percent all lumping their wages all together equals what 1 percent of our population is earning.

Substantial reductions in programs will directly affect people's incomes. If they cannot afford to get the babysitters, if they cannot afford to educate their children, if they cannot afford to take care of their wellness, if they cannot afford to see their health care needs are taken care of, that is a cut in income. It is deliberate. Otherwise, we would not have had a debate on whether overtime ought to be stripped away from people who work hard and who depend on overtime as part of their ordinary compensation. But, no, we lost that debate here because the Republicans in the House did not want to go along with it.

When we look at the budget, we cannot look at this budget out of the context of where we are as a society. Jobs are necessary. It is important we stop outsourcing our opportunity to create more jobs and more income. It is not a happy picture.

Republican irresponsibility with regard to the Federal budget is threatening the long-term solvency of Social Security and Medicare, right as the first cohort of baby boomers gets close to retirement age.

Everybody knows if your expenses are higher than your income, there is

only one way to meet your obligations, and that is, to borrow it. That is what we have done. What we are saying to people across the country is: Don't watch your spending. Just go ahead and borrow it. Does that sound like good advice to kids who are growing up and learning? I do not think so. Borrow it. Borrow it from Social Security. Borrow it from Medicare. That is what you do.

The fact that it could totally obliterate the ability of these programs to carry on in future years does not seem to strike home, not as long as we can give tax cuts to "fat cats." I speak as someone who has had the good fortune of having been in business and having had a success. I am going to get a tax break, I am told, of substantial proportion.

I do not want to be a showoff. I do not want that tax cut because that is hardly a legacy that means anything to my children. I have 10 grandchildren, the oldest of whom is 10. So their lives are way out in front of them. What would I want to do, more than anything, for those grandchildren of mine? It is to have a country that is stable, that is harmonious, where people are getting along, where everybody has a chance, where jobs are available, where when they get to retirement age they know Social Security will be there for them, where they know their health care and their children's health care can be taken care of. That, to me, is the legacy I would best and all of us would best leave our children.

For me to take a tax cut, for others here who have been financially successful to take a tax cut, while the country is bleeding financially, while we steal it from Social Security and Medicare and other programs, while only half the 1.6 million kids who are eligible for Head Start are enrolled—I took a minute today to learn a little more about Head Start.

Head Start is for little kids who do not have the chance to understand what learning is about, maybe because they come from poverty-stricken homes, or perhaps they have a single parent, or maybe there is not even a parent in the house, maybe they live with grandparents. It is a program that teaches them there is more ahead in life than they see in their own homes. It teaches them it is good to learn. It teaches them when they get to school—and these are kids who are 3, 4, 5 years old—learning is a good objective. It teaches them something else, that there is a place where they can get some nutrition, get a meal or two, while they are in the care of those who are running the Head Start Program.

It also says something else to them: If you feel sick, you can see a nurse or a doctor. But even as you grow, what else can happen is you can get care for your wellness. We can see things that might attack you physically, diseases that are threatening. You can get injections or inoculations, and you can get a medication that will help the child grow and develop.

Mr. President, hundreds of thousands of those kids are going to lose their programs because "fat cats," people who earn, on average, \$1,000,000 a year, or the top asset holders in this country of ours, will get a \$100,000 tax cut. And it does not mean anything. When you are worth \$10 million, \$100,000 is not a difference in your life. So to do that and take away care for hundreds of thousands of children in Head Start is outrageous.

We have other silly things going on. We decided in the budget we would get rid of 2,000 meat inspectors, when we have mad cow running around and chickens dying of disease. Yes, cut down on the number of people who are doing meat inspections. Take 25,000 cops off the street who are now in the COPS Program.

I was in communities in New Jersey talking about what it means for a community with a small police department to lose two, three, five, six cops who are there on the Federal program, to lose them and their law enforcement efforts as we try to fight crime and be on the alert for terrorism.

It says over 20,000 veterans, as a result of that tax cut for that "fat cat"—it almost has a rhyme, but there is no reason to it—it means 20,000-plus veterans will lose their health care.

I had the good fortune to serve in the Army in World War II a long time ago in the European theater, and I know this: The people who count the most on the Government's promises are those who serve us so gallantly in the military.

We had a visit the other night to Walter Reed Hospital and talked to people who have been severely wounded, some with the loss of a limb, or even the loss of two limbs. One young man I spoke to was 23 years old. What is the prospect for his life? He will get a prosthesis that will help him get along, but we have to make sure the Medicare we give him is the best we can possibly do. But in this budget, there are cuts in VA health programs.

The administration will not take responsibility for the problems I have just outlined. They do not even acknowledge these problems exist. The Republican solution is to hide the direction and the cuts in vital programs and hope no one is going to notice or deceive people with sleight-of-hand tricks, like starting a purportedly good—

The PRESIDING OFFICER. The Senator's time has expired.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent, can I have 10 more minutes?

Mr. CONRAD. Mr. President, I give 10 more minutes off the resolution to the Senator from New Jersey.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. I thank my colleague from North Dakota.

We take a program such as the Medicare program that belted its way through this House, that made empty

promises to people—but they are going to pay more. Everybody knows it. It is going to cost more, and they are going to get less.

There is a battle about whether the administration can send out circulars that purport to describe the benefits of this health care program. It is an election campaign distribution. We understand 36 million copies of a pretty circular, showing someone healthy and praising Medicare, are going out across the country. But they do not start the program until 2006. Why is 2006 a magic number? Because in 2004, as we all know, there is a big-time election, and we do not want to have an election after the new Medicare program has started because when people see it in action, they are going to be angry, they are going to be sore. They will not want to vote for anybody who is responsible for that program being put in place.

We keep hearing that jobs are coming back. But the cold, hard facts contradict this claim. The President trumpets the fact that 364,000 jobs have been created since August. He says it is great news. But the economy would have had to create over 1 million jobs just to keep pace with new entrants into the labor force.

The President says this trickle of new jobs, which includes just 21,000 in February—by the way, 20,000 of those are Government jobs—is proof that his tax cuts are working. They are not working. In May of 2003, the President's Council of Economic Advisers, the CEA, said the economy would create more than 2 million jobs in the first 7 months after the tax cut was enacted. We happen to be short, just missed a little. We are only 1.7 million jobs short. The tax cuts are not creating jobs. They are creating record budget deficits.

What is the solution? Some of my Republican colleagues wish to recreate reality. They now say we have been using the wrong employment statistics. They want to use the so-called household survey, not the payroll survey, which most economists, including Alan Greenspan, agree is the proper measure. He said:

Everything we've looked at suggests that it's the payroll data . . . which you have to follow.

As our friend and former colleague, Pat Moynihan, used to say: Everybody is entitled to their own opinions, but not entitled to their own facts.

We all would be better off if this administration and its allies in Congress would stop playing games to make the employment situation seem better than it really is. The bottom line is, 8 million Americans want to work but can't find a job.

Another example of the Republicans' utter inability to look at the facts squarely: Budget deficits. Putting President Bush and fiscal responsibility into the same sentence, frankly, is a challenge. President Bush has broken his father's dubious record by

racking up the biggest deficits in our country's history.

Initially he told us in 2001:

We can proceed with tax relief without fear of budget deficits.

What a statement that is. Then he said in 2002:

Our budget will run a deficit that will be small and short-term.

Now the President boldly says: Well, we will halve the budget deficit in the next 5 years.

There are not a lot of believers about to support that.

In 2003, he had the audacity to say:

We will not pass our problems on to future generations.

Boy, if that was coming from a company with listed stock, I wouldn't buy that stock, I will tell you. If we were depending on those kinds of statements to make our way, we would be sitting with Martha Stewart someplace, suffering the same consequence. Not a single forecaster sees a surplus anywhere in our future. In fact, as baby boomers begin to retire, the Bush budget deficit is set to skyrocket to 10 percent of gross domestic product and more over the next few decades. This deficit is huge by any standard, and it is growing by more than \$2 billion each and every day, which explains why our outstanding public debt has soared above \$7 trillion for the first time in our Nation's history.

Some are saying deficits are due to the war on terror. The only problem with that argument is we could eliminate the entire Defense Department and the entire Homeland Security Department and we still wouldn't get rid of the deficit. Other Republicans are saying the deficit is due to rising discretionary spending. That is wrong. Even if we eliminated every penny of domestic discretionary spending—that is virtually the entire Government—we still would not get rid of the budget deficit.

For the most part, the deficits have been caused by massive tax breaks skewed to the wealthiest Americans, pure and simple.

The most cynical tactic this administration has used is their repeated attempt to blame the economic mess they have created on the previous administration. Again and again and again, we hear them say: President Bush inherited the recession. They say this knowing full well the recession began in March of 2001. That is according to the nonpartisan National Bureau of Economic Research, the official arbiter of when recessions begin and end. As the saying goes: Facts are stubborn things.

The Republicans also argue that 9/11 caused the recession. Of course, claiming that the recession began under President Clinton and that 9/11 caused it are mutually contradictory and flat out wrong. These are some of the strategies of the present President, administration officials, and Republicans in



Congress to mislead the American people, to disguise the facts, to distort reality, to pretend they are not responsible for the worst economy in years.

The American people are smarter than to believe the administration's propaganda machine. They know they can't find jobs. They know deficits will hurt the economy. They know their Social Security is in jeopardy.

Here is some truth: America simply cannot afford these ruinous economic and fiscal policies any longer. We need a drastic change of course, and we need it soon. This budget resolution would be a good place to start.

I urge adoption of the amendment offered by my friend from North Dakota. I think we ought to have a 60-vote requirement for any more deficit-increasing tax cuts that are to be made.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I heard part of my colleague's speech, but I will just say that budget resolutions are not easy. When I see people holding up charts that have a picture of President Bush and another one of Herbert Hoover and saying job loss and so on, that is politics.

Enough with politics. Let's do our Nation's business. Let's pass a budget. Some people seem to think this is a political free-for-all. We are going to have an election in November. We have plenty of time to do politics. We have conventions in July, August, and September. That is time enough. This is March. To be having a picture of the President of the United States, and comparing him to Herbert Hoover, I find offensive. I find it so political, it is debasing to the Senate. I guess people have a right to do that, but enough is enough.

Let's stay with the business at hand instead of trying to score political points. I urge our colleagues to do that. I have never been a fan of charts, but my good friend, Senator CONRAD, manufactures them on a daily basis. I compliment him for it. But to have pictures and to use those kinds of things denigrates our President. In my opinion, I am not sure it elevates the caliber of debate that we should have before the Senate.

Mr. SESSIONS. Will the Senator yield for a question?

Mr. NICKLES. I am happy to yield to my colleague from Alabama.

Mr. SESSIONS. I know Senator NICKLES talked about the economy and who is responsible. We can all debate how much the President actually has influence over it. I don't know. But when President Roosevelt took office, there was a high unemployment rate. I think it was 20 percent, or maybe it even increased under his administration initially. He inherited an economy that was in trouble. Is it not a fact that when President Bush took office, contrary to the myth that is out there, that the third quarter of his last year in office was negative growth, and that

the first quarter that President Bush inherited, before he had any time to do anything, was negative growth, and that President Bush actually inherited an economy that was in trouble?

That is a big part of some of the difficulties we have had today.

Mr. NICKLES. To respond to my colleague's question, maybe it is an interesting analogy between President Bush and President Hoover. President Hoover was present when the market collapsed on that fateful day in October in 1929.

President Clinton was President when the market collapsed in March of 2000. NASDAQ took a dive. The stock market took a dive and continued to dive throughout 2000.

I do not want to play that game, but I am offended when I see pictures and hear those kinds of aspersions. I do not think it helps the debate.

I agree with my colleague, that market crash was foretelling that we had very significant problems coming, and it resulted in a lot of lost revenue to the Government that no one projected, whether it be the White House or anybody else.

I appreciate my colleague. I want to elevate the caliber of the debate and not be quite so political and quite so partisan so early.

Mr. LAUTENBERG. Will the Senator from Oklahoma yield for a question?

Mr. NICKLES. I will be happy to yield.

Mr. LAUTENBERG. Is the Senator aware of the fact that when President Roosevelt took over, we had a 22-percent unemployment problem in 1933? He succeeded in bringing unemployment down through Government programs, through all kinds of programs. But the fact is, he wanted to get people back to work.

I happen to remember my father was one of those people who had to resort shamefully to a Government program. He was embarrassed by it, but he had to feed his family. That was more important. The fact is, I believe, the Senator would agree, that while the portrayal may not be to the Senator's liking, this is the administration that has lost more jobs since the term of Herbert Hoover. Does the Senator dispute that point?

Mr. NICKLES. I respond to my colleague, I am offended by the political partisan nonsense that is coming up with that picture and the tone of the debate. Let's have a good debate. But to cast aspersions—I am offended.

I am telling my colleague that I do not think we have to go to that level of partisanship. It is March. Why don't we do our Nation's business and play politics in September, October, and November?

The PRESIDING OFFICER. Who yields time? The Senator from Montana.

Mr. BURNS. I thank the Chair.

Mr. President, this is my first time on the floor speaking on this particular subject. I wish to thank the ranking

member, Senator CONRAD, from North Dakota.

I agree with my chairman that we should be here solving problems instead of throwing salt on old wounds because we have a great challenge ahead of us. There comes a time when we talk about all kinds of interests, but the national interest is more important right now than at any time in our history.

We do have serious problems and challenges. I think every Senator in this body has the capability and the will to solve some of those problems so we can go home and we can couch the argument any way we want on the political stump. I think we better add something to the debate.

Last year was my first year on the Budget Committee. Of course, this is my second budget. I compliment the leadership of the committee on both sides of the aisle because in committee we talked about some very contentious issues, different ideas on how we approach the budget and how it affects everyday life in the United States of America, knowing there are circumstances that none of us had any control over and probably will have a limited amount of effect on our country unless the American people understand the circumstances in which we find ourselves.

One has to remember the budget is a result of three different entities coming together and producing a document that reflects some of their priorities, some of their do-nots and some of their do-dos, and that is working with the White House and this President and also working with the Senate and the House and both sides of the aisle. That is what this product will reflect.

There are provisions in this resolution that probably do not find favor with everybody, and there are some provisions in this resolution that we do favor. Nonetheless, it will be a product of working with each other on this floor and also with the House of Representatives and with this President that will produce this document, a budget resolution.

Nobody likes deficit spending. We went through that once before. Some of it was self-inflicted. This one was not self-inflicted, as far as our Government is concerned. It was a result of some circumstances that happened to this country at a very inopportune time. No one could have predicted 9/11. Nobody could have predicted what that would cost or what that circumstance taught us.

It taught us one thing: that our economy is very fragile. Catastrophic events tend to shatter all other beliefs about what we do here as far as our economy is concerned.

It also taught us that our freedoms are very fragile; that in times of stress and national emergency, some things are done by Government and by people to cope with the stress of the time.

Mr. President, 9/11 probably had more to do with putting us in this pickle

than anything around because of the normal reaction of Government and Americans to that event.

What we have to look at most is that this budget reflects much of the President's proposals, but because of caps that were put in place a year ago, we are looking at some tough choices.

This budget takes steps to reduce Federal deficit spending; in other words, slow it down, much slower than first thought when we started into the process or what you have read in the newspapers or heard on television. We just have to slow it down. It is kind of like the fellow who one day got up and said: My day started off bad, and then it just tapered off.

Sometimes in the budget process—and my good friend from North Dakota has been in this process much longer than I and knows much more about it, the technical parts of it anyway, but nonetheless there are some days you get nothing for your labor.

The resolution cuts the deficit from an estimated, some people say over \$500 billion. We had a figure of around \$477 billion going into the process. Now looking at the figure, it will be around \$477 billion this year, but we are going to get it down much lower than that by the year 2005.

The resolution prevents tax increases that would go into effect if Congress does not act. Those taxes and those tax cuts were very important to this country. How much deficit would we have had we not had them to spur this economy and see the growth not only in the New York Stock Exchange but NASDAQ.

We have seen growth in agriculture. Agricultural products are doing very well now in most sectors. As I go across my State of Montana, we can talk about marriage penalty relief, we can talk about child tax credits, but I will tell you what has helped my State more than anything else, especially my agricultural producers and my small businesspeople—and Montana is made up of small business; small business provides the vast majority of jobs in my State—was accelerated depreciation because there have been capital expenditures to revamp or redo the way they do business and how they do business. Accelerated depreciation was the shot we needed in the State of Montana.

By the way, those recommendations came out of the Small Business Committee of which Senator KIT BOND of Missouri is the chairman. You look for those opportunities when we start talking about small business or business in general.

The economy is growing at a steady pace, and I believe this budget will be reflective of that growth and show the importance to the American people to expand jobs.

If we take a look at the GDP and our national debt and our deficit spending, right now it is something we can handle, but we cannot allow it to continue. So we moved in that direction. I think

the resolution will provide important assistance not only to Government through strong fiscal responsibility but also the American people through improved jobs and job environment, and private growth and opportunity.

If we look at the household surveys on unemployment, we are going to find a lot of folks are working out of their homes. We see small businesses perking up everywhere, primarily because of the tax situation. This is a good time to move in and maybe retire from a job and start one's own business.

So we have asked the American people to sacrifice because we are facing an enemy we have never had to face before. We have never had to take on terrorism as have other countries that have been putting up with it for a long time. As a result, we have said to the American people that some sacrifice is needed, and I think the American people have responded to that because we know we have a different kind of enemy that wants to take away our freedoms, not only the economic freedoms we enjoy but also our political freedoms.

They do it by fear. That is the worst kind of enemy, that operates in the shadows and complete surprise. They have no regard for age or who one is, combatants or noncombatants. In other words, they are completely indiscriminate as far as their targets are concerned. That spreads fear among people, and fear rules us.

I made the remark the other day to some visitors in Washington, DC, that I can remember when I first came to Washington, it was a very beautiful place. Right now we are moving into a season where Washington really is very pretty, but we are ugly today because of jersey barriers, security and construction. We are not a very nice place because of what we have to go through in order for this Government and its representatives to operate. So the sacrifices that are made not only here but in the whole country are difficult. We have asked America to sacrifice in these times, and they have responded.

Our young men and women who are still in the field face an unusual type of enemy. They are facing it with great professionalism and great courage. I think we ought to demonstrate the same kind of courage on this floor, to do what we have to do in order to balance this budget, in order to present a budget we can live with so the economy continues to grow and we can grow out of this situation.

I yield the floor, and 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. 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 will make the point once again as to the

great concern I have about both the President's budget and the budget that has come out of the Budget Committee, and that is it adds dramatically to the national debt right before the baby boom generation starts to retire. I look at the President's budget, and in the 5 years that he has proposed, he will add \$3 trillion to the national debt. When I look at the budget proposal from the Budget Committee, it adds almost as much, \$2.86 trillion to the national debt over that same 5 years.

I hear the other side saying we are cutting the deficit in half. Well, maybe they are cutting the deficit in half but the increases in the debt are not being reduced hardly at all. If we look at this chart, in 2004 the debt subject to limit, that is the gross debt of the United States, is \$7.4 trillion.

Under this budget, they will add over \$600 billion to the debt. The next year, they will add nearly \$600 billion to the debt, \$569 billion. The next year, they will add \$552 billion to the debt. The next year, they will add \$563 billion to the debt. And out here, in 2008, between 2008 and 2009, they will add another \$563 billion to the debt.

How can it be that these two statements are both right? How can it be they say they are going to reduce the deficit, they are going to cut it in half, and on the other hand the increases in the debt are hardly being reduced at all? The biggest reason is the Social Security trust funds that are being taken. Over this 5-year period, hundreds and hundreds of billions of dollars of Social Security trust fund money is being borrowed and is being used to pay for tax cuts and other things. It is, in effect, hiding from us our true fiscal condition.

The hard reality is the increases to the debt are not being reduced by this budget proposal. In fact, the debt is being run up and, as I have said many times, that is at the worst possible time, right before the baby boomers retire. That is why I think the amendment I put before our colleagues is so important, because it adds discipline. It says: Look, we can't do new mandatory spending—and that is two-thirds of Federal spending—and we can't do new tax cuts that are not paid for, without a 60-vote supermajority, until we stop taking the Social Security fund and using it to pay for the operating expenses of the Federal Government.

This reminds me so much of what has happened in the corporate sector when these various companies—Enron most notably, WorldCom the same way—understated how far underwater they really were. They were basically hiding their debt from the shareholders, hiding the debt from investors, hiding the debt maybe even from themselves. I see some of that same pattern occurring here.

The Senator from North Dakota is here. How much time does the Senator require?

Mr. DORGAN. I would like 15 or 20 minutes.

Mr. CONRAD. I yield 20 minutes to the Senator from North Dakota, off the resolution.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, first let me compliment my colleague, Senator CONRAD, for the work he has done. Let me also pay tribute to my colleague from Oklahoma, Senator NICKLES. While we might disagree on a good many issues, Senator NICKLES has been someone who has contributed substantially to this Chamber through his service in the Senate. I note he is leaving the Senate at the end of this year and I want to pay my compliments to Senator NICKLES.

There is a tendency in this Chamber, I think, for us to treat the serious too lightly and the light too seriously. It is very hard to overestimate the importance of this fiscal policy that is completely off track, completely out of sync with reality. We have until recently had a fiscal policy that said: Here is what we will do. We will increase defense spending a great deal, we will increase spending on homeland security a substantial amount, we will cut taxes, cut taxes, cut taxes again, and then we will hope the economy grows enough to cover all of that.

The fact is the economy has not grown to cover all of that and we now have sunk into the largest Federal budget deficits in the history of our country. But some don't want to admit that we are there. They want to ignore it and continue to say this is not a problem, we will just grow out of this.

We have a responsibility now to address these issues. It is irresponsible for us to say, let's just do it all and let the kids worry about this, or let the grandkids worry about it.

We are technically capable of doing so many things. Today, on Tuesday, we have two little vehicles—made in this country—scrounging around the surface of Mars, controlled by some controllers in NASA, and we are picking up rocks and analyzing rocks on the surface of Mars. What a remarkable thing. By the way, I might say just from the pictures I have seen from Mars it looks like a place about 5 miles south of my hometown. But we spent a lot of money to get to Mars, I want them to do well with these experiments, and I think they are wonderful. I think it is quite remarkable, the technology we have to put vehicles on Mars.

Why is it we are technically capable of doing these breathtaking things and then we seem so unable to come to the floor of the Senate and at least admit that there is a giant problem in fiscal policy? We are far off track. Just 3 years ago, we had very large surpluses and Alan Greenspan couldn't even sleep at night because he was worried these surpluses would be too big. He didn't know what we could do with them. Three years later, of course, we now find the largest deficits in the history of this country stretching out as far as

the eye can see, stretching out every single year for the next decade.

The budget brought to the floor of the Senate by the majority party says the following: We will take the Federal debt to \$10.2 trillion by the year 2009. Let's see if we can ratchet this debt up to \$10.2 trillion. It says let's have a deficit this year of \$512 billion. Let's have a deficit next year of \$445 billion; the year after, let's have a Federal budget deficit of \$431 billion; the year following that, let's have a Federal budget deficit of \$441 billion; and the year following that, the fifth year, the last year for this budget resolution, let's have a budget deficit of \$439 billion. This is not a budget that tackles problems. This retreats from the problems and from the challenge.

There is a circumstance that has occurred in this country that should require all of us to be more serious about this: We ran into a recession. It began in the spring of 2001. Precisely, it began in March 2001. Following that recession we were the victims of a terrorist attack on 9/11. Then we had to fight a war against terrorism. Following that attack against our country the entire aviation industry was grounded. It had a profound impact on our economy. Then we were involved in Afghanistan and a war in Iraq. We have had some pretty tough times and some big challenges.

But the administration has said and the majority party has said we can do all of this. We can and should and will increase defense spending. We can, should and will increase spending on homeland security. And we will cut your taxes again and again and, if the Republicans get their way, again this year. And it will not matter because it will all add up.

This is like the old story in the movies, what are you going to believe, me or your own eyes? Your own eyes will tell you what is in this document. It says let's take this country to \$10.2 trillion in debt in 2009. The question is, when will the Congress, and especially when will the President, be serious about these policies?

It is interesting that the budget sent to us by the President this year predicted we would spend zero, no money at all, for Afghanistan and Iraq. We have been spending very close to \$5 billion a month in Afghanistan and Iraq. Last year I raised the same question. If we are spending money, why don't we budget for it? The answer is, we don't know how much to budget. We do know what we are spending, we are spending \$5 billion a month, \$60 billion a year. Do you know what these documents from the President and the majority say? It says zero, we are not spending anything. What do they mean? They will just hide it by coming up with a supplemental bill later on, I suppose after the election, and we will act as if it doesn't matter.

It does matter. It is saying to the kids, you go ahead and pay this bill because we don't have the courage to do

it. We don't want to pay for it. We don't intend to pay for it. We will ask you kids to pay for it when you are old enough to work and pay taxes and inherit this debt.

There are many issues to discuss with respect to the budget. My colleague has offered an amendment that I came to support, dealing with Social Security trust funds. This is certainly the biggest bait-and-switch operation in the history of mankind. The bait and switch that has been going on says the following: When you work, you pay a tax from your paycheck and we will tell you this, we will guarantee you we will put that money in a trust fund called the Social Security trust fund. Then, when you get to the point where you are retiring, we will have sufficient moneys in the trust fund to be able to meet those retirement needs.

The problem is the trust fund at this point is not accepting new money because all the new money being taken from paychecks in the form of Social Security taxes is being used as an offset for other spending.

We had people genuflecting on the floor of the Senate about lockboxes for the last 4 or 5 years. They would come to the floor and have an apoplectic seizure about some lockbox they wanted to create for Social Security. There is no lockbox. The box is open and all the money is gone because budgets like this say we are going to spend all that money. The only priority with this is to preserve the tax cuts that went to upper-income Americans.

I think it is wonderful if you are an upper-income American. Look, if you make \$100 million or \$10 million or \$1 million a year, God bless you, this is a great country and you have a right to do that and I congratulate you on your success. But I would say I expect as an American you would also want to contribute to this country, and part of that contribution is to pay for that which we need—a war on terrorism and money to fund the troops when we send them overseas to protect this country. All of these issues are important issues that we have to provide for. When we also protect these upper income tax cuts, we spend the Social Security trust fund. This makes no sense at all. That is a classic bait and switch.

This reminds me of an old story about elephants. When I was a young kid, I grew up in a very small town. But even though it was a small town of 400 or 500 people, we occasionally had a circus come to town. It was a relatively small circus but they at least had one elephant. I never quite understood as a kid why a very large elephant would stand in one place if they just put a cuff around the elephant's back foot and then a chain with one little steel stake driven into the ground. How on Earth would that keep an elephant from escaping?

Then I read about how they do that. They do it in Thailand where they capture these elephants in the wild and then find a big banyan tree. They put a

big steel cuff on the elephant's leg and they chain that big steel cuff to a huge banyan tree. For a week that elephant will struggle and grunt and grown and fight and try to pull away from that banyan tree. But it can't. It doesn't get away from that banyan tree. In a while, it learns it is there permanently as long as that chain is on its leg, as long as that cuff exists. Then they take the other end of the banyan tree and put a stake in the ground and the elephant will never move because the elephant is chained to his habit. The elephant knows it can't move. So it doesn't move.

A big chain to a habit is what I see in this Chamber by the majority party. They say it doesn't matter what the facts are, it doesn't matter what the deficits are, it doesn't matter that we are off the ditch with respect to fiscal policy. We are going to pretend and act as if things are just fine, that things are going along just fine.

Those who will pay the cost of this, in my judgment, will be people 5, 15, 25, and 40 years from now and who will bear the consequences of an irresponsible fiscal policy.

My colleague has offered an amendment that says: Look, let's prohibit the use of Social Security trust funds except for the purpose they were intended to be used. Radical? No. I don't think so. Obviously, there is some common sense to do that.

I don't expect that this amendment will pass the Senate when it is voted on because the majority party has to protect the fiscal policy despite the fact that all the evidence is this fiscal policy doesn't work. We have an economy that is not producing jobs. We have an economy that is not providing the opportunity we expect it to provide and that the administration said it would provide. Why? I have some theories about that.

We held a hearing last Friday on the question of why American jobs are shipped overseas in large quantities. Why do we see all of these announcements about companies that used to make American coats are now producing them overseas? Did you know that the Levis you are wearing are not American pants? If you are wearing Fruit of the Loom, you are not wearing American underwear. Did you know that if you are eating Fig Newtons, you are eating Mexican Fig Newtons? Yes. They are not produced in America—not even Fig Newton cookies.

The question is, Why are we exporting all of these jobs overseas? What kind of economy is it that says we have economic growth in this country but we are not producing new jobs? The new jobs are being created in Bangladesh, Sri Lanka, Indonesia, China, and Mexico.

This is a failed economic strategy, a set of failed economic policies, and all you have to do is go to the budget document.

Page 4 of this document, which comes from the majority party, says

the following. Let us increase the Federal debt to \$10.2 trillion by the year 2009. They say, let us every year between now and then have a Federal budget deficit over \$400 billion. That is over \$1.5 billion a day every single day for the next 4 to 5 years. This isn't a budget document; this is a failure.

It is a failure of responsibility to own up to what is happening in this country and to fix it not just on behalf of politicians but on behalf of the American people and their children who aspire to have a country that expands the most opportunity and new jobs and growth once again.

Mr. DURBIN. Mr. President, will the Senator yield for a question?

Mr. DORGAN. Yes.

Mr. DURBIN. I thank the Senator from North Dakota for taking the floor to bring this to our attention. I would like to ask him this question.

Was it not during the last 2 weeks that the Chairman of the Federal Reserve, Alan Greenspan, who has been Chairman under both Democratic and Republican Parties, testified before the House of Representatives, I believe the Budget Committee, suggesting we have now reached a point because of our deficit situation and the debt of America when we have to seriously consider structural changes in Social Security relative to the benefits paid out to senior citizens and their retirement age? Does the Chairman of the Federal Reserve, who had endorsed President Bush's tax cuts for the wealthiest people in America, now say we are in such a desperate situation that we have to turn to Social Security and to cut back in terms of potential benefits for future recipients?

Mr. DORGAN. Mr. President, the Senator from Illinois is absolutely correct. The Chairman of the Federal Reserve, Alan Greenspan, did testify and say that we have to look at cutting Social Security benefits.

I find it interesting that Mr. Greenspan, who was actually shaking the pom-poms in support of the tax cut and this administration's fiscal policy, is now saying part of the cost of the policy should be for us now to consider cutting Social Security for senior citizens.

Look, their fiscal policy has provided the largest rewards in history in the form of tax cuts for upper income Americans. We have one-half of the world's billionaires living in this country. Good for them. I wish I were one of them. I wish my colleague from Illinois was among them, and I wish my colleague from Wyoming was among them. But it seems to me those who have done so well in this country would want to help pay the bill.

Promoting tax cuts for the upper income folks, those at the very top of the ladder—for example, those who have \$1 million a year in income—and saying during these tough times you get \$80,000 a year in tax cuts makes no sense to me. Yet Chairman Greenspan supported that, and he now comes back

and says—he doesn't say it quite this way but the cause and effect are the same—we don't have the money now. We gave money in terms of tax cuts to the folks who make \$1 million a year. Now we should ask the folks at the other end of the ladder to take a cut in Social Security benefits. I don't understand that.

In my judgment, when we talk about fuzzy math, this isn't fuzzy; this is vacant math.

Mr. DURBIN. If the Senator would further yield for a question through the Chair, last week Paul Krugman, wrote an article for the New York Times entitled, "Maestro of Chutzpah" directed toward Mr. Alan Greenspan, which addressed this issue.

Mr. Greenspan came before Congress endorsing President Bush's tax cuts for the wealthiest people in America and now that we have rid the world of those tax cuts which have created record deficits that we have never seen in the history of the United States, Mr. Greenspan is now coming back to us saying the way to start resolving these budget problems is to cut Social Security benefits.

I ask the Senator from North Dakota if he would respond to whether Krugman accurately notes that during the 1980s it was the Greenspan commission that persuaded Congress to increase the payroll tax for Social Security which supports the program, a tax which is regressive, falls more heavily on middle- and lower-income families.

In fact, Mr. Krugman goes on to write that Greenspan's suggestion in the 1980s that raised the retirement age in America and raised the payroll taxes in America is generating record surpluses in the Social Security trust fund with the regressive payroll tax. Now that Social Security has generated the money it needs, it is Mr. Greenspan who says now we need to reach into the Social Security trust fund and make certain we pay off our debt, and also we need to cut benefits and raise the retirement age even further.

I ask my friend from North Dakota, the Senator who has come to the Senate to address this issue, is it disingenuous for Mr. Greenspan to, on the one hand, call for higher payroll taxes so the Social Security trust fund grows, and then when it grows to such a point, to allow tax cuts to be funded by Social Security trust fund that go to the wealthiest people in America? The working families are paying into the Social Security trust fund, but it is the wealthy families who are taking the money out from the Bush tax cuts.

I ask the Senator his response.

Mr. DORGAN. As always, the Senator from Illinois creates the calculation exactly the right way. It is true the Chairman of the Federal Reserve Board chaired the commission in the early 1980s that decided to collect more money in the Social Security trust fund than was necessary to meet current expenses. Why? Because when the war babies or the baby boomers retire,

we will have the largest crop of babies ever produced in this country who will hit the retirement rolls, and we need to save for that day. In fact, it was the Greenspan commission that recommended that. Congress embraced that.

Now Mr. Greenspan comes back to the Congress and says you are using all that money for tax cuts for upper income Americans and you are increasing defense, increasing homeland security, and telling people you do not have to pay for that. So now why don't we cut Social Security payments for the elderly.

There is an old song in that movie, "Where have you been, Joe DiMaggio?" We ought to ask the question, Where have you been, Alan Greenspan? It seems to me that as the construct of this fiscal policy has become clearer and clearer, I would have expected the Chairman of the Federal Reserve Board perhaps to send some warning signs.

I finished the book "The Price of Loyalty," written by Mr. Suskind. What he says, according to former Treasury Secretary O'Neill, is that the Chairman of the Federal Reserve Board is a critic of this fiscal policy in private while being supportive of this fiscal policy in public. A wrong approach.

Mr. DURBIN. Will the Senator yield?

The PRESIDING OFFICER. The time of the Senator from North Dakota has expired.

Mr. DORGAN. I yield myself an additional 10 minutes on the resolution.

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

Mr. DURBIN. If I might continue, in the same book, it notes Chairman Greenspan and Treasury Secretary O'Neill had several ideas. One of them was a trigger which said there will not be any tax cuts if the surplus disappears. The surplus is long gone. Later Lindsay and other economic advisers, including the President, resisted this idea of trigger.

Second, the book notes it was the plan of Chairman Greenspan to take \$1 trillion out of the surplus and frankly make certain Social Security would be stronger for that much longer period of time. Yet we now have this same Chairman of the Federal Reserve who is telling us that absent both of those happening, he now has the solution, and the solution is a later retirement age and cutting the benefits out of Social Security to pay for the Bush deficit created by the Bush tax cuts for wealthy people.

How can it be fair to senior citizens who paid into Social Security their entire lives, who receive rather modest returns for that, to be told they should receive even less so people in the highest income categories can end up receiving these Bush tax cuts?

If I am not mistaken, this warped logic is continued by the Republican budget which is presented in the Senate. I ask the Senator from North Dakota if he could respond to that.

Mr. DORGAN. Mr. President, the budget that is presented in the Senate

has on page 5 their estimate of what the debt should be in the year 2009. This is recommended policy. By 2009, we should have a debt of \$10.2 trillion, they recommend. Every year getting there we should have budget deficits, each and every year, of over \$400 billion a year.

Maybe it is something in the water. Maybe it is the food. One would expect there to be some conservative impulses here to decide that a fiscal policy ought to add up. This simply does not add up.

I mention one additional point. It was not very long ago when the Senate considered a proposal to spend a substantial amount of money, \$20 billion—do you know how hard it is to get \$20 billion for anything? It is a huge amount of money. The proposal was to spend \$20 billion to reconstruct the country of Iraq. We must have it, they said. We won't pay for it; just have to have it.

I said, Iraq has the third largest reserves of oil in the world. The Iraqis can pump their oil and pay for their own reconstruction.

They said, We will not hear any of that. We demand the \$20 billion. The majority party, the same folks who have written this budget said, we demand that money. We do not want to pay for it, just borrow it and spend it in the country of Iraq for reconstruction.

It is the kind of thing that if you did not know where the desks were placed in this Chamber you would not recognize who was saying this.

There is no common sense with respect to this kind of a budget document. This fiscal policy is radically off track and the quicker we stop, say wait, this has to somehow add up or this country will bear the consequences—this somehow has to make sense.

Let me conclude by making this point. We have a lot of people who think they know how the economy works and yet the Treasury Secretary said he is mystified. I used to teach economics and I am not sure I know how it works, but I know despite all the judgments about fiscal and monetary policies, this economy moves forward when the American people are confident about the future. If citizens are confident about the future, they do things that manifest that confidence and there is an expansion of the economy. They buy a house, buy a home, take a trip, do the things that expand the economy. If citizens are not confident, they do exactly the opposite and the economy contracts.

The biggest problem we have, in my judgment, is that it is very hard for the American people to take a look at this fiscal policy—deficits as far as the eye can see, the largest in American history, a \$10.2 trillion debt—and conclude, yes, that works all right for us. Instead, this looks to them like a bunch of politicians who have their heads in the sand.

I came to the floor to support the amendment my colleague from North Dakota offered dealing with Social Security trust funds. I am happy to do that. After having debates in the Senate for about 5 years on the subject of lockbox, there is not a lockbox in sight. If there was a box, there would be no lock in site. Every single penny of money collected for Social Security is being used to give tax cuts to upper income folks and defend spending in homeland security because this majority party says you can do it all, do not worry, charge it to the kids. That is irresponsible fiscal policy and one we need to change.

I yield the floor.

The PRESIDING OFFICER (Mr. SUNUNU). The Senator from Colorado.

Mr. ALLARD. Mr. President, I yield myself 20 minutes and ask it be charged against the budget debate itself and not the amendment on the Republican side.

The PRESIDING OFFICER. The Senator is recognized.

Mr. ALLARD. Mr. President, we have heard a lot of discussion about how important eliminating the deficit is. I could not agree more. We do need to eliminate the deficit. The reason we have a deficit today is because this Senate has refused to make tough choices about spending.

I make the point that when President Bush assumed office, he came into office when the economy was starting to move down. I don't think anybody can dispute that. When he took office, he was challenged as much as any President in recent history because not only was the economy turning down—and, I might add, with an unprecedented turnaround of 2 to 3 years consecutively—but then on top of that we had the September 11 terrorist attack. We went to conflict in Afghanistan, as well as Iraq. It has been a tough time for this President.

Fortunately, this country has had strong leadership. Without that strong leadership, I would hate to imagine where we might be today.

We look at the combination of all these events as having an impact on revenues coming into the Federal Government. They had an impact on spending. I have been a supporter of a balanced budget amendment to the Constitution, as have many Members of the Senate, but there has always been a provision in times of conflict that there would be an exception to balance the budget. This is one of those exceptions in time caused by the attack on September 11 against the Twin Towers and the Pentagon. Then we lost a plane in the Midwest. Heroic, Americans on that plane tried to take over that particular plane. So I think it is understandable why the Senate and the House would decide we need to appropriate some dollars to take care of this time of conflict.

If we look back, the spending was probably the second most significant thing that contributed to our shortfall

as far as eliminating the deficit. The most significant factor was the recession.

An analysis has been made by the Joint Economic Committee that has indicated that at least 40 percent—and there are other estimates of at least 49 percent—of the deficit can be attributed to this unprecedented recession.

Then, second in line is the amount of spending we have had, somewhere around 35 percent, if my memory serves me correctly. I might be off a few percentage points. And then somewhere around 25, 26, 27 percent—in that area—was attributed to the tax cuts we put in place.

The problem has been basically the turndown in the economy and the amount of spending. I think it is all too easy to go ahead and criticize the tax cuts and ignore the major reasons as to why we are having a shortfall in the deficit. I happen to think the tax package we passed when the President was first elected, and then we came back and passed an economic stimulus package, and then last year we passed another package of tax cuts, really did stimulate the economy.

We are going to have amendment after amendment on the floor saying we ought to increase spending and increase taxes. I think it is the wrong way to go. I think if we raise taxes, as our economy is showing signs of recovery, it sends the wrong message, and that later on this year we will find our economy still struggling and trying to work its way out of this economic downturn. But if we can sustain these tax cuts—in fact, even those that are expiring, if we go ahead and renew those, I think it will instill confidence in our economy and that we can expect it to continue to do well for the rest of the year.

I think the American workers need a break. Frankly, they send a lot of money to Washington. The producers of this country send a lot of money to Washington. From our colleagues on the other side, we hear all about how they want to go ahead and tax the wealthy, the upper 10 percent or the upper 1 percent, and then provide some program of sustained spending that is never going to quit. It is going to continue to grow.

If we look at our tax policy, we put taxes in on a temporary period of time—10 years most of them—and then they go away. In our spending programs, we put them in place, and they just seem to go on and on and on.

If we look at what happens to those tax figures as we go out in time in the budget, and we look at what happens to the spending figures as we go out in time from this year, the spending increases at a greater rate than the cost from the tax cuts. In other words, if we were to spend an equal amount of money for tax cuts and an equal amount of money for one of the spending programs, as it moves out over time, there is a discrepancy that develops, and spending increases at a great-

er rate than what happens with the tax cut.

I think it is something we need to do. I think it would be shameful if we abandoned the President's plan for economic growth, particularly when the economy is starting to recover.

There are those who would argue they do not think the jobs are coming or growing as fast as they would like to see. I agree, we would all like to see the jobs grow faster, but the fact is we are getting job recovery.

If we look at the household survey, for example, for a number of months now—close to 9 months—we have seen some phenomenal growth. Why is the household survey important? Because it measures small business. It measures individuals who are out producing on their own, or a few people are out producing on their own. There is no salary. They are all in together. They decide to start a company or provide a service.

I am a veterinarian. A lot of them are veterinarians. They are a single-person practice. They are going out there and taking care of the needs of the community, and they are working and creating revenue for their family. They pay property taxes. They are supporting their community. But they never get counted, except in the household survey, because they may very well be operating out of their home.

We have a plethora of small businesses that work that way. We have seen this growth. I think a good percentage of that growth has been so phenomenal that they are trying to come up with an explanation for it.

Here is my conclusion. I think when we had the downturn in the high-tech sector of our economy, many of those individuals left their former employers with some kind of bonus when they separated, so they had this pocket full of cash. They did not have a job, so they thought: Here is a great opportunity for me to go into business for myself.

A lot of these businesses are things that can sustain themselves if you have a good computer system and you can run it out of your home. Your costs are minimal. It is a great opportunity for an entrepreneur to take some idea he may have and start a business for himself, with a relatively inexpensive operation, and running it out of his home. That is the American dream.

This is the small business sector. This is where Americans have hope not only of owning their own home, but also of going into business for themselves. A lot of them have this desire.

I think when we saw the downturn and a separation of many employees from high-tech companies, they took the separation bonuses they were getting and took this opportunity to go into business for themselves. I think that is great. That is the strength of America.

Now let's look at the payroll survey. The payroll survey in the last couple months has been showing a growth.

That is the last parameter, historically, that you see happen when the economy is recovering. I think that is great.

We saw job growth this month. Maybe it was not as great as some would like to see it. The previous month was a phenomenal figure; in fact, it led to some pretty optimistic projections on job growth this month that did not occur. But I think over time we are going to continue to see this growth in jobs. I think that is very important to the recovery efforts, and our tax cuts have contributed to that. We recognize this in the budget which the Republican Budget Committee has proposed and brought to the floor. I think it is one that recognizes our economy is starting to recover.

This economic growth is going to help us eliminate some of our deficit problems. I am optimistic about that. I think we made some tough decisions in this budget when we made some spending decisions.

Last year, I told the chairman of the Budget Committee that we simply had to have a plan on how we were going to eliminate the deficit. Obviously, we had to limit the spending parameters. So the Budget Committee went ahead, last year, with a plan as to how to pay down the deficit. What I was watching for this year was to make sure we stayed on plan to eliminate that deficit within 10 years. And we are well within the plan.

I was pleased, at the first of this year, when the President endorsed the idea that we needed to have a plan to pay down the deficit. The plan he put forward was a 5-year plan. It said, as a percentage of gross domestic product—which is probably, from an economist point of view, a very realistic way of looking at the impact of our deficit on the economy—that in 5 years we want to eliminate it by one-half.

I looked at those figures and, lo and behold, the nominal rate was also reduced in half. Now, this is the actual dollar figure. The Budget Committee did better than that. They eliminated the plan. They did better than that. They reached about where the President was in about 3 years or so. And both the figures—as a percent of gross domestic product and nominally speaking, where we look at actual dollars—has got us well on the way to eliminating the deficit.

I am proud to support this budget because we are taking a realistic approach.

Spending is a problem. We are going to have to take a serious look at spending. I remember when we passed the budget in 2000, the last year of the Clinton administration, we were trying to adjourn the Congress. In the last few days of that session, we passed over \$500 billion in new spending. We had to compromise with then-President Clinton on a lot of his spending priorities. He was moving out of office. We were trying to get out of session so we could move on with the election. That \$500

billion in new spending over a 10-year period is now coming home to roost.

We are beginning to see phenomenal growth in spending in programs. It strikes me how many people believe we need to do more spending. If we look out at producers in the country, the taxpayers, they are having to take cuts. Many of them are losing their jobs. Yet the agencies can't afford to take a cut. Even the President's budget, as austere as it is, takes care of defense needs. We are in conflict. It takes care of homeland security to protect the country, and we should put our efforts into that. It is a very small increase in the rest of the budget, about .5 percent.

The fact is, there is still an increase in spending. While the rest of the country is suffering reductions in their household spending, the Government still claims it needs increases year after year, despite what happens to the economy.

There are going to have to be some serious decisions made about spending programs. Some of those decisions are going to be made this year. That is a step in the right direction. We need to look at what it is we can put in place as a policy for the Senate and the Congress to hold down spending. In 2002, a number of provisions we had adopted that would help us restrain spending in the Congress, help us restrain spending on the Senate side, expired. When they expired, we all of a sudden began to see spending increases. We needed to have budget parameters. Thankfully we began to put them in place in the last budget, and we are going to put them in place now with this budget.

I know the chairman committed during our Budget Committee deliberations he would work with the ranking member to see if they cannot put together legislation and send a bill to the President he could sign where we could put in place some of the President's recommendations on how we can restrain spending and some of the recommendations of Members in the Senate. They are giving a lot of serious thought to it. I know Senator CONRAD, as well as Senator NICKLES, is thinking about it. I commend them both for looking at some of these parameters.

We have in this particular budget some provisions to help restrain spending in the future. Hopefully we can keep those in the budget, and hopefully they will be applied in a way that will help hold down spending.

I want to talk a little bit now about who is paying the taxes. About 1 percent of the population, the top 1 percent, pays 34 percent of the individual income taxes. These are 2001 figures. Then if we look at the top 50 percent, they pay about 96 percent. That means the bottom 50 percent of individual income tax filers is paying the balance, is paying only 4 percent of the individual income tax. We keep hearing talk about how the producers of the country, the top 50 percent of the country, are getting off scot-free. They are the

ones who are really making a difference. They are the ones who are making our economy move. I made some comments in this regard yesterday.

I also looked at the amount of money. If you take all the income tax filers together, the whole group of them, and you take those paying \$100,000 or more in taxes, they pay 75 percent of our total income taxes. So they are paying their fair share.

Today a study was brought to my attention that had been done by the Urban-Brookings Tax Policy Center. Usually I don't pay too much attention because they don't actually end up focusing on tax cuts and the tax issue. But they have come up with some very interesting data, more current than what I was quoting as far as the tax foundation was concerned. The bottom 50 percent of taxpayers is paying minus 3 percent of income taxes. In other words, our earned tax credits are kicking in, and they are showing the bottom 50 percent of the taxpayers is paying a minus 3 percent of income. The earned income tax credit is a cash payment we give to those with lower income. Fourteen percent of the payroll taxes come from that 50 percent.

Yesterday somebody said: You didn't talk about the payroll taxes. This bottom 50 percent makes up about 14 percent of the payroll taxes. That is only 5 percent of all income and payroll taxes. So when we combine those together, we come up with 5 percent. That includes your filers, plus the withholding from their taxes.

What happens to the top 10 percent of the taxpayers? The top 10 percent pay 71 percent of our income. That is based on the Urban-Brookings Tax Policy Center. Thirty-two percent of those are payroll taxes. That is a total of 53 percent of all income and payroll taxes together. So 10 percent of all taxpayers, including income tax plus payroll taxes, are paying 53 percent. The bottom 50 percent is paying 5 percent when you combine them.

The producers of this country, the wealthy, if you want to put them in that category, are the ones who are really making a difference.

It is time we put aside class warfare and talk about meaningful change in the economy that will make a difference.

I yield the floor.

THE PRESIDING OFFICER. The Senator from Oregon.

Mr. WYDEN. Mr. President, as a member of the Budget Committee, I yield myself up to 20 minutes off the resolution.

THE PRESIDING OFFICER. The Senator is recognized.

Mr. WYDEN. Mr. President, the distinguished Senator from Colorado was in the Budget Committee and saw our focus on health care issues. He said in particular he was hoping we would have an effort to bring forth ideas that would generate bipartisan support. That is exactly what I hope to do this

afternoon. I want to discuss the question of laying the foundation in this budget resolution for containing prescription drug costs.

If you think about what happened in the Budget Committee, there was no topic that generated as much interest and as much concern as the question of health care and particularly Medicare and prescription drugs.

In fact, at one point the distinguished chairman of the Finance Committee, Senator GRASSLEY, said: Well, are we going to relitigate the entire prescription drug bill on the budget? Obviously, the budget resolution does not allow for something like that.

I think Chairman GRASSLEY's comments were indicative of the frustration and concern across this country with respect to the inability to hold down the skyrocketing costs of prescription drugs.

I want to discuss an idea about which I and others on the Budget Committee have been talking. It is also in the legislation I have been able to work on with Senator SNOWE.

What particularly pleased me in the Budget Committee is Senator GREGG, the chairman of the HELP Committee, said he thought this idea had considerable merit. I am hopeful by the time this comes out on the floor, we can do what Senator ALLARD has been talking about, and that is to have ideas that are bipartisan that deal with these important issues, particularly concerns such as health care where we have this demographic tsunami ahead, that really do address what the American people, and especially seniors, are talking about.

What will be offered before too long is an effort to lay the groundwork in the budget resolution for making sure the Secretary of Health and Human Services has the authority to negotiate for our seniors and hold down the costs of prescription drugs.

For the first time, the Congressional Budget Office in a letter to me on March 3 said:

Giving the Secretary an additional tool—the authority to negotiate prices with manufacturers of such drugs—can put greater pressure on manufacturers and could produce some additional savings.

What I say to the Senate and colleagues is for the first time now, we have the Congressional Budget Office on record stating that giving the Secretary of Health and Human Services the authority to negotiate prices could produce additional savings for some pharmaceuticals that are purchased by our seniors.

I would hope every Member of the Senate would be sympathetic of this desire to contain costs in prescription drugs at this time. There are a couple of reasons for this. The first, in my view, is the fact we have just seen in recent weeks the prescription drug legislation that passed is going to cost \$134 billion more than was estimated.

In light of this dramatic increase, which has come up in a matter of



weeks, in light of the fact we have this demographic revolution ahead, it seems to me it is critical the Senate act responsibly and search for every way possible to assure access to affordable medicines for seniors and to protect the interests of the taxpayers.

I voted for the Medicare legislation. I still have the welts on my back to prove it. I also believe strongly in making sure the private sector has every opportunity to help in lowering costs and delivering needed pharmaceuticals to seniors.

I have always felt there is considerable merit in the approach used by the Federal Employees Health Benefits Program that uses the private sector to make sure you get a fair shake for Federal employees. But I also think it is important there be backup kinds of tools, that there be additional tools to the private sector approach, and that is why it is so important the Senate, before it completes its business, uses the opportunity to lay the groundwork in this budget resolution to make sure the Secretary of Health and Human Services is in a position to try to wring out the best possible bargain for seniors and for taxpayers on these medicine costs.

Given the fact the Congressional Budget Office has now told us additional savings are possible when we provide the Secretary of Health and Human Services with the authority to negotiate, it seems to me to be derelict to not have the Senate on a bipartisan basis lay the groundwork for giving the Secretary that authority to negotiate.

I was very much encouraged when the distinguished chairman of the HELP Committee, Senator GREGG, said there was considerable merit to this idea.

I see the Senator from Colorado on the floor. He has talked repeatedly about his desire to have bipartisan efforts in the health care area.

In the past, every time in the budget resolution when Senator SNOWE was on the committee, Senator SMITH, and others, we have been able to do it. This year it was not possible, and that is tragic, particularly in light of the increase in the cost of pharmaceuticals and the increase in the prescription drug costs over a matter of a few weeks.

I am very hopeful now we will have a chance to move ahead on this issue. The approach that will be offered is one I think is consistent with the votes of those who supported the legislation and many who were against it. Many who were against the legislation said they had reservations because it did not do enough to contain costs. Now we have the opportunity, because of what the Congressional Budget Office has told us, to actually rein in the costs of this program. We have seen we can do it in some areas that are very significant. Take single-source medicine. The American Academy of Actuaries has found in many instances these drugs comprise a significant portion of the

entire expenditure of the program. I think we can do this in a fashion that ensures access for those who need this medicine.

I have worked so closely with those programs—the National Alliance for Mentally Ill and others—that are concerned about those drugs. We can get these cost savings, ensure access for those individuals, and save taxpayers money. It seems to me if the Congress simply lets pass this opportunity to rein in the costs—and we see the costs of the program have skyrocketed more than \$100 billion in a matter of months—one has to ask oneself, What is ahead? How much more of this program, a program so desperately needed by the elderly, is going to be eaten up as a result of the Senate not taking the steps to rein in the costs?

The Congressional Budget Office has told us now what is possible, so it really becomes a question of political will. I am very hopeful as the Senate goes about its work over the next few days, we understand here is a chance to build on the legislation that passed. It is not putting in place price controls and some kind of arbitrary “set the prices from Washington, DC” kind of regime. I believe private marketplace forces can work. I have seen that in my hometown where we have many older people in managed care programs. But I also want us to make sure the Secretary of Health and Human Services has every appropriate additional tool to try to wring out price savings for both seniors and taxpayers. With the nonpartisan Congressional Budget Office now telling us for the first time, reversing the position they outlined back in January of this year, I think we ought to make sure we pass legislation that lays the groundwork for the Secretary of Health and Human Services to have the tool, the authority to negotiate prices, that can produce the additional savings for some pharmaceuticals the Congressional Budget Office has outlined.

I want to emphasize to my colleagues this is not price controls. This would not set aside the private sector and the authority of the private sector to negotiate. I happen to think that is constructive. I think we will get some savings. Certainly, the fact some seniors will get their health care medicines and pharmaceuticals through managed care plans and have the kind of buying power that produces will be very useful, and I support that. But I also think on top of that private sector leverage, we ought to give the Secretary the authority to negotiate.

It is, in effect, a fallback tool that can ensure you wring out savings for taxpayers and for older people. I offer in the spirit the Senator from Colorado talked about in the committee—he wanted to see people come forward with ideas, and I say to the Senator from Colorado, I have come forth with an idea.

I have come forth with an idea that the distinguished chairman of the HELP Committee, Senator GREGG, says

has considerable merit. When there is that kind of opportunity and one faces these escalating costs we have seen just in a matter of weeks, \$134 billion more than was originally envisioned, the Congress ought to act.

A number of colleagues have worked very hard on this issue over the years—Senator KENNEDY, Senator FEINGOLD, Senator STABENOW on this side. I have been so pleased to be able to work with Senator SNOWE and Senator SMITH on many of these issues over the years.

I ask my colleagues to reflect on what the Congressional Budget Office has said on this topic. When there are these kinds of increases in prescription drug costs both for older people who walk into a pharmacy and for the entire Medicare Program, \$134 billion increase in a matter of months, let's heed the objective analysis of the Congressional Budget Office and make sure we wring out every possible savings for the taxpayers and seniors of this country.

There was a reason why in the Budget Committee no subject was discussed at such length as health care costs. The reason is medical costs are gobbling up everything in sight. There are no costs going up like medical bills. We see that for every possible group.

I am one who believes the private sector can help contain costs. That is why I have been a supporter of the Federal Employee Health Benefit Plan. I also believe when the Congressional Budget Office tells us there are ways to make additional savings by giving Health and Human Services the authority to negotiate a good deal for senior citizens under the Medicare Program, it would be derelict for the Senate not to make sure that opportunity was not picked up on.

We will have a good debate on this issue. I am very hopeful that the words we heard from the distinguished chairman of the HELP Committee, the idea of giving the Secretary the authority to negotiate prices for seniors has considerable merit and that we can have bipartisan support for the efforts in this budget resolution to lay the groundwork for an approach on prescription drug cost containment.

This is about cost containment. It is not about throwing the whole law in the trash can. It is not about starting over. It is about containing costs. It is about the principal concern older people and taxpayers have all across this country. The Congressional Budget Office has told us we have a chance to contain costs. We ought to lay the groundwork to do that.

I yield the floor.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. ALLARD. Mr. President, I yield myself 15 minutes. I ask to have that charged against the time allocated to the budget resolution.

The PRESIDING OFFICER. The Senator is recognized.

Mr. ALLARD. Mr. President, I emphasize that we are moving forward.

We just finished a recession. The attack on America and the war on terror have created some unacceptable budget deficits and we are trying to deal with these in the budget.

Since 2001, spending increases and the economy, not tax cuts, have been the biggest contributors to the deficits. The President's economic policies are working. The gross domestic product growth is up, unemployment is down, and the combined value of the New York Stock Exchange and the NASDAQ have increased 40 percent. We are moving forward. We can reduce deficits by slowing spending and preventing economically damaging tax increases.

I will go over just a few things that our budget will do. In 3 years, by 2007, it is going to cut the deficit in half and continue bringing deficits down. It is going to slow the growth of discretionary spending. We are eliminating wasteful mandatory spending. We are attempting to prevent tax increases on families. We are trying to maintain some spending discipline. We are trying to show that as Republicans, we can lead, and that Senator NICKLES from Oklahoma is willing to take and make the tough decisions necessary to eliminate our deficits under this budget.

Our Nation's priorities, as reflected in the budget, are that we fully fund the President's request on homeland security; education, there is a \$1 billion increase for both IDEA and title I grants; veterans health care, there is a \$1.4 billion increase for veterans health care; international affairs, \$3.6 billion increase under the President's proposal, including funding for the global AIDS initiative. The budget also rejects several of the President's proposed cuts for congressional priorities like the Corps of Engineers and the EPA Clean Water Act.

I think this is a very responsible budget. I think it is a very thoughtful budget, and obviously it is a budget that reflects what the American people are trying to tell the Congress. The noise I hear back home and the noise I hear from the American people is, look, these deficits are a problem, but the tax cuts are not what is contributing to the deficit. The tax cuts are actually stimulating our economy.

Even the people who are in our States are beginning to realize that the economy is recovering. They would like to see it recover more, and I do not blame them. I do, too. The fact is the tax cuts are making a difference.

I would like to go back to the discussion I was holding earlier this afternoon on who pays the taxes. I will speak about this chart I have before me. This chart reflects a study made by the Urban-Brookings Tax Policy Center. Under this area of "with tax cuts," the issue is, what is going to happen as far as the income tax rates are concerned?

Well, the bottom 50 percent of the tax cuts is a minus 3 percent. What

does that mean? That means that there is actually a cash payout to taxpayers. How does that happen? We have an income tax credit where we actually make a cash payment to individuals who are low income who are working.

The top 10 percent of the taxpayers are 71 percent. The payroll taxes—and yesterday when we were talking about what was happening with tax cuts, I was talking about the income taxes and then they brought up, well, what about the payroll taxes? That is how much one's check comes up short. There is the gross amount and then they take out all the payroll taxes and the bottom line is what a person takes home.

This means the bottom 50 percent of taxpayers pay about 14 percent of the payroll taxes and the top 10 percent of the taxpayers 32 percent. That figure was a little bit of a surprise to me. I thought perhaps that would be closer, but again it is pretty obvious that the higher income taxpayers are paying a considerable amount more than those in the bottom 50 percent. That is the top 10 percent. Then if we combine both of those, if we combine the income taxes that are paid and then combine the payroll taxes, it averages out that the bottom 50 percent of the taxpayers pay about 5 percent of the taxes. The top 10 percent pay 53 percent of the taxes.

What happens without the tax cuts? An interesting phenomenon has happened. Every time we have cut taxes in the Senate, the percentage the high-income taxpayers pay keeps going on. When we cut taxes, they pay a greater percentage of the revenues derived from income tax. This is reflected in the column "without the tax cut."

Here is what we see happening. We see that the bottom 50 percent pay about a minus 1 percent. In other words, they are not getting as much money sent back as we saw with the tax cuts. We see less taxes being paid by the top 10 percent. So here we are with the tax cuts, and their share of the taxes goes from 67 percent up to 71 percent.

We even see that phenomenon happening when we combine both income and payroll taxes. This is significant. When we make our adjustments in our tax cuts, those who are in the higher income pay a higher percentage of taxes as we move forward with our tax cuts. I think that is important.

The upper income pays a greater share of the tax burden with tax cuts than without. This is broken out a little differently, but if we look at the top 1 percent, the red here reflects with the tax cuts and, over here, what happens without tax cuts. We see the top 1 percent ends up paying a greater percentage of the tax cuts. We go here to the 10 percent, we see there is still an increase. Without a tax cut it is a lower percentage than with the tax cut. We are getting a shift automatically to the higher income taxpayer.

On the 50 percent it is close to even, although there is a little, very narrow

difference there. Then the bottom half actually is paying fewer taxes as a percentage with the tax cuts as opposed to without.

What happens with this budget when we are talking about the child tax credit, the marriage penalty, and changing the tax bracket? We need to do this if we want to preserve income for the family. Here is how this breaks out as we have it in the bill. If we let all these taxes expire, here is what happens. If we don't take any action on taxes this year, here is what happens. Assume the family tax bill in 2004 for a middle-class family of 4 is \$6,000. Then here is what would happen with that family of four. They are going to pay \$600 more, because we begin to see a drop in the per-child tax credit. It expires. Then we begin to see the marriage penalty relief expire. We see a drop there—\$911. We see the 10-percent bracket expansion expires. That adds \$100. So the total tax increase that will hit that family of 4 is \$1,611. That means the family tax bill from 2004 to 2005 is going to increase \$7,611. That means there is going to be \$1,611 less expendable income from that family.

My view is if we can keep that money in the family they are going to create jobs because they are out buying products, they are buying and stimulating the economy, as opposed to the Federal Government, where that does not happen. That phenomenon is not there. That is a 26-percent tax increase that happens if we do not go ahead and implement these tax relief provisions that are in the budget bill. These are very important. They are important to families in America and they are important if we are going to continue to see our economy grow, because it gives the family greater discretionary income so they can meet their needs.

If we can keep the money in the taxpayers' pockets in their own local communities, then that money is available to help those communities. Taxpayers look at the whole tax burden. If it is too high at the Federal level, they don't particularly feel they want to give up their hard-earned taxes for things that are happening in their community. But if they can get tax relief at the Federal level, then they realize some relief from the Federal tax burden and they are more willing to support what needs to be done in their community. Maybe they need to increase the sales tax for open spaces or have a sewer plant replaced or maybe a water treatment plant for the drinking water needs to be improved upon, or maybe the roads and highways need to be taken care of. These are local projects. It means there is more money available at the local level so the local communities can do that.

To me, this makes a lot of sense. We need to move the power from Washington back to our cities and States. That is what this is all about. It is not about whether we are going to tax the wealthy. The wealthy are carrying their fair share. It is about getting the

money back down to the States, back down to the individuals, where it will make a difference in people's lives.

This is a well-thought-out budget. I think it moves this country forward. It is a budget that I think will make a difference in American lives. It is something I hope we can pass out of the Senate, get to the conference committee, and we can get it back with minimal change. Obviously there will be a few things that will happen. We will have a number of amendments here on the floor, but this is basically a pretty good plan. We need to get a budget this year. That is the first step. Then once you get the budget passed you can get your appropriations bills.

Without a budget, it is catastrophic. We saw that happen 3 years ago. We didn't get a budget passed from this Senate. We saw spending get out of control. We saw all sorts of budget discipline lost in the budget process and this all contributed to the deficits we are facing today.

I urge my colleagues in the Senate to work with the chairman of the Budget Committee because he has indicated a willingness to work with the Members of the Senate to take care of their concerns. Let's get a budget passed and move forward, a budget that will hold the Senate accountable so we will be well on our way to eliminating the deficits we now face.

I yield the remainder of my time.

The PRESIDING OFFICER (Mr. VOINOVICH). The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I yield myself 20 minutes on the underlying resolution.

The PRESIDING OFFICER. The Senator is recognized.

Mr. KENNEDY. I thank the Chair.

Mr. President, we are considering now for the next 3 days the recommended figure that has come from the Budget Committee to allocate the resources of this country in the Federal budget. We know we will have the debate on this. This is a question of choices. It is a question of priorities, even with the scarce resources we have at the present time, how these resources ought to be allocated in the national interest.

The overall issue on the budget is to recognize there are two instruments that guide our economy. One is monetary policy, which is interest rates, and there is fiscal policy, which is about what we spend. Both of those together ultimately decide whether we have a strong economy or a weak economy, those two elements. We are considering the second element here today, what we call the fiscal policy, the resources we have to invest or give in tax breaks or invest in education or health care. That is what this debate is about.

What we do know is this has a major impact. What we do with this budget has a major impact on the state of our economy. When you have Presidential leadership that understands both the fiscal and monetary policy, you can get

economic growth, you can get price stability. We have seen it in the past. We only have to be reminded about the recent leadership we had with President Clinton in 1992, 1993, when we had a budget that was the benchmark and the benchmark for the expanded economic growth we had. There were 22 million jobs created over that 8-year period. That is a result of fiscal policy, the budget as well as the monetary policy. They were harmonized in a way that brought economic growth to our country, price stability and economic growth.

Earlier than that, in the early 1960s, we had a similar effort to use economic growth, fiscal policy, and monetary policies. The early 1960s had the longest period of economic growth and price stability we had had up to that time, for this century. So we know this is an extraordinarily important document, in terms of deciding what the state of our economy is, whether there are going to be good jobs, or whether there are going to be investments in education, whether there are going to be investments in training, whether we are going to deal with the challenges of health care.

Anyone who is interested in the issue of jobs has to look over this budget and ask, where is the policy? Where's the beef? Where are the provisions in this budget that are going to reflect itself in expanded job opportunities? You come to the conclusion that they are not there.

For those men and women across this country—the millions who have lost their jobs and the millions more who have gotten new jobs that are not paying what the old jobs were paying—can say as a result of their budget, if it goes through the way it is, help is not on the way. This is not a budget that is going to bring this economy back to a growing and expanding economy. What it is basically doing is just what we have done in the last 3 years. We should have learned our lesson. We have massive tax breaks for the wealthiest individuals in this society, and then we find out that it still hasn't worked in terms of producing jobs. Now we find the administration is going to do the same thing with regard to this budget, and hopefully out there somewhere there will be creation of jobs. They just aren't going to be there.

We should have learned the lesson of that. All we have to do is look at what the administration has said and what has happened over the period of the last 3 years going back to 2001 when we had the administration's proposal on these very extensive tax reductions and breaks for the wealthiest individuals that it was estimated were going to create millions of jobs. That is the purple line right here. What happened is the red line declined with a total loss of 3 million jobs. A million have been recovered. We are still 2 million jobs short of where we were when this President became President.

Do we understand that? After the economic policies of this administration, we are 2 million short.

It is amazing because we keep hearing this Bush administration talking about how we are going to have very extensive job growth, and it never happens. It just doesn't happen. It hasn't happened. Why should we believe it is going to happen with this budget? It isn't going to happen.

Here we see the first estimate. Then last year they said it is going to really happen up here. We will have an increase of another 2 or 3 million jobs. From the point where the Bush administration's estimate of where we are now, we are 5 million jobs off.

We had the most recent report last week, and we had the question about the creation of jobs: Not a single new private job in the country. The 21,000 new jobs are basically in the public sector.

It is amazing to me—it must be to millions of Americans—because they hear from our President an entirely different story. They heard in the State of the Union from the President of the United States:

The pace of economic growth in the third quarter of 2000 was the fastest in nearly 20 years. Productivity and jobs are on the rise.

On "Meet the Press," February 8, the President said in response to Mr. Russert:

Well, it's happening. There is good momentum when it comes to the creation of new jobs.

There it is on February 8.

On February 23 at the National Governors Association Conference.

Obviously the economy and jobs are on my mind. I know they are on yours as well. I am pleased that the economy is growing.

There it is again. The President is saying that everything is hunky-dory.

Just last week in California on March 4:

A lot of people are feeling confident and optimistic about our future so they can say I am going to hire two more.

They can sit here and tell the President in front of cameras, I will hire 2 more people.

There was a good deal of laughter. He said:

That's confidence.

He said in Texas on March 6:

The economy is getting stronger. We have pro-growth and pro-entrepreneurial that is making the economy stronger and stronger.

With all of these statements, the problem is the President just doesn't get it. He doesn't understand what is happening out there across the Main Streets of this country.

It is interesting that we find just today Treasury Secretary Snow spoke in Washington at the National Association of State Treasurers and noted that with the underlying condition of the economy looking unusually sound, the lack of job growth is a mystery.

Now at least you have the Secretary of the Treasury understanding that.

But to say with this budget that everything is just going well in terms of

our economy fails to understand what is happening in the Main Streets across this country. We have an opportunity to do something about it. The question is whether we will.

Certainly the budget that has been recommended by our Republican friends doesn't bode terribly well for working families or for the middle class. This legislation extends the tax breaks for wealthy investors while refusing to extend the unemployment benefits, leaving 90,000 more workers each week without benefits. The 90,000 workers who paid into the compensation fund each week are losing those benefits. What do they use that unemployment for? They use that to pay the mortgage, pay the rent, and put the food on the table. That unemployment compensation fund is in surplus.

The proposal of the Senator from Washington was about \$5.5 billion. But, no, that wasn't included in this budget. That would be a hand reaching out to workers in this country who have paid into that fund.

The judgment and the choice and the priority of the Republic budgeteers is to say, Look, we are going to provide the continuation of the tax breaks for the wealthy and leave the 90,000 workers behind.

Then they permanently reduce the tax breaks for the top brackets paid by the wealthiest taxpayers but provide no relief for the workers that cannot afford the spiraling cost of health benefits and cuts in health care for low-income families. That will be a \$11 billion cut which is directed to working families and low-income families, but we don't address that. Repeal the inheritance tax on multi-millionaire estates while raising taxes on low-income workers by cutting the earned income tax credit.

I heard my friend from Colorado say when he was describing who is paying it on the taxes, Look, some people actually get a rebate. That is true. Those are families that are on the lower rung of the economic ladder. They have the earned income tax credit. It has been enormously successful in making work pay. They have to be working, and they receive those funds. That is being cut back. Imagine that. Some tax help and assistance for low-income working families we are cutting back and at the same time eliminating the taxes for the very wealthiest individuals in this country.

The issue goes on and on.

I want to point out a couple of factors with regard to the issues on education and the issues on health care and what we are finding in regard to this particular budget.

We have passed what we called the No Child Left Behind Act, which was a bipartisan effort. We said that over a 12-year period we would try to bring proficiency to every child in America. It is not easy. It is difficult and complex. We had a variety of different ways to try to do it. Basically it was to get a well-trained teacher in smaller class

sizes to try to provide help and assistance to those children who needed help, who are going to be periodically tested, and those who need help are going to get the supplementary services. Involved in supplementary services will be well-trained people who can help those children that have spelling needs. It was going to involve parents. It was going to provide additional help to those schools so they could get up to standard. It was a real contract with parents, children, and the Congress of the United States.

The tragic fact is the children are meeting their responsibilities; the parents are meeting their responsibilities; the teachers are trying to meet their responsibilities; and we are failing in ours.

That is why. Here it is. You can just look at this chart under the Bush budget that we have before us about the number of children who are going to be left behind going from fiscal year 2005 all the way to 2013, still leaving 4 million children out, still leaving 4 million children behind. That is absolutely unacceptable.

We will have the possibility under the Murray amendment to do something about that. It is a responsible amendment. It will pay effectively for itself. It is not going to run up the deficit. It will ensure that all children are included and at end, that "no child is left behind."

We have to make a judgment. This is an issue of priorities. Do we want to invest in our children or do we want to leave those children further and further behind?

I want to point out briefly while I am talking about the No Child Left Behind Act that the Bush administration has been withholding data for 6 weeks now. But the Congressional Research Service tells us that over 7,500 school districts are about to get a cut in No Child Left Behind Act aid. Many of these are the poorest of the poor school districts. East St. Louis, IL, 41-percent poverty, will get a \$315,000 cut in July. Canton, MS, 34-percent poverty, will get a cut of \$148,000 this July. Camden, NJ, 38-percent poverty, will get a cut of \$550,000 this July. East Cleveland, OH, 35-percent poverty, will get a cut of \$90,000 in July. Holyoke, MA, 36-percent poverty, will get a cut of \$350,000 this July.

Money does not answer all the problems in education, but it is a pretty clear reflection of the kind of priority we in this body are giving to education. We are allowing cutbacks in children's education, while expanding, making permanent, the tax cuts for the wealthiest individuals.

That is not the only issue. We just mentioned the challenges facing K-12. We have other issues on No Child Left Behind, including ensuring we have well-qualified teachers who will work in supplementary services, dealing more effectively with the issues of disability, dealing with limited English proficient students, trying to work

with States on a representative size in measuring annual and yearly progress. But you cannot do those issues if you do not have the resources necessary. This budget does not provide them.

Let's look at what has happened in the area of higher education and ask what this budget does in the areas of higher education. This chart reflects the increased costs of college tuition for the public for average tuition for 2- and 4-year public colleges: \$3,725 for 2001-2002; 2003 and 2004, \$4,700, a 26-percent increase.

On the one hand we have a budget that is not performing in terms of creating jobs in our society, as the most recent results of last week indicate, and not doing the job in terms of our commitment to the children in K-12. What does this 26-percent increase in costs say to those working families, middle-income families trying to put their kids through college?

What has been the reaction of this administration and our Republican friends? College budget: more student debt, less grant aid.

We have seen the increase of the student debt by \$4.7 billion in the last 3 years for students under the Bush education program, effectively cutting 171,000 LEAP student grants, which are the State grants, matched by the Federal Government. This budget zeros out any increase in individual student Pell grants in spite of what the President said when he ran for the Presidency. He said we ought to have a Pell grant of \$5,000 when he was running for the Presidency. There is not a nickel increase. And zero increase in college work-study programs and campus-based financial aid, which are programs that are basically essential for low- and moderate-income families who need to be able to supplement, besides their scholarships, besides their loans.

I will show what the budget does and what choice is before the Senate. As I mentioned, in this budget we have a question of priorities. These are the priorities. The Bush plan to cut No Child Left Behind saves little compared to the cost of tax cuts for the top 1 percent.

This is the cost of the Bush tax cut for those making over \$337,000 in 2005: \$45 billion. This is the additional cost to fully fund No Child Left Behind in 2005, \$9.4 billion. What is important? There we have it. We will have a chance to vote on it.

What are your priorities? Ensuring that we will be able to fund the programs for the education of the children or are we going to provide the \$45 billion?

Let me show the chart for this year. We will hear from the Budget Committee chairman saying we have addressed this higher education. They put in some funding which will be necessary to keep the floor under the Pell grants and then they take them out. The Senate GOP would need to add to its budget to fully fund the No Child Left Behind Act, the \$8.6 billion, yet

there is virtually no real commitment in there.

I will discuss two items in terms of health care that are not addressed. There is no attempt with this budget to try to deal with the issues of coverage on health care, and there is virtually no effort to try to get a handle on costs of health care. What we have seen over the period of the last 3½ years of the total numbers of individuals who are not covered with health care has been going up, up, up. This is the chart that shows how the numbers have been going up since this administration: 39.8 million, 41 million, and 43 million.

Look at what has happened in the course of a year. Let's take a look at what happens in terms of health care costs. We have the total number of people going up, up, up. This chart shows the premium increase versus the consumer price increase: 10 percent, 12 percent, 13 percent; 2001, 2002 and 2003; a 43-percent cumulative over this administration.

Maybe someone in the Budget Committee can show us where this budget is doing anything about the costs coming out of the pockets of working families in this country. We are not creating jobs, we are not investing in the education of the children, and the issues of health care costs and coverage are out of control. We would think that at least this budget would have addressed those issues and questions. Fortunately, there will be amendments over the next 2 days to address those. I hope our colleagues will support them.

I yield the floor.

Mr. MCCAIN. Mr. President, the amendment offered by my friend from North Dakota is playing politics with two very critical issues to our Nation's economic well-being: The skyrocketing deficit and the future of Social Security.

Clearly, there is a lot we need to do to tackle the enormous \$500 billion deficit. There is also a critical need to shore up Social Security.

Let me remind my colleagues that, recently, Federal Reserve Chairman Alan Greenspan called for new steps to restrain spending, warning that unless we take action, our lack of fiscal discipline could lead to increased long-term interest rates. He also recently expressed serious concerns about the need to address Social Security, given the impending retirement of 77 million Americans 7 years from now. Unfortunately, this amendment is not a solution.

We need to start making some tough choices around here and in a manner that puts the good of the Nation ahead of partisan politics. I support PAYGO budget enforcement mechanisms, but not when they are tied to a political agenda. I regret that I must vote against the amendment.

The PRESIDING OFFICER. The Senator from Maryland.

# COMMENDING THE BRAVERY OF THE INITIAL RESPONDERS IN THE BALTIMORE HARBOR WATER TAXI ACCIDENT OF MARCH 6, 2004

Ms. MIKULSKI. I ask unanimous consent that the Senate proceed to the consideration of S. 312, submitted earlier today by myself and Senator SARBANES, expressing condolences to the people who died in the Baltimore water taxi and our appreciation for the brave rescue efforts.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 312) commending the bravery of the initial responders in the Baltimore Harbor water taxi accident of March 6, 2004.

There being no objection, the Senate proceeded to consider the resolution.

Ms. MIKULSKI. I ask unanimous consent also that the resolution and preamble be agreed to en bloc, the motion to reconsider be laid upon the table, and any statements relating thereto appear in the RECORD as if read without any intervening action or debate.

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

The resolution (S. Res. 312) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

## S. RES. 312

Whereas on Saturday, March 6, 2004, a water taxi overturned in Baltimore Harbor during a sudden and vicious storm;

Whereas 25 passengers were thrown into the Harbor, into frigid 43 degree water, with little chance of survival;

Whereas tragically, 1 person died and 3 people are presumed to be dead;

Whereas if not for the immediate action of the initial responders, more lives would certainly have been lost;

Whereas the initial responders demonstrated extraordinary bravery in their heroic response in rescuing the passengers;

Whereas after noticing the accident, the initial responders rushed to the scene, piloting their vessel to the accident site and immediately diving into the frigid waters in their street clothes and boots to help those clinging for their lives;

Whereas the initial responders not only saved those clinging to the boat for survival but used their exceptional skills and ingenuity to elevate the capsized boat to rescue those passengers trapped beneath;

Whereas the team of initial responders worked together to pull the passengers out of the water, identify those who needed immediate medical attention, turn the Fort McHenry Drill Hall into a triage center to identify the victims who were most in need, and provide all with dry clothing and warm blankets;

Whereas it was a team effort to rescue and save those stranded in the freezing Chesapeake waters that involved rescuers in the water, on the pier, and at Fort McHenry;

Whereas we commend the courage and resolution of Maryland's outstanding initial responders whose quick reaction to this terrible accident saved lives; and

Whereas we praise these initial responders—the Navy Reservists, Coast Guard, Mari-

time Fire Department, Baltimore Fire Department, Bowleys Quarters Search and Rescue Team, and the emergency medical team—who worked together as a team to rescue people and save lives: Now, therefore, be it

*Resolved*, That the Senate—

(1) pays tribute to the victims of this terrible accident and expresses its condolences to their families;

(2) commends the initial responders in the Baltimore water taxi accident of March 6, 2004, for their bravery, quick thinking, courage, and ingenuity in rescuing the passengers of the water taxi that capsized after a sudden and vicious storm swept over the Baltimore Harbor; and

(3) commends the team of initial responders for this extraordinary demonstration of their ongoing commitment and dedication to saving lives.

Ms. MIKULSKI. Mr. President, I believe we have agreed to the parliamentary aspects of this effort.

I rise to pay tribute to those lost in the Baltimore Harbor water taxi accident, and to express great gratitude to the brave rescuers who saved many of the lives, and, of course, to express condolences to the families.

Let me tell the Senate about what happened, very briefly.

On Saturday, a beautiful, mild afternoon in Baltimore's Harbor became a nightmare. A sudden storm arose. A beloved water taxi capsized in the Baltimore Harbor. Twenty-five people were thrown into the water. They fought for their lives in freezing cold water.

They were families, tourists, Maryland residents, people from across the country, even members of a National Guard unit visiting us.

Two women tragically lost their lives, including a beloved pediatric nurse. One young girl is still fighting for here live.

Three people still remain missing; a couple about to be engaged and a 6-year-old boy on a trip with his father and mother and two other siblings.

I express my heartfelt condolences to those families who are suffering the loss of a loved one. The victims and their families are in our thoughts and our prayers.

But I also want to bring to the Senate's attention what happened with our very brave initial responders.

This accident happened off of Fort McHenry. Stationed there is a Naval Reserve unit. They happened to be on duty as part of their weekend training. At the same time, located there is the Baltimore City Fire Department Maritime Unit.

The minute this boat went over, as this storm hit, a Naval Reserve master chief petty officer saw the boat capsize and sounded the alarm to the Navy Reserve unit. Without hesitation, 20 men got on a boat that was a relic from World War II, that was used as a landing craft, and with great skill they began to proceed out to this capsized boat, exactly as the Baltimore City Maritime Fire Department saw it. And then without even putting wet suits on because there was not time—the water was 44 degrees—the firefighters jumped

overboard. The Navy came in as a rescue mission, maneuvering this landing craft, and coming up close. As they lowered its bowel ramp, they used it as a sidewalk into the water. The Navy men walked into that water, forming a human chain, grabbing people, and pulling them out. And then they skillfully negotiated right up to the capsize boat and used the ramp as a crane to lift it up, and out came three people who had been trapped underneath.

Once again, the Navy rescued two and the fire department rescued one. Now two people are dead. Three are missing. Indeed, it is a very melancholy situation, but if the Navy had not responded the way they did, and if the fire department had not been there, the tragic consequences would have been far more significant.

That kind of bravery, jumping into the water, risking hypothermia is something we need to recognize. These initial responders did it quickly, without thinking and without hesitation and without stopping. Their quick thinking and all of their training and all of their ingenuity and all of their bravery and all of their gallantry helped save 20 lives.

Our terrific Baltimore emergency workers back on shore began to take the people to the hospital. On shore, the Navy took their drill room and turned it into a triage center. I am telling you, they provided emergency medical care. They were taking blankets and clothing and even their own shirts and socks and giving it to those who came from the freezing cold water. We could have faced a greater loss had it not been for them.

When I went to visit with them yesterday, I said: I want to go to the Senate to tell your story. As I gathered their names, they said: We don't want to be singled out. We're Navy. We're the fire department.

They wanted to be known for the team they belong to. They told me they were part of a team, that they needed each other, and that they counted on each other, and it was the team effort that saved their lives.

They do that every day. The fire department and the Navy train every day to save lives. They were there when we needed them, and they were best at what we needed them for.

Now Baltimore fire rescue workers continue to recover the bodies of the victims. Indeed, it is a chilling job, but we want to be able to bring those bodies back home.

I salute our initial responders. I salute those who are now engaged in the recovery activity. I thank God for the emergency medical team that whisked them to the hospital to take care of their hypothermia, their cardiac arrest.

It was a tragic day in Baltimore, but the heroism of Baltimore shines as a beacon to deal with their sorrow. That is why I offer this resolution today. I ask that the Senate and my colleagues join in expressing our gratitude for

them and our condolences to those families of lost loved ones.

I thank the Chair and thank the Senator from Idaho for his courtesy.

Mr. CRAPO. Mr. President, I thank the Senator from Maryland. In fact, I appreciate the Senator from Maryland coming to the floor today and sharing with us, the Senate, and the country this incredible example of how these first responders can make such an important difference when a tragedy strikes. Those in Maryland are to be commended for this response.

#### CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR FISCAL YEAR 2005— Continued

AMENDMENT NO. 2704

Mr. CRAPO. Mr. President, the amendment that is before the Senate today, and on which I expect we will vote very soon, is an amendment that would change the budget enforcement rules as we proceed forward in considering legislation. This amendment would amend title IV of the budget enforcement provisions of the committee-reported resolution to include a 60-vote point of order against the consideration of any direct spending or tax relief legislation that would increase the on-budget deficit in any fiscal year, in its terms, "until the budget is balanced without Social Security" payroll tax receipts.

The problem this amendment poses, although it sounds very admirable on its face, is that it is based on the faulty premise that either tax relief or spending is raiding the Social Security trust fund.

I will be one of the first to agree we should control spending in this body, such that we do not engage in deficit spending, which makes it more difficult for the Federal Government to pay down its outstanding debt obligations.

In fact, as I said yesterday on the floor, when I ran for Congress, I ran on a principle of a balanced budget, and beginning in about 1994, in this Congress, we were able to exert the kind of fiscal discipline that helped us ultimately, with the assistance of a strong economy, to achieve a balanced budget to start paying for what we were spending in Congress and to be able to pay down significant amounts of the national debt.

I believe that is a very admirable principle. But to argue that either the excess spending or the cuts in taxes are somehow raiding the Social Security trust fund is to create a spin that needs to be clarified.

The first point I believe the public needs to understand is that when proceeds come into the Social Security trust fund, by law, those proceeds are utilized, first, for the purposes of the Social Security benefits that are provided. Then, if there are excesses—and in the past few years there have been excesses; there will be for a number of

years until the Social Security trust fund begins to run deficits—those excesses or surpluses are then invested, by law, in Government bond instruments, in other words, Government debt instruments.

Those Government debt instruments, as other debt instruments which the Government issues, are then sold to the public or to buyers around the world, frankly, and then repurchased at the time when they become due by the Federal Government.

It will be necessary for us, when these bonds come due—for any year we issue them—to pay for them. The more deficit spending we engage in, the more debt we incur, and the heavier the debtload for future generations, it is true.

The net effect of the amendment we are now debating is directed specifically at tax relief. There is tax relief that this Congress and the President of the United States have passed, and the President signed into law in the past few years that will expire because of the procedural mechanisms utilized to get it through the Senate. The various provisions of this tax relief that we were able to accomplish in the last few years expire on different dates, depending on the terms of the legislation we passed.

I believe everyone should be very clear about one important fact. Although there has been a lot of debate in the last few days, and will be for the next few, primarily attacking the President for supporting tax relief and primarily saying that this tax relief was for the wealthy and the rich, the fact is the tax relief was provided across the board to Americans from all income categories who pay taxes. In fact, the highest percentage of the tax relief went to those who were in the lower and middle-income categories.

We can debate the value of the tax relief that is claimed to be for the wealthy. Most of it went to small businesses that apparently are categorized as the wealthy. Most of it was that which is providing the incentive to invest in capital that will generate strength in the economy and create more jobs. But setting that debate aside, those provisions of the tax relief that this Congress and previous Congresses enacted over the past few years under President Bush's leadership that expire this year, those that are in jeopardy of going away this year are not these tax increases that everyone has been referring to in the last few days, these so-called tax cuts for the wealthy. They are instead the tax cuts that directly benefit the middle and lower income classes.

What are they? First, we expanded the 10-percent income tax bracket so that more people are covered at the 10-percent level than the higher levels of taxes. That is the lowest level of tax in the income tax structure. The tax bracket of protection for the lowest level of income-tax payers was expanded. It is that tax relief that will

expire this year. It is that tax relief which is the target of this amendment. It is that tax relief which this amendment will make more difficult to maintain and which will result in direct tax increases on those who are paying taxes at the first and lowest level of income category in our income-tax code.

The second tax that is going to expire this year is not this so-called tax on the wealthy that is so excoriated in the Senate. No, it is the marriage tax penalty relief. Those who fought us for years to stop elimination of the marriage tax penalty would love to see a procedural roadblock put into the place of this marriage tax penalty relief that is expiring. We don't want to see that happen.

What is the third and the last tax that will expire this year after the expansion of the 10-percent bracket and the elimination of the marriage tax penalty? It is the \$1,000-per-child tax credit. I don't believe those who are attacking the President's tax relief are going to claim that everybody who has a child and who can take advantage of the child tax credit is wealthy, according to the standards they have been putting forth. This one doesn't impact across income categories except that it is phased out for those in upper income categories and is a primary benefit specifically to those in the lower and middle-income categories.

So we have three critical tax relief provisions that are going to expire this year which directly benefit the lower and middle-income classes that will be made more difficult to extend if this amendment passes.

When you look at these things on their face, it sounds very nice to say let's put a procedural mechanism in place to make it harder to cut taxes. But let's not make a mistake. The taxes they are going at are the taxes specifically identified in the reconciliation provisions of our budget; that is, the expansion of the 10-percent bracket, the elimination of the marriage tax penalty, and the child tax credit. For those reasons, I believe it is important we recognize this amendment must fail.

There has been a lot of talk about what is going to happen to Social Security. I, for one, will vote to have strong fiscal restraint in this budget and to do what is necessary to stimulate and strengthen our economy, to make sure our economy can start gaining steam again and help us address these budget deficits.

I have a small chart that shows what the Social Security trust fund is going to look like under the current budget or without the current budget, having undone the current budget. The point is, it is the same. The reason it is the same? There will be about \$4 trillion in the Social Security trust fund either way. The reason it is the same either way is all surpluses in the Social Security trust fund are by law invested in government bonds and government debt instruments. Those government

debt instruments will protect the Social Security trust fund in either case.

Again, I want to make clear, the way to protect the Social Security trust fund is to stop overspending our budget. The way to protect the Social Security trust fund is to stop running deficits and start, once again, as we were in the late 1990s, paying down the national debt, giving greater strength and resiliency to our economy and confidence in our ability to repay these debts as they come due.

Let's not get ourselves caught up in this debate about whether taxes and tax cuts are bad or good. Those who debate this issue on the floor and criticize the President primarily have two messages: The first is, they want to blame the tax relief of the past few years for all of the economic problems our Nation has faced in the last 3 or 4 years, when in reality we saw the stock market bubble pop. We were attacked on 9/11 which drove down consumer confidence and drove spending through the roof in terms of the war on terrorism and the effort to defend attacks on our homeland. And we have seen other problems, mainly the uncontrolled increases in entitlement spending that drive spending in this budget.

Over the next few days we will continue to have this debate over whether it is better to have higher taxes and higher spending and somehow spend ourselves into prosperity or whether it is better to have lower taxes and give an economic stimulus to the private sector and to strengthen consumption and then try to control the deficits, thereby stimulating the economy and controlling spending. That is going to be what we debate in one context or another for the rest of this week.

I say to those who are listening, this amendment will essentially accomplish one thing, and that is to put roadblocks in the way of the kind of tax relief for which we have been fighting for the last 3 or 4 years. It doesn't put roadblocks in the way of discretionary spending proposals. It doesn't put roadblocks in the way of entitlement spending increases. It puts roadblocks in the way of efforts to maintain the tax relief that we have had in the past few years. Again, primarily that tax relief which we are targeting and which we are projecting to the Finance Committee in our reconciliation bill is the tax relief that is intended to expire this year: The expansion of the 10-percent tax bracket for those at the lowest level of income tax payment, the marriage tax penalty elimination, and the \$1,000-per-child tax credit.

I encourage all of my colleagues to vote no on this amendment.

I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I almost don't recognize my amendment when I hear the description of the Senator from Idaho. The amendment he is talking about is not my amendment.

My amendment says very simply: No new mandatory spending, and that is two-thirds of Federal spending; no new tax cuts unless they are paid for until we stop using Social Security funds for other purposes. The only way around that is a supermajority vote.

So let me repeat what this amendment does. This amendment says: No increase in mandatory spending, no new tax cuts that are not paid for until we stop the use of Social Security funds for other purposes.

Let me be clear. We have had in the past pay-go provisions, and the pay-go provisions operated in just this way. They were focused on mandatory spending, not on discretionary spending. We disciplined discretionary spending with spending caps. We have a cap in place right now. Mandatory spending we disciplined with a pay-go provision just like mine, and we disciplined the tax cut side of the agenda with a discipline just like mine. But those disciplines were stopped in 2002.

What I am saying is they ought to be put in place. We ought to insist that if somebody wants more spending, new spending on the mandatory side, they ought to come up with a way of paying for it. If they want new tax cuts, they ought to find a way to pay for it until we stop the use of Social Security money for other purposes. We would defend those disciplines with a 60-vote point of order.

Mr. CRAPO. Will the Senator respond to a question?

Mr. CONRAD. I will in a minute. Let me complete my thought, and then I will be happy to yield to the Senator for the purpose of a question.

I believe this is critically important that we put this discipline in place. The Senator has referenced the middle-class tax reductions. I have said publicly that I will support the extension of the 10-percent bracket. I will support the continuing marriage penalty relief. I will support the continuing relief that we see with the expansion of the child tax credit. But to do it, we ought to pay for it, just as we ought to pay for new spending. If we cannot pay for it, then we ought to have a 60-vote hurdle in front of us to discipline the spending-and-tax-cutting process in this body.

Look, we have record budget deficits, and under the budget that is before us by the majority, the increases in the debt are virtually unchanged over the 5-year period. The debt is being increased under this budget by \$2.86 trillion. The increases in the debt year by year are never below \$550 billion, \$560 billion.

I will be happy to yield to the Senator for a question.

Mr. REID. Mr. President, may I ask a parliamentary inquiry—I guess it is not parliamentary inquiry—if the Senator from North Dakota will yield?

The PRESIDING OFFICER. The Senator from Nevada will state his inquiry.

Mr. REID. I apologize to my friend from Idaho. May I ask the ranking



member of the committee what the chairman and he have decided on a vote? We have people anxious to know when this vote is going to take place. Can the ranking member or the chairman respond to my question of when the vote will take place on the pending amendment?

Mr. NICKLES. Mr. President, to respond to my colleague from Nevada, we told people to expect a vote at 2:30 p.m. I told my colleague from North Dakota we expected a very short summary and debate by the two of us. It is agreeable with this Senator to vote in the next 6 or 8 minutes, 10 minutes, 4 or 5 minutes to a side.

Mr. REID. Can we set the vote at quarter to 3?

Mr. NICKLES. That will be fine.

Mr. REID. Ten minutes, five minutes on each side.

Mr. NICKLES. Mr. President, I ask unanimous consent that the rollcall vote on the Conrad amendment occur at 2:45 p.m.

Mr. REID. With the time to be equally divided.

Mr. NICKLES. With the time equally divided.

Mr. REID. And no second-degree amendments in order.

Mr. NICKLES. That is not necessary.

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

Who yields time? If no one yields time, time will be charged equally.

The Senator from North Dakota.

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

Mr. President, let me be clear. The amendment I am offering says this: No new mandatory spending, no new tax cuts unless they are paid for until we stop using Social Security money for other purposes. It guards that budget discipline with a supermajority point of order. That is how we have worked in the past with the pay-go provision, focused on mandatory spending and on the tax side of the ledger. It is not different from what we have done in the past.

Some have said it does not discipline discretionary spending. We have never disciplined discretionary spending with this kind of mechanism. We have done that with spending caps, and we have in place today a spending cap. I have supported spending caps to discipline the discretionary side of the spending.

Remember, mandatory spending is two-thirds of Federal spending, and we have nothing in place now to protect us on the revenue side or the mandatory spending side. That is what this amendment does.

If we look at the President's budget, it is very interesting what we see. Over the next 10 years, he is taking every penny of the Social Security surplus and using it to pay for other items. What are the other items he is paying for? One is his income tax cuts. There will be a \$2.4 trillion Social Security surplus over the next 10 years. By the way, it is not surplus at all. It is a misnomer because we are going to need

that money when the baby boomers retire. But he is taking that money that is in surplus for the moment and using it to pay for other programs, including \$2.5 trillion of income tax cuts.

Income tax cuts are primarily going to the wealthiest among us. If we look at who benefits from the Bush income tax cuts, what we see is the top 1 percent, those earning over \$337,000 a year, get 33 percent of the benefit.

Our friends on the other side will say they pay more taxes. Indeed, they do, but they do not pay 33 percent of the tax burden in this country. They pay about 23 percent of the tax burden in this country. They have gotten a disproportionate benefit.

If we look at who benefits from Social Security, we see that two-thirds of retirees rely on Social Security for more than half their income; 31 percent get at least 90 percent of their income from Social Security; 33 percent get 50 to 89 percent of their income from Social Security; 36 percent get less than 50 percent of their income from Social Security.

The big problem we have is shown on this chart. This shows the Social Security and Medicare trust funds that are now in surplus. Those surpluses are being used to pay for other items. The red bars show the cost of the President's tax cuts. What one can see is, as the trust funds go past negative, the expense of the President's tax cuts explodes, driving us right over a cliff into deeper and deeper deficit and debt.

That is what has led the head of the Federal Reserve to urge cuts in Social Security. The head of the Federal Reserve has come before Congress and has said: You are overcommitted. You are spending way more than you are taking in, and this is going to lead to an incredible crunch. He said to us: One of the things you ought to consider is cutting Social Security benefits.

The President said to us repeatedly that Social Security funds should not be used to fund other expenses of Government.

In his 2002 budget blueprint, the President said:

None of the Social Security surplus will be used to fund other spending initiatives or tax relief.

That is a broken promise. In 2001, in a radio address, the President said:

Every dollar of Social Security and Medicare tax revenue will be reserved for Social Security and Medicare.

In a radio address on March 3, 2001, the President said:

We're going to keep the promise of Social Security and keep the government from raiding the Social Security surplus.

That is exactly what he is doing. That is why this amendment is important. I urge my colleagues to support it.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I urge our colleagues to vote against this amendment. For those who say we are raiding Social Security, I believe that

is absolutely false. We are protecting Social Security just like any other budget, just like the budget Senator CONRAD passed out of the Budget Committee a couple of years ago. He raided Social Security to the tune—if one uses that terminology, and I do not want to use it because I do not believe it—of about \$866 billion. He did the same thing that we are doing today.

We knew exactly what the law says. The law says if there are surplus Social Security revenues, they are to be invested in T-bills, and I will quote the law. This is the Social Security Act, Section 201(d):

It shall be the duty of the Managing Trustee to invest such portion of the Trust Funds as is not, in his judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States.

That is exactly what we do. I think some are trying to politically scare people into making a mistake. The mistake would be to say 60 votes are needed to do anything in the future, supposedly pay-go for everything.

In reality, they did not cover appropriated amounts. There could be an appropriation increase of \$100 billion. Oh, that does not have to be paid for. Maybe there are caps, maybe there are not caps. We have had a year that we did not have a budget resolution and did not have caps. It would be very easy not to have a resolution and not to have caps.

Basically, discretionary spending would be exempt from this very new stringent requirement. Plus, there would be almost an encouragement for more spending. Some people could say let's increase spending because if spending is increased, there will not be a tax cut. Obviously, there are some people who do not want to have a tax cut—not only not have a tax cut, they do not want to see present law extended. That is really what we are talking about. Some people want to have a supermajority or mandate where there cannot be an extension of present law. So this is very important.

I heard my colleague say any increases in mandatory, those are covered just like tax increases. That is not the case. There are billions of dollars of mandatory programs that are sunset, but according to the CBO those are assumed to be extended. They do not have to be paid for after they are sunset, but taxes are sunset and they have to be paid for. So this makes it tough on the taxpayer.

If this amendment passes, there is a big bull's eye on taxpayers. Look out, you are getting ready to be hit. Congress is making it a lot easier to spend money. New spending on the discretionary and lots of mandatory are not covered, but any taxes, even present law extension, those are going to be hit. Taxpayers, look out.

I urge my colleagues to vote no on this resolution. I do not think 60 votes

should be required to pass everything in the Senate, and I am afraid that is what this amendment would lead to.

I urge my colleagues to vote no on the amendment. I yield the remainder of our time, and I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. REID. I announce that the Senator from North Carolina (Mr. EDWARDS), the Senator from South Dakota (Mr. JOHNSON), and the Senator from Massachusetts (Mr. KERRY) are necessarily absent.

I further announce that, if present and voting, the Senator from Massachusetts (Mr. KERRY) would vote "yea."

The PRESIDING OFFICER (Mr. CRAPO). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 46, nays 51, as follows:

[Rollcall Vote No. 33 Leg.]

YEAS—46

Akaka	Dodd	Lieberman
Baucus	Dorgan	Lincoln
Bayh	Durbin	Mikulski
Biden	Feingold	Murray
Bingaman	Feinstein	Nelson (FL)
Boxer	Graham (FL)	Nelson (NE)
Breaux	Harkin	Pryor
Byrd	Hollings	Reed
Cantwell	Inouye	Reid
Carper	Jeffords	Rockefeller
Chafee	Kennedy	Sarbanes
Clinton	Kohl	Schumer
Conrad	Landrieu	Stabenow
Corzine	Lautenberg	Wyden
Daschle	Leahy	
Dayton	Levin	

NAYS—51

Alexander	Dole	McConnell
Allard	Domenici	Miller
Allen	Ensign	Murkowski
Bennett	Enzi	Nickles
Bond	Fitzgerald	Roberts
Brownback	Frist	Santorum
Bunning	Graham (SC)	Sessions
Burns	Grassley	Shelby
Campbell	Gregg	Smith
Chambliss	Hagel	Snowe
Cochran	Hatch	Specter
Coleman	Hutchison	Stevens
Collins	Inhofe	Sununu
Cornyn	Kyl	Talent
Craig	Lott	Thomas
Crapo	Lugar	Voinovich
DeWine	McCain	Warner

NOT VOTING—3

Edwards	Johnson	Kerry
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The amendment (No. 2704) was rejected.

Mr. NICKLES. I move to reconsider the vote.

Mr. TALENT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, I don't know if any of my colleagues are prepared to offer an amendment at this time. If not, I would like to speak to the budget which is before the Senate.

Mr. REID. I yield to the Senator from Illinois 25 minutes.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 25 minutes.

Mr. DURBIN. Once again, if any colleagues are prepared to offer an amendment, please indicate and I would be happy to give them a chance to do that.

Before beginning, I notice the junior Senator from Michigan is here. I would like to ask, if possible, in a colloquy how much time she would like to use so I don't go over. I know she has waited patiently for a chance to speak.

Ms. STABENOW. Mr. President, I was hoping to have 15 minutes if that is possible.

Mr. DURBIN. If it is all right with the Senator from Michigan, I will take 15 minutes, and if there is no objection, I ask unanimous consent that the floor then be yielded to the junior Senator from Michigan.

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

Mr. DURBIN. Mr. President, this is an important debate because it is a debate about promises that have been made and promises that have not been kept. Many Members can recall President Bush, when he came to office, said he had a plan for putting America's economy back on its feet.

Now, understand, when President Bush took office we had gone through a period of amazing economic expansion in the United States. Under the 8 years of the previous administration we had created some 27 million new jobs in America. We can remember the feeling of exhilaration and excitement as this economy charged forward. Silicon Valley was leading our technology and our economy, and people across the board were finding their retirement plans and savings were growing to historic levels. There was a great feeling of optimism, creation of more jobs than at any time in our history, lower inflation, a situation where we had more new businesses created than we had seen in any comparable period, and more for women and minorities. It was a dramatic period of economic expansion. It was a period when there was real confidence we were doing the right thing.

Some of that is within the control of the President and some of it is not. Giving credit to the previous administration, I believe President Clinton made an important early decision. When he came to office, he decided his party, the Democratic Party, would do something that surprised many observers. He said, we will seriously and honestly address the deficit.

We remember the deficit. Under President Ronald Reagan and President George Bush 1, we had amassed annual deficits and a national debt emerging from them of record proportion. In fact, there was more debt in that period of time than any time since the beginning of the United States of America. The debts just kept on coming.

In came President Clinton who said: We can do better; but in order to do

better, we have to do two things. One, we have to cut spending. Second, we will have to impose some new taxes. There were tax cuts for sure in the package, and I voted for it, but he said those are the things that have to be done. If they are done, President Clinton said in 1993, I believe it will be a signal to the business community in America that the U.S. Government will get its house in order. We will stop running these massive annual deficits. We will stop accumulating this national debt. We will be more responsible. President Clinton brought that proposal to Congress. I was serving in the House at the time. It passed the House of Representatives by one vote, without a single Republican Congressman voting for it. Then it came to the Senate where a vote was cast again on President Clinton's plan to get the economy back on its feet, and what happened here? A tie vote broken by then-Vice President Al Gore, all Democratic votes again, passing the Clinton plan.

Members of the Republican Party came to the floor during the debate and predicted if President Clinton had his way, if his plan were enacted, we would lose jobs, move into a recession, and find our economy permanently damaged. Those speeches were coming at us like rapid fire out of a gun from the other side of the aisle. They did not provide one single vote for the Clinton plan to put this economy on its feet. Fortunately, it passed and, in passing, set us on course for the great economic expansion which I just explained.

Now look where we are today. The first thing to do is to consider where President Bush was when he came to office. This chart is an indication of the deficits in surplus in the United States. Under President Reagan we can see the first deficit he ran into was in the range of \$79 billion. Then the annual deficit increased to about \$153 billion. In other words, we were overspending that much each year.

Then under President Bush's father, the annual \$153 billion deficit grew to \$290 billion. That was money we were spending we did not have. We were increasing the mortgage of the United States of America every single year under President Reagan and President Bush's father.

Then came President Clinton and he said, as I described earlier, we need to do the responsible thing. We need to cut spending and we need to increase taxes on those who can afford to pay. As a result, we see the deficit line go from a high of \$290 billion under President Bush's father and the annual deficit start plummeting under President Clinton until 1997 when we will start running surpluses. Who would have guessed, after all those years, 12 or 13 years of straight deficits, we started running surpluses in America.

What did a surplus mean? It meant we were putting money into the Social Security fund instead of borrowing it. Why is that important? Because we

have a horde of Americans, called baby boomers—and I am just outside that class—who will show up for Social Security and Medicare soon. We said, let's get Social Security and Medicare stronger. We know they are coming. That is what President Clinton did. Because of his decisions, we reached the maximum point in his administration where we had an annual surplus of \$236 billion, generating more money than we were spending. What a change. What a dramatic change over this period under President Reagan, President Bush's father, and President Clinton.

Then look what happened when President Bush came into office. He came into office with an economy that was starting to show some recession, it is a natural thing, and came up with a plan for America which called for the most substantial tax cuts in our history, with a substantial part of them going to the highest income, wealthiest Americans. President Bush and his adherents in the House and Senate insisted if you just give a tax break to the wealthiest people in America, they will save it and spend it and invest it in a way that will turn the American economy around.

President Bush carried the day. I didn't vote for it. Some of my Democratic colleagues did. He passed not one but two major tax cuts.

Now look what happened as a result of President Bush's economic policy over the last 3 years and 3 months. Look at this line. We have gone from a \$236 billion surplus under President Clinton to a \$477 billion deficit we are facing today—an abject failure of President Bush's economic policy.

Every year we continue to give tax cuts we cannot afford to pay for, and we continue to spend money we do not have. How in the world can the Federal Government do that? How can we consistently act like a bankrupt nation and get by with it? Well, the answer is, we reach into the Social Security trust fund.

This trust fund is created every single minute of every day by every worker in America. As they go to work and earn their wage, the Federal Government takes about 7 or 8 percent of it from the employee, the same amount from the employer, and says: We are putting that away for Social Security, so when you are ready to retire it will be there.

All that money accumulates and grows. We pay the current Social Security recipients, and we save the balance for the future. That balance grows. The way we sustain a deficit is by reaching into that Social Security trust fund and spending it, leaving IOUs behind.

The vote that was just taken, for those who are following it, was very basic. It said: Stop reaching into the Social Security trust fund to increase tax cuts for America or to increase mandatory spending. You saw what happened. The vote went down resoundingly. I guess my colleagues are being very honest about this. They

know we have deficits we cannot handle, and they know you cannot sustain those deficits without reaching into the Social Security trust fund and taking the money out, and they are perfectly willing to keep doing that. In fact, they are willing to increase the tax cuts at a time when we are in deep deficit and have to rely on the Social Security trust fund to save it.

So what do we have here? We have such a dramatic reversal in such a short period of time. President George W. Bush's economic policy has failed miserably. This red line on this chart, this dramatic increase in our annual debt is a clear indication.

Now take a look at some other economic indicators. There are those who argue the economy is growing; good signs are on the horizon; a reason for optimism. Well, what happened last Friday? Last Friday we had a report from the Department of Commerce about the number of jobs created last month in our economy. The report said 21,000 new jobs were created. Cause for celebration? Hardly. All 21,000 new jobs were created by State and local governments; no net increase in jobs in the private sector in businesses. Businesses are not creating new jobs. The Bush economic policy has failed in that regard as well—21,000 new jobs, all with State and local governments. We need to create about 125,000 new jobs each month just to keep up with the new entries into the workforce, people who are now looking for jobs for the first time. We are not even keeping up with the new entries.

We have an incredible thing happening. Over 400,000 Americans have stopped looking. They have been on unemployment for so long they have given up. They are not even looking any longer. They are not being counted. The number of unemployed people in this economy, unfortunately, is growing dramatically.

Again, the Bush economic policy has failed, with record deficits, higher than any time in our history. Unfortunately, this President has presided over the loss of more jobs during his administration than any President in the history of the United States since President Herbert Hoover in the Great Depression.

Those are the realities of the failed Bush economic policy, and the budget before us today is proof positive of the fact that is likely to continue.

The Bush administration has not been realistic when it comes to job projections. Take a look at this chart. The black line at the bottom shows the actual job situation, how many jobs we have had in America. These red lines that come shooting off, suggesting many more jobs are going to be created, are all predictions by President Bush's administration. The economic reports of 2002, 2003, and 2004 said recovery was on the way, around the corner, and millions—literally millions—of jobs will be created. Each and every time they have been wrong. Their policy has been wrong.

Just several weeks ago, a gentleman by the name of Gregory Mankiw, who is the head of the President's Council of Economic Advisers, sent this Congress a report, signed by President George W. Bush, that took a look at the job situation. Incredibly, Mr. Mankiw reported to us that in fact the outsourcing of jobs, the sending of American jobs overseas, Mr. Mankiw says, is a good thing. It is healthy for us to see American jobs leave our shores to India and China and other countries around the world.

His argument—I suppose among some economists this is credible—was that now jobs that did not used to be "tradeable," in his words, are tradeable. Call center jobs—the next time you get a call at home from somebody who wants you to take a credit card or change a phone service, ask them from where they are calling. I started asking recently. My last two callers were calling from India.

This morning we read about a small town in Virginia that is about to lose Travelocity, which is an agency which books travel for people around the world. Their jobs—several hundred in a small Virginia town—are going over to India. Mr. Mankiw says to Congress: Don't get worried. This is a good thing. This is a healthy thing. Call center jobs in America are tradeable.

Well, I do not think Mr. Mankiw is living in the real world. I defy him to take that argument to any main street in America, in Michigan, in Idaho, or in Illinois, and say to the people there what we are facing in America today is a good thing, with jobs going overseas.

How does that relate to this budget? Sadly, when we look at the job situation, you find that, as Lou Dobbs of CNN estimates, 348 companies in America are now outsourcing work overseas, either sending U.S. jobs overseas or choosing to employ cheap overseas labor instead of American workers.

The President's budget, which we have today, is so deep in red ink he has cut back on what is called domestic discretionary programs, and by doing so, he has no jobs program whatsoever. He does nothing in his budget to end tax breaks for companies that are sending jobs overseas. He does not extend unemployment insurance. During the first 6 months of 2004, that will mean an estimated 2 million unemployed workers receive neither a paycheck nor unemployment insurance. He does not provide the money for these families to keep their basics together, to pay for their mortgage and utilities and food and health insurance.

Time and again, the Republicans in the Congress have refused to offer unemployment benefits to the casualties of the Bush economic policy. Is that compassionate conservatism? I do not think so. I think he is turning his back on hard-working people who have been victimized by his failed economic policy.

Also, this budget shortchanges job retraining. Vocational and adult education programs cut by almost 25 percent, from \$2.1 billion to \$1.6 billion.

Mr. President, 2.5 million full-time, year-round workers live in poverty in the United States. You can talk about all the tax breaks in the world but, frankly, they never reach these folks. Pennies come to them. Thousands come to those in higher income categories.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. DURBIN. Mr. President, I ask unanimous consent for 5 additional minutes, if the Senator from Michigan will bear with me.

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

Mr. DURBIN. Mr. President, take a look at the annual growth rate of private sector jobs under President Bush. You have to go all the way back to President Hoover to see such a low growth rate, which had a negative growth rate of over 4 percent. Under President George W. Bush, we see here something that has not happened in this country for almost 70 years: the loss of private sector jobs because of a failed economic policy.

Then when you take a look at the manufacturing jobs, that is where it is really painful. Manufacturing jobs are the best-paying jobs in Illinois and Michigan. We just had a hearing last Friday. Employees of Electrolux—was it in Greenville, MI?

Ms. STABENOW. Greenville, MI.

Mr. DURBIN. Greenville, MI, a town of about 9,000 people, if I remember correctly, and over 2,000 jobs are going to be lost.

Ms. STABENOW. Twenty-seven hundred jobs.

Mr. DURBIN. So, 2,700 jobs. I am glad Senator STABENOW reminds me. Electrolux makes Frigidaires. They are moving to Mexico. We asked them whether they sold Frigidaires in Mexico. No. They are going to sell them in the United States. More manufacturing jobs heading over the border.

Maytag, in Galesburg, IL—the stories just go on and on and on. It is not like these jobs are leaving and new, good jobs are coming. When we asked an employee of Lucent Technologies from Illinois how much he made an hour for Lucent after almost 30 years on the job, he said \$27. When I asked him: What kind of job are you looking for now? He said: I am lucky to get one that pays \$8 an hour with no benefits.

For the Bush administration to argue there are job replacements out there is to overlook the obvious. For certain workers there is nothing that can replace a good-paying manufacturing job in a person's lifetime. And that, unfortunately, is the sad reality.

When you look at this budget, you realize the obvious.

The money is not there for health insurance, which is critical for unemployed workers and basically for workers and businesses large and small.

There is no money provided here to basically take care of the 43 million Americans who don't have health insurance. Many of them are our neighbors who get up and go to work every morning, many with children who have no health insurance protection.

This budget fails to keep the President's promise on education. President Bush came to office and said: I am an education President and for No Child Left Behind. It was passed with a bipartisan vote. Still he refuses to find the money to pay for the very program he has mandated on State and local school districts. The President's budget for No Child Left Behind falls \$9.4 billion short of his promise. At a time when the President says we have to give the wealthiest in America some \$45 billion in tax cuts, the President has not kept his word on No Child Left Behind.

The money is not there to deal with health insurance, nor is there money to retrain workers who have lost their jobs. That is the best we can get out of President Bush's budget. Is it any wonder people across America say: It is time for a change.

I yield the floor to the Senator from Michigan.

The PRESIDING OFFICER. The Senator from Michigan is recognized for 15 minutes.

Ms. STABENOW. Mr. President, I thank my colleague for his eloquence, as usual. My friend from Illinois has addressed concerns we have in Michigan as well. There is nothing more important to us than making sure everyone has a good-paying job and the health benefits, pensions, and other job security that go along with it.

Last year Michigan lost more jobs than any other State. We understand what needs to happen for our families and how to create real economic security and to create jobs, to support a level playing field in trade, to tackle the rising cost of health care, to invest in education innovation. All of the things that make for the creation of a strong economic policy are what we should be doing. I thank my friend from Illinois for speaking to some very important issues.

One of my concerns as a member of the Budget Committee is in fact this budget does not adequately fund education. It eliminates some important areas of technology innovation. A program called the Advanced Technology Program, which we have used in Michigan with the auto industry and other manufacturing industries, partnering with our universities to create new, cutting-edge technologies that will allow us to compete in the global economy, has been proposed for elimination in this budget, and that is of great concern to me.

Those who don't support tackling the trade issues and creating a level playing field, those who say free trade, anything goes, point to education and innovation and say: That is how we compete. That is how we create jobs. Yet

we see in this budget areas of tremendous need to invest in our people and create opportunity, areas that in fact are cut.

I wanted to speak for just a moment on some things that have been said in the debate about the challenge for us in total as it relates to the budget. We are told the problem is domestic spending, that, in fact, if we were to have only a small amount of growth in our domestic programs—education, protecting the environment, family health care, law enforcement, homeland security—somehow that is what we ought to be debating because that will make the biggest difference in reducing the deficit.

Certainly we want to fund programs in a way that provides accountability and efficiency and supports every precious dollar being used as wisely as possible. It is important to look at one comparison in terms of numbers when we look at where to go to focus our time to reduce the massive red ink that has been created in the last 3 years.

First, if you exclude the Department of Defense, all discretionary spending—so we are not talking about Medicare and Medicaid but all discretionary funding, education, Head Start, children's health care, family health care, senior programs, environmental protection, homeland security, the COPS Program, supporting firefighters, the Justice Department, everything we do outside of defense, everything we do outside of defense in the discretionary domestic budget—is costing \$445 billion this year.

The deficit projected for this year, 1 year, the deficit during the same time period is \$521 billion. We could eliminate every penny of investment in our children, every penny invested in protecting the environment, every penny for law enforcement and firefighters and homeland security, and every penny we provide to protect our parks and all of the other things we do in the domestic budget, we could eliminate every penny and we would still have a debt.

This is extraordinary.

I was fortunate to be in the House of Representatives in 1997 when we balanced the budget for the first time in 30 years. I was very proud of that vote. It was tough because we had to make choices about how to balance the budget. But we did it. We saw at the end of the decade, and as I began my term in the Senate, a debate about the largest budget surpluses in the history of the country, \$5.6 trillion in surpluses. In 3 years we have gone to the largest deficit, over \$3 trillion in deficit in just 3 years.

There is something else that has been talked about. We could wipe out every penny in domestic spending for the United States and not eliminate this deficit. So surely something else is at play. We have to look at the larger picture of what is going on.

That relates to the number shown on this chart. We have tax cuts that have

been voted upon by this body in 2001 and 2003. Both enacted and proposed tax cuts over the next 10 years will take \$2.5 trillion of revenue. So we remove that from the Federal ledger, \$2.5 trillion. That almost equals—it is pretty darn close—\$2.4 trillion in Social Security surpluses. We have surpluses built up here. We take dollars away here.

Now we are being told, because Social Security surpluses are essentially being used to fund these tax cuts, we have a surplus on one side, we have a deficit on the other. They pretty much equal each other. Common sense would say the Social Security surplus is in fact funding these tax cuts.

Another way to look at that is, when we look at the amount of Social Security surplus that is saved in the next 10 years, it is zero. It is another way of saying the same thing. We save zero. It is being used. It is not being saved. It is not being put aside in the infamous lockbox we used to talk about and I still think is a good idea. Instead we save zero, and the amount of Social Security surplus that is spent is in fact the whole amount, \$2.4 trillion.

At the same time this is happening, we hear from the Chairman of the Federal Reserve that because of the challenge in Social Security, because of the fact the surplus is being used because of the baby boomers and the long-time obligations that are coming, we should look at raising Social Security taxes or lowering benefits.

There is another option. The other option is don't use this money. Don't use the Social Security trust fund to fund tax cuts primarily for the privileged few.

There are some tax cuts—the child tax credit, the marriage penalty repeal, small business efforts, the lowest income tax bracket being lowered—that are helpful to everyone, and they make sense to help grow the economy. But the vast majority of the tax cuts are geared to the privileged few in this country at a time of war, at a time when we need to ask everyone to be sacrificing together so that we are not leaving mounds of red ink for our children.

When we look long term at the budget cuts as compared to Social Security, other people say, that is not true. Let's look at the reality over 75 years. The actuaries look over a 75-year period at the soundness of Social Security. Let's look over the next 75 years. If all of the tax cuts that have passed are made permanent, with those being proposed by the President, we will see a cost of \$12.1 trillion over 75 years; \$12.1 trillion of revenues essentially pulled out of the Federal Government.

What is the shortfall in Social Security? Shockingly, a Social Security shortfall over 75 years is \$3.8 trillion. So it is absolutely accurate to say, as we look to the future and plan, as we know the baby boomers are coming, of which I am one, and we know the challenges of having more people in retire-

ment and fewer people working, that we better pay attention to these numbers and understand that, unfortunately, the hole that has been dug as it relates to jeopardizing Social Security is one that was dug consciously.

We, in fact, can stop that. We can reverse it. We can protect Social Security for the future, as our leader on the Budget Committee tried to do in the last amendment where he said we are not going to use Social Security until we can totally protect Social Security; that we are not going to add to that deficit through either spending or tax cuts. That was the right amendment to adopt, and I commend him for it. I am deeply disappointed it was not adopted.

The budget is all about choices. It is all about our values and our priorities. I believe at a time of challenge and national security concerns, a time of war, it is all about being in this together as Americans as well, not asking some to sacrifice greatly and others not to sacrifice at all.

What is great about our country is that we come together and we chip in, and we certainly saw that after 9/11. We saw the wonderful spirit of what it means to be an American: people willing to chip in, be part of the positive solution, be part of helping each other. I believe they want a budget for the United States that reflects the same attitude—all of us chipping in, all of us being willing to be responsible for the future for our children and not leave them trillions of dollars in red ink that they will then have to figure out how to pay for after we are gone.

That is not the legacy I want to leave for my children and grandchildren yet to come. I am very interested in having us put forward a budget that reflects the values and priorities of all Americans, not just a privileged few. That is what this debate will be about every day this week: What choices are we going to make? Are we going to do more tax cuts for the privileged few or are we going to keep everybody safe by fully funding all of the homeland security needs we have? Are we going to give more tax cuts for the privileged few or are we going to protect Social Security for the next 75 years, for the next generation?

We have choices to make, and I am very hopeful that the choices we will make will be ones that will make us proud when we look at the faces of our children in the future.

Thank you, Mr. President.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. I thank the Chair. Mr. President, I thank the Senator from Michigan for an excellent presentation, but much more than that, I thank her for the superb contribution she makes on the Senate Budget Committee. I think she has been one of the strongest members of the Budget Committee in a very long time. She is somebody who has a very strong background in economics and business issues and understands that a budget is about choices,

and these choices matter. They matter to the long-term economic security of the country. They matter to whether we are going to have Social Security and Medicare for our seniors in the future or if it is going to be dramatically reduced.

The Senator from Michigan understands this is a matter of choices about national security, whether we are going to have the resources to fund the military in a way that keeps it the most powerful and most dominant military in the world.

She understands that a budget is about choices between those issues that strengthen us as a nation and as a people in terms of providing an outstanding education because that is what it is going to take to be fully competitive in a modern world; whether we are going to be able to expand health care coverage in America to deal with the more than 40 million people in this Nation who do not have health care coverage; whether or not we are going to have homeland security that is something that makes us as safe as we can be in the face of this terrorist threat.

Frankly, we on our side question the choices the President has made to cut the COPS Program. The COPS Program puts 100,000 police on the street. The President says cut it 94 percent. What sense does that make when there is an ongoing terrorist threat? What sense does it make to cut port security by almost two-thirds? That is what the President is saying. What sense does it make to cut the funding for firefighters all across America by a third? Those are the choices the President has made, all of it sacrificed on the altar of tax cuts going primarily to the wealthiest among us. As I indicated earlier today, under the President's plan, the tax cuts he seeks to make permanent would add \$1.5 trillion to the debt. The President says it is the people's money. Give it back. There is nothing to give back. The money is gone. This country is in debt. The deficit this year alone is going to be approaching \$500 billion, and the truth is, that does not begin to describe how deep the hole is because that counts the \$160 billion more he is taking from Social Security, every penny of which he has to pay back and he has no plan to do it.

Now we are talking about an operating deficit in the range of \$700 billion in this year alone. And the President comes in and says: Let's just hold down the growth of nondefense, nonhomeland security domestic spending. That sounds as though he is doing something. But when you look at it, that part of Federal spending is just a tiny share of the Federal budget.

The spending he is talking about slowing down is only 17 percent of Federal spending, and his savings are only about \$7 billion when you have a \$700 billion problem. I call it the 1-percent solution. He is not dealing with the problem in any serious way.

Then the President says: Don't worry; I know we have run up these big

deficits, the biggest in the history of the country, and we have a lot more coming. But I am going to cut the deficit in half in the next 5 years. But he is not. The only way he cuts the deficit in half the next 5 years is he just leaves out everything. For example, he leaves out any war cost past September 30. Does anybody believe the war in Afghanistan, Iraq, and the war on terror ends on September 30? The Congressional Budget Office tells us it is going to cost \$280 billion more, and the President has nothing to pay for it.

I see the leader in the Chamber and I understand he is ready to offer an amendment, so I will cut short my remarks at this moment.

I conclude by saying it is time we face reality. The President's budget is not going to cut the deficit in half in the next 5 years. If one looks at the additions to the debt, what they see is there is virtually no change over the 5 years of the President's plan. The additions to the debt are going to run \$500 billion, \$600 billion a year every year.

I yield the floor.

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

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

#### AMENDMENT NO. 2710

Mr. DASCHLE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from South Dakota [Mr. DASCHLE] proposes an amendment numbered 2710.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To create a reserve fund to allow for an increase in Veterans' medical care by \$2.7 billion and lower the national debt by reducing the President's tax breaks for taxpayers with incomes in excess of \$1 million a year)

On page 3, line 9, increase the amount by \$4,860,000,000.

On page 3, line 10, increase the amount by \$486,000,000.

On page 3, line 11, increase the amount by \$22,000,000.

On page 3, line 12, increase the amount by \$5,000,000.

On page 3, line 17, increase the amount by \$4,860,000,000.

On page 3, line 18, increase the amount by \$486,000,000.

On page 3, line 19, increase the amount by \$22,000,000.

On page 3, line 20, increase the amount by \$5,000,000.

On page 4, line 20, increase the amount by \$4,860,000,000.

On page 4, line 21, increase the amount by \$486,000,000.

On page 4, line 22, increase the amount by \$22,000,000.

On page 4, line 23, increase the amount by \$5,000,000.

On page 5, line 3, decrease the amount by \$4,860,000,000.

On page 5, line 4, decrease the amount by \$5,346,000,000.

On page 5, line 5, decrease the amount by \$5,368,000,000.

On page 5, line 6, decrease the amount by \$5,373,000,000.

On page 5, line 7, decrease the amount by \$5,373,000,000.

On page 5, line 11, decrease the amount by \$4,860,000,000.

On page 5, line 12, decrease the amount by \$5,346,000,000.

On page 5, line 13, decrease the amount by \$5,368,000,000.

On page 5, line 14, decrease the amount by \$5,373,000,000.

On page 5, line 15, decrease the amount by \$5,373,000,000.

At the end of Title III, insert the following:

#### SEC. . RESERVE FUND FOR VETERANS' MEDICAL CARE.

The Chairman of the Committee on the Budget of the Senate shall revise the aggregates, functional totals, allocations to the Committee on Appropriations of the Senate, discretionary spending limits, and other appropriate levels and limits in this resolution by up to \$2,700,000,000 in budget authority for fiscal year 2005, and by the amount of outlays flowing therefrom in 2005 and subsequent years, for a bill, joint resolution, motion, amendment, or conference report that provides additional fiscal year 2005 discretionary appropriations, in excess of levels provided in this resolution, for veterans' medical programs, excluding construction projects and a program that provides grants to states to build long-term care facilities, included in this resolution for the Department of Veterans Affairs.

Mr. DASCHLE. Mr. President, given all that the brave men and women in uniform have done for our country, there should not be any disagreement that veterans should be our top budget priority this year. This is especially true now during a time of war when hundreds of thousands of future veterans are on the front lines in Iraq in the war on terrorism sacrificing everything for this country.

Unfortunately, the budget before us does not make veterans a priority. It does not demonstrate that we recognize and respect all that we have asked of them. It does not keep the commitment this Nation made to them when we asked them to lay their lives on the line.

The budget before us proposes a funding level for veterans health care that is more than \$200 million below last year's level adjusted for inflation. In other words, veterans do not even receive what they received last year. Despite our best efforts, last year's level was also insufficient. There are 60,000 veterans who are already wait-listed for health care as we speak.

This budget gets worse. The budget proposes a \$250 enrollment fee for middle-income veterans to receive health care. The budget seeks to more than double the prescription drug copayment for low-income veterans. It would prevent priority 8 veterans from enrolling in veterans health care.

Despite the fact that the average veteran must now wait for more than 6 months to have his or her disability claim processed and a backlog of 348,000 claims, this budget proposes eliminating 540 claims-processing staff. That is a remarkable development. At a time when we have 348,000 pending claims, this budget proposes we eliminate 540 of the very staff whose responsibility it is to process these claims.

As a result of this increased fee and barriers to access to the veterans health care system, the administration's own budget estimates more than 1 million veterans will drop out of the veterans health care system. My amendment would prevent all of this. It would give the veterans the resources and care they have earned. It would restore funding to the level called for by the Independent Budget, a national coalition of leading veterans organizations that have made an assessment of what veterans need and deserve. My amendment would add \$2.7 billion to the veterans health care account and \$2.7 billion for additional deficit reduction. The cost of this amendment would be fully offset by reducing the tax breaks for those earning \$1 million a year or more.

This chart illustrates how the amendment would be paid for. Taxpayers with incomes in excess of \$1 million will receive a tax cut under this budget of \$27 billion this year. Coincidentally, that is almost exactly the amount of money that veterans are now given in the health care budget in this year. They will receive a benefit, under these cuts, of about \$140,000 a person under the current budget rule. My amendment would reduce that \$140,000 to \$112,000. Every millionaire in this country would still get a \$112,000 tax cut, and we would simply use the difference between \$112,000 and \$140,000 to pay for the extra \$2.7 billion to go first to pay for the veterans health care, and the other to reducing the size of the debt.

Hundreds of thousands of Americans have served their country honorably. Before we prevail in Iraq and the war on terror, hundreds of thousands of other Americans are going to be asked to lay their lives on the line.

In order to demonstrate our appreciation for what so many have already done, and will be asked to do, we have an obligation in this body to do our share. We have an obligation to provide our veterans with the resources and care commensurate with what they have done for us.

The amendment is very simple. It simply restores to the level the independent budget has required in order to ensure that we eliminate the backlog, and provide the veterans with the care they need while we refrain from asking them to pay additional costs. We eliminate that \$250 annual fee some veterans will now have to pay. We eliminate the increase in payment for prescription drugs and the per-office visit. We do that simply by reducing the amount of

tax cut, only to millionaires, by approximately \$28,000 per year. They still will receive \$112,000 in a tax cut in the next fiscal year. That, in my view, is a reasonable sacrifice, given the message this amendment and this budget, if it were amended, would send to our veterans and to those soldiers in Iraq who are counting on us to do the right thing, who are counting on us to remember not only to support our troops, but to support our veterans.

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

The PRESIDING OFFICER (Mr. CHAFEE). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. REID. Mr. President, on behalf of Senator CONRAD, I yield myself such time as I may consume.

Mr. President, the ranking member of the Budget Committee, the distinguished Senator from North Dakota, did a brilliant job today responding to the false statements made by the Senator from Pennsylvania. He did it factually and with enough emotion to make his point well taken. I thought it was a stunning retort to these outlandish statements that have been made by the Senator from Pennsylvania for some time now.

But in addition to those statements that I think need some discussion, there was another statement the Senator from Pennsylvania made about why this country is in deficit, why the President's budgets are so off kilter. He said it is because of, among other things, asbestos litigation. And he talked about how hard it was on business.

I acknowledge that the asbestos litigation has been hard on companies throughout America, but not once during the statement of the Senator from Pennsylvania did he mention the people who are in dire physical condition—*not once*. The reason there is this litigation going on is because people are dying, and suffering. There are two conditions caused by asbestos that are fatal. One is something called mesothelioma. With mesothelioma, from the time that you are diagnosed with this dread disease until the time you die is an average of 14 months. With asbestosis you can linger a long time and suffer a long time. So we shouldn't make these little passing statements about this asbestos litigation bankrupting companies—it has not happened. Some have filed bankruptcy without losing a single job in the process. The only people who have been hurt, with their bankruptcies, are the people who are sick and dying.

My brother called me a couple of weeks ago and said: Do you remember Harold Hansen?

I said: Yes, I remember Harold Hansen.

My brother is quite a bit older than I am. I idolized my brother. I had two brothers older than I am. They were both wonderful. One passed away. But I remember the Hansens. We lived in Searchlight, far from the nearest high school, and when we went to high school we lived with other people. My brother Dale lived with the Hansen family. I remember Harold and Chuck. They were good athletes in high school. I remember them.

He said: You know, he called me and he has mesothelioma.

I said: Has he ever worked around asbestos?

He said not that he knows of, no.

So I said: We have to make sure he is taken care of because he doesn't have long to live.

And he doesn't. He has about a year left, if he is average.

So the fact is, we have to do something about asbestos litigation. There are some cases that are filed that should not be filed, but we have to make sure the people who are sick are protected. And when people come to this floor and just by chance mention this is causing the deficit of this country—let them recognize that people, while they are speaking, are dying from what big corporate America did to them.

I recommend, for people who want to make statements about how bad asbestos litigation is, that they read a couple of books.

Let them read "Fatal Deception," a brand new book that talks about the deception of big companies that covered up the disastrous consequences of their use of asbestos. Let them read a book called "Libby Montana," also a new book that talks about a little town in Montana which was decimated as a result of this product. They covered up what would happen. For a few hundred thousand dollars, W.R. Grace & Company, which was making billions a year, could have created a clean house for these people which would have protected them from exposure, but they didn't want to waste the money on these people from Libby, MT. It is not just people who worked in the plants who got sick. Workers in those plants would go home with asbestos in the dust on their clothes and the wife would wash their clothes. Now we have wives dying of this disease. Children would come rushing to meet their father coming home from the plants at Libby, MT, and they would also come in contact with the dust that would come out of their clothes. Now the children are dying.

I hope Members who come to this floor and make statements about asbestos litigation will read those two books. We want to do something with asbestos legislation to make a better approach to the way litigation takes place. But until those people with asbestosis and mesothelioma are taken care of, as long as I have breath I will fight the effort to wipe out those cases.

My friend from Pennsylvania also didn't mention one reason for the def-

icit. Some of us on this floor think we are in a quagmire in Iraq. We need to spend money to make sure our troops get everything they need. I attended a meeting in the majority leader's office, along with Senator DASCHLE and Senator MCCONNELL, with the Iraqi Governing Council. One of these Iraqi Governing Council people said: People in America think we have the second largest reserves of oil in the world. He said: I want you and them to know that we have the largest oil reserves in the world—not No. 2 but No. 1—and within 2 years we are going to be producing 6 million barrels of oil a day.

That kind of clicked in my head. If that is the case, why don't we, rather than giving them the money, loan them the money and secure that debt with oil?

That is what we tried to do on the floor. We were, as we say in a baseball game, skunked. We were unable to get enough votes to have the country of Iraq loaned the money; no, it was, give it to them—a country producing 6 million barrels of oil a day within a matter of months. We gave them \$150 million in supplemental appropriations.

Then the Secretary of Health and Human Services, Tommy Thompson, last week was asked by the press: We are spending billions of dollars on health care for Iraq. Don't you think we should be spending some of that in America? He responded by saying we have universal coverage in America, because if you do not have insurance you get taken care of. Try to explain that to the 44 million people who have no health insurance and who have to go begging if their child has a cold or some illness which they do not know what it is. And he says there is universal coverage. Man, I have trouble accepting that.

My friend from Pennsylvania, in addition to not understanding the situation dealing with asbestos, I think doesn't understand the situation about where money has been going during the 3 years of this Bush administration. We are talking down the economy? He says we are the ones who are creating discomfort with the American people. We are telling the truth. If that is uncomfortable, that is what we have to do.

He talks about arcane statistics, referring to the charts of the Senator from North Dakota. Sometimes statistics are arcane, if you do not agree with them.

We had a situation during the last years of the Clinton administration where we were paying down the national debt. What does that mean? We were spending less money than we were taking in. We were paying down the debt. What do we have now? We have red ink as far as you can see. The surplus we had when he took office is gone. That is what this budget is all about. Whether the programs that this President has pushed forward is bankrupting the country or not, I think simple math says this country is going bankrupt, if it is not already bankrupt.



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. REID. 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. REID. Mr. President, on behalf of Senator CONRAD, I yield 10 minutes to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. NELSON of Florida. Mr. President, later on—I do not know if it will be today or tomorrow—I will be offering an amendment to bring the account that deals with veterans health care up by \$1.8 billion. This is the amount that was considered and agreed to in a joint bipartisan report in the Senate Committee on Veterans' Affairs as the very minimum that we need over and above the President's request to give the veterans of this country the very basic minimal health care they deserve.

I must say I was shocked when I offered this amendment in the Budget Committee last week that there was a partisan rollcall vote against this increase. I don't think there is one Senator in this body who has not heard the cries and the pleas from our veterans back in our States, or the anguished stories of having to wait months before they could even get an appointment with a doctor in order to be able to get a prescription.

I don't think there is a Senator who hasn't heard the anguished pleas from veterans about why the President's budget starts to shift a lot of the burden to the veterans by increasing the copays and by an enrollment fee, particularly at a time such as this when we are honoring our veterans every day because of the sacrifices we see being carried on by our servicemen and servicewomen around the world. Of all times and places, not to give our veterans the minimum health care which they not only expect but which they certainly deserve is just unconscionable.

Interestingly, there is a double game that is being played. There is a lot of rhetoric going around. But when it comes time to produce, the votes are never there. We are going to give the Senate an opportunity to put their vote where their rhetoric is.

This amendment I will be offering at a time our leadership suggests will, in fact, provide for the offsets for the \$1.8 billion to come out of the tax account and out of the tax loopholes that are rampant in the Tax Code and in the President's proposed budget.

I want to take this opportunity. As soon as the leader of the committee gives me the high sign, I will be on the floor offering that so all the Senators will have an opportunity to vote on that amendment.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I thank our colleague, Senator NELSON from Florida, who has been such a valuable Member of the Senate Budget Committee. He did a superb job of offering the amendment he has just described in the committee.

I am very hopeful that either his amendment or Senator DASCHLE's amendment will pass so we can increase the amount of money going to veterans million dollar care. I held a hearing in my State on this question. I invited all the veterans organizations. It was disappointing to hear what is happening to veterans across the country. We had testimony of people waiting 10 months to get an appointment for specialty care, an appointment to see an orthopaedic surgeon, an appointment to have certain eye care because there is a shortage of specialists in the VA. They testified clearly and compellingly that more money is needed.

We will hear from the other side, we will hear from the chairman of the committee, that there have been significant increases of veterans medical care. There is a chart that shows that is exactly true, going back 10 or 12 years. We would expect just on inflation alone, over that extended period, we would see a doubling of the costs. Remember, when we come to veterans medical care, that upward slope is even sharper because health care expenditures have been advancing faster than the rate of inflation.

In addition, the population that is in need of health care is expanding because we have our World War II, our Korean War veterans, and our Vietnam vets getting to that age when they need more intensive care. The result is tremendous upward pressure on the costs.

That chart shows spending on veterans from I don't know how far back, 1990 perhaps, \$15 billion, and we are now approaching \$30 billion; but we have to remember over that extended period of time, not only are we dealing with inflation, we are dealing with medical inflation that is running at higher levels than other inflation. The number of veterans who are in an age group that requires more intensive care is exploding.

What was very moving at the hearing I conducted was to hear from veterans all across North Dakota. We heard of the tremendous stress on the veterans population because of an inadequate level of care in our VA facilities. No. 1, an inadequate number of VA facilities, so many people are traveling for specialty care in North Dakota 12 hours one way in a van and then 12 hours back to get a doctor's appointment. We had veterans testify they traveled 12 hours one way in a van, had to go all the way to Minneapolis to get specialty care and got there to be advised their appointment had been canceled and then had to get back in a van and drive 12 hours back to North Dakota. That is not right.

Mr. NELSON of Florida. Will the Senator yield?

Mr. CONRAD. I am happy to yield.

Mr. NELSON of Florida. Mr. President, I thank the Senator for yielding.

Just to add to his comments what he has described in North Dakota, imagine because of our size and particularly during the winter months when so many veterans come to the State of Florida how the problems are compounded. When a veteran has to wait 5 months for an appointment just to see a doctor to get a prescription, that is not health care for our Nation's veterans.

I have had occasion to talk to the Secretary of Veterans Affairs quite frequently recently on problems we have in some of our hospitals in Florida. Listen to what he said in the House Veterans Affairs' Committee on February 4 of this year. Secretary Principi said:

I asked OMB for \$1.2 billion more than I received.

Even the Secretary of the VA is calling for money.

Then is it any wonder our Senate Veterans' Committee in a bipartisan analysis of the VA budget concludes that we should have at least \$1.8 billion more? That is the figure I have offered in the amendment I will be offering.

I thank the Senator from North Dakota for yielding.

Mr. CONRAD. I thank the Senator from Florida for making the point. It is an important point. We had testimony at my hearing where people have waited 10 months to see specialists.

While it is absolutely true what the Senator from Colorado shows on his chart, that we have seen substantial increases already in veterans health care funding, veterans medical care funding, it is also true we are still not meeting the need. The reason for that is not only inflation but medical inflation and the sharp increase in the number of veterans being served.

In 2002, 4.7 million were provided health services. That is expected to increase to 5.2 million in 2005. So we have, really, a double whammy. We have inflationary costs, medical inflation running far ahead of regular inflation. On top of that, the number of veterans seeking care and needing care increasing now, of course, with the operation in Iraq and Afghanistan. All who have been to Walter Reed have seen that circumstance firsthand. We have seen the wards literally filled with young soldiers and some not so young who have been grievously injured. They deserve to know they will get the best medical care this country can provide.

That is what the Senator from Florida is saying in the Senate. That is what the Democratic leader is saying in the Senate. We have a commitment here. This is a priority. It is a priority that ought to be met.

I yield the floor.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. NICKLES. I yield the Senator such time as he desires.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. ALLARD. I thank the Senator from Oklahoma.

Mr. President, there is no doubt the veterans have sacrificed a lot for our freedom in this country. I am looking at this amendment where we have \$5.4 billion we take out of tax cuts. I am assuming a lot of that would come out of the child tax credit, for example, and then it is put over in reserve, perhaps, to be used later by the appropriators.

There are several points I will make. No. 1, this administration and the budgeteers in this Senate have been committed to the issue of veterans. This chart shows a picture is worth a thousand words. Look at the year 2000; before that it is very much a flat line. Then after the year 2000, after President Bush has been elected to office, we see a very distinct steady climb in the amount of benefits provided for veterans.

In real figures, in 1997 we were looking at 2.8 percent increase on veterans medical care; in 1998, 4.2 percent; in 1999, .7 percent; in 2001, we had 7.8 percent—and it persists—in 2002, a 7.6 percent increase; in 2003, a 12.3 percent increase; in 2004, an 11.1 percent increase. We do not have the medical cost-of-living increases for 2004, but prior to that most of those were in the 4 percent range, so we were appropriating dollars over and above what the medical cost-of-living figures were showing. We were sensitive to that. We all realize that there are a lot of needs out there for veterans. I see a lot of need for veterans in my State.

Here is what concerns me about the amendment. We have young families right now making a huge sacrifice for us in fighting for freedom in Iraq, Iran. I have a lot of families in Colorado, families all over the State that have young children. They are taking advantage of the child tax credit. Do we take this away, in the way of a tax increase, do we take away that benefit and make it available to the veterans when we have been giving them a double-digit increase for the last several years? There are a lot of different choices they have to make between the balance of our needs. I guess one of the concerns I have is how these tax increases being proposed by the other side are going to impact our active military, and also making the assumption that our veterans do not pay taxes. They do pay taxes.

I hear as much concern from veterans about the effect of taxes on their daily lives as I do from any other population. Of course, we don't hear too much from those who are right now serving over in Iraq who have dependents because they are tied up with that. But to think in this debate that somehow or other these tax increases are not going to have an adverse impact on those already serving in the military and our current veterans of foreign wars—we have to keep this issue in balance.

My point is, in this whole debate, in trying to imply that somehow we have not been sensitive to the needs of the

veterans of this country, all one has to do is look at the double-digit increases that have happened in the last several years for the veterans, exceeding the cost of living for medical care, what they call the medical care inflation rate. But, again, we cannot assume that veterans do not pay taxes. They do. We need to balance this out.

I think what the Budget Committee has reported out is responsible. It is a little bit different than what the President proposed. For example, the President proposed a \$250 enrollment fee. We took that out. We were sensitive to what impact today's environment is having on veterans. We took that out.

I think this has a good balance. I would hate to upset that balance. I would hate to take away a tax cut that is going to have a beneficial effect for our men overseas. I think it will have a beneficial effect on our veterans as they are trying to save their money to meet their own needs with their own families at home.

I yield the floor.

Ms. MIKULSKI. Mr. President, I rise in strong support of the Daschle amendment to increase funding for VA medical care.

America is at war, and my thoughts are with our troops. Our men and women in uniform have my steadfast support, and so do those men and women who fought before them. We need to get behind our troops and our veterans, and use this budget to support them. We must support the brave men and women who have fought for our country. Our veterans need to know that America is with them and that we owe them a debt of gratitude.

As the ranking member on the VA-HUD Appropriations Subcommittee, my guiding principle for the VA budget is that we keep the promises we made to our veterans. This means no toll charges on veterans to get health care or prescription drugs, and no waiting lines for veterans to get medical care. But the VA's budget request puts new toll charges and means tests on our veterans.

Specifically, the budget proposes four things. First, the budget proposes to keep the VA closed to priority 8 veterans. These are veterans who are not disabled as a result of their service, and who the VA considers to be higher-income. Second, the budget proposes a new \$250 membership fee for priority 7 and 8 veterans. Third, the budget assumes that VA will increase outpatient primary care copayments from \$15 to \$20. And finally, the budget proposes to increase prescription drug copayments from \$7 to \$15.

We have great respect for VA Secretary Principi. He's a combat decorated Vietnam veteran who continues to serve his country. But he's battling OMB now for adequate VA funding, and I am deeply concerned that the budget OMB gave VA this year leaves VA foraging for funding.

Over a year ago, the VA health care system stopped accepting new priority

8 veterans. Manufacturing is fading and private health insurance is failing. And many of those affected are priority 8 veterans. Many corporations involved in manufacturing had defined benefits plans that included health plans with guaranteed retiree coverage. For these veterans, VA healthcare is their last safety net, until they turn 65 and are eligible for Medicare.

For example, in Maryland, there are 13,000 Bethlehem Steel retirees. Many are Vietnam veterans. They came back from serving their country at war, and they continued to fight for America's national and economic security by working in our steel mills. But now, many have lost their health insurance because of Bethlehem Steel's bankruptcy. They are not eligible for Medicare yet. Under this budget, many will be turned away from VA—the safety net they counted on will not be there because VA will continue to shut-out priority 8 veterans.

Bethlehem Steel's veterans, and other veterans who worked in manufacturing or for other businesses that don't offer health insurance, fought for their country and now they will have to fend for themselves on the open-market for health insurance. I am deeply concerned that this policy and many other potholes in VA's budget leave our veterans paying toll charges, standing in lines, or without any healthcare at all.

In the last 5 years, the VA-HUD Subcommittee has provided large increases for medical care—\$1.7 billion in 2000, \$1.3 billion in 2001, \$1 billion in 2002, \$2.4 billion in 2003, and \$3 billion in 2004. We did this because we know that the failure of private health insurance companies and high prescription drug costs are really straining our veterans on fixed incomes. At the same time, our veterans' population is growing, and getting older. Today, VA treats 2 million more veterans than in 1996.

Last year, the VA-HUD Subcommittee rejected the proposals that we see in the administration's budget request again this year. Instead, we put \$1.6 billion more than the request in the Federal checkbook for VA medical care. Our veterans didn't stand in waiting lines when they were called up or they volunteered to serve our country. So they shouldn't have to stand in line to get medical care.

Veterans who need specialized health care services must not be kept waiting—like spinal cord injury care, blind rehab, and prosthetics. For example, the Blinded Veterans Association tells us that there are over 2,000 veterans waiting up to 2 years for admission into a blind rehab center.

Mr. President, I urge my colleagues to support our veterans in this budget by supporting the Daschle amendment.

The PRESIDING OFFICER. Who yields time?

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. Who yields time to the Senator?

Mr. CONRAD. Mr. President, I would be happy to yield time to the Senator from North Dakota.

How much time does the Senator seek?

Mr. DORGAN. Fifteen minutes.

Mr. CONRAD. Mr. President, I yield 15 minutes off the resolution.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. DORGAN. Mr. President, first, I want to respond to the question posed by my colleague from Colorado. The amendment before us does, in fact, propose that we increase spending for veterans by recovering some of the tax cuts. But it does that only for those who are receiving incomes in excess of \$1 million a year.

So with respect to the concern that was expressed about those National Guard men and women who are now serving in Iraq being inconvenienced by this amendment, I would venture to guess there are very few of those who are now serving in Iraq who are making \$1 million a year or more.

This amendment is not about reducing the child tax credit. It is not about cutting aid for working families. It is not about that at all. It is about trying to ratchet back just a little bit of the tax cut for those earning over \$1 million a year in income and using it to invest in health care for veterans.

It is very simple. In the year 2005—that is next year—those with incomes in excess of \$1 million a year will have received \$27 billion in tax cuts from the President's tax cut proposal. This amendment proposes taking \$2.7 billion of that \$27 billion and using it to invest in veterans health care.

The other side is saying this amendment will hurt working families, kids, and childcare. Don't believe any of that; just read the amendment. Then you will understand none of that applies to this debate. So the question for this Congress is, Will we ever keep our promise to veterans? Will we ever do that?

We have a kind of tax that we apply for veterans who have a disability. Their military pensions are reduced dollar-for-dollar by the amount they receive in disability from the Department of Veterans Affairs. We tried to get rid of that offset. But the President threatened to the entire Defense Authorization Bill if Congress tried to fix the problem.

Serve our country, we say to our veterans, and you will receive health care benefits. But we do not meet the promise. It is time for this Congress to ask itself the question: Are you going to keep promising? If so, are you ever going to keep the promise? Because you cannot promise veterans you will provide health care and then have them serve their country and then come back to find out we actually did not really mean that.

Many of those who need this health care, these days, are those who Tom Brokaw calls the greatest generation, that group of Americans who, in his

book, he describes as laying on Omaha Beach on the D-Day invasion, who were in Guadalcanal, who went across the sands of northern Africa, through France, and into Germany. That greatest generation fought for this country with valor.

At the end of May we are going to dedicate a wonderful memorial to the World War II veterans here on The Mall. But we apparently have decided that we do not have enough money to keep our promise to them for the health care we indicated they would receive.

Many of them are now in their seventies and eighties and are at the maximum need for that health care, and we say we just do not have the money. But we have the money to give those who make \$1 million or more in income a year \$27 billion in tax cuts next year but we do not have \$2.7 billion to invest in health care for veterans. It does not make sense to me.

One day I traveled to a VA hospital on a Sunday morning. A sister of a veteran had asked if I could get the medals for this veteran. I have already told my colleagues this story on another occasion, but it is worth repeating. They were medals he earned in World War II conflicts. So I did.

On a Sunday morning, I went to the VA hospital to present him with his medals. He was an American Indian. His name was Edmond Young Eagle. Edmond was dying of lung cancer. I did not know it at the time but he would die in 7 days.

But on that Sunday morning, at that VA hospital, the doctors came into the room, the nurses came into the room—his sisters were there; some people even drove up from the Old Soldiers Home in Lisbon, ND—and we cranked up the bed so Edmond Young Eagle was in a sitting position. He was sick but he was well aware of what was happening that morning.

I pinned on his pajama top the medals this man had earned in the Second World War. He fought in northern Africa. He fought in Europe. He had been at D-Day, at Normandy. On that day, 7 days before he died of lung cancer, as I pinned the medals on his pajama top, this American Indian said to me: It's the proudest day of my life.

He fought for his country. He came back, lived on the reservation, never had very much, never had a family. He did not have children. He worked odd jobs. But he was enormously proud—enormously proud—as he lay dying in the hospital of the service he had given to his country.

This country can do no less, in my judgment, for all of those veterans than to say to them: We are proud of you. And part of that pride will be registered by our vote in favor of full health care benefits for veterans to whom we have given that promise.

One day I was holding a town meeting in North Dakota. A man came to the meeting, an older fellow with kind of stubbled white whiskers. He had not

shaved for some long while. He walked up in front of the entire crowd and he said: Mr. Senator, my teeth don't fit, and they cut my gums and cut my lips. He opened his mouth to show me the cuts in his mouth.

He said: I flew in the Air Corps in the Second World War and they promised me health care. And they gave me teeth a long time go. Now they don't fit. They won't give me new teeth.

He said: I don't have any money.

He was nearly 80 years old, destitute, with no money. He had cuts in his mouth from teeth that didn't fit and a VA that said: We're sorry, no teeth.

That should not happen to veterans in this country. It should not happen. We know better than that. If this country cannot keep its promise and show its gratitude to those who serve America, tell me what is a higher priority—not five, just one? Tell me what is a higher priority?

We have seen people come to this floor breathless about giving millionaires tax cuts, believing if we give more tax cuts to those at the upper income level, somehow American's ship of state should begin sailing once again.

We will spend \$27 billion next year to give tax cuts to those whose incomes are \$1 million or more a year. The question on this amendment is, will we spend \$2.7 billion of that to provide health care for veterans to whom we have promised that health care?

My colleague Senator CONRAD has described the circumstances of the veterans health care delivery system. We have more people reaching that age, Second World War veterans who need health care. They come to the VA system to claim it, only to be told: We are sorry. It is not available. You have cataracts? You can wait a year or, in the case of North Dakota, as my colleague said, you can drive from Fargo to Minneapolis, 225 miles and, by the way, do it three times. Then you get your cataract surgery. You go down for a checkup, then go back for surgery, and then go back and get checked up again. And, by the way, do that after you have waited for 9 to 12 months, and maybe you get all that if you are lucky.

Why? Because there the VA doesn't have enough money. We couldn't afford it. The health care system doesn't have enough money. We have plenty of money for people at the top of their income ladder, calling on their friends around here for tax cuts.

This is about choices. It is always about choices in this Chamber. What do we choose to do? What is our priority. Someone once said, think of the task of writing an obituary for someone you never met but had a check register with which you could judge that person's life. What would you know about and what would you say about their priorities? Such is true of this budget of ours. One hundred years from now we will all be gone. Yet historians can take a look at what we decided was

important. What did we describe as valuable? What were our choices? What was our value system? You can tell something about that by looking at these budgets. What did you choose to spend the taxpayers' dollars on? What did you invest in? Did you do things that kept your promise? Did you do things that invested in the future?

That is the choice when we vote on this amendment. I am pleased to have cosponsored the amendment with my colleague Senator DASCHLE. We live in a region of the country where people drive long distances for health care. We are told North Dakota is one of the least well served regions of America with respect to veterans health care, measured by the number of miles veterans have to drive to access the health care system. We need to change that. Senator CONRAD and I and others are working to do so.

One way we would change it is to decide now to make the tough choice and say: This is valuable. This is worth providing funding for, to improve health care for America's veterans.

One final point: We talk a lot about service to country these days. I and many of my colleagues have been to the veterans hospitals in the DC area, visited with many veterans who have been injured in this Iraq war, injured in other circumstances. Many now will return from Iraq. We have the largest rotation of troops going on since the Second World War, 120,000 or 130,000 troops moving from that region of the world, Iraq, Afghanistan, back into this country, and then rotating a similar number into that region.

As these veterans come back to our country, they will be welcomed. Our country will say: A job well done. Thank you for your service. Our communities will have celebrations. Families will open their arms to their loved ones. The question is, will this Congress celebrate their return? Will this Congress open its arms to our veterans by casting votes that say to them: We stand with you and we keep our promise with respect to veterans health care?

I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I want to talk a little bit about the facts. Every once in a while we need to get back to facts. I made the statement in our Budget Committee no matter what level we assumed in the budget for veterans, some people would try to offer amendments to increase it. It is almost a habit. It is going to happen. I guess we have to expect it.

Let me throw out a few facts. The budget we have before us increases veterans care, mandatory and discretionary, by 14.5 percent.

I looked at the amendment and I said, how much does this increase outlays for veterans? It is zero. So we have a lot of rhetoric. It increases taxes over present law, certainly over the budget resolution. But then it tries to avoid a

budget point of order by creating a reserve fund that says, well, if and when the appropriators spend more money, then we will give them more money.

I don't know that that would pass a budget point of order. I will have to talk to the Parliamentarian about it. But it is life's little game. It doesn't increase benefits for veterans, at least directly.

I think I heard the sponsor of the amendment say, the budget before us has copays on drugs for certain veterans, level 7 and 8 veterans. That was in the President's budget. It is not in our budget resolution. Frankly, when people talk about crowding, level 7 and 8 are for nonservice-connected and high income veterans. People who might be injured playing basketball or something else like that and have high incomes would have to have a higher copay under the administration's proposal. It may be a good proposal. Anyway, we didn't assume it in this budget. We also didn't assume that \$250 deductible on the same category of people, high income people, nonservice connected. It was proposed by the administration. We did not assume it in the budget. It was mentioned that we did. Maybe he was referring to the President's budget, not the budget before us.

Let's talk about some of the facts. The facts are, when I look at how the function totals have grown over the years, I look in 1993, total veterans benefits and services was \$36 billion. In the year 2001, it was 47. That was an increase of about \$9 billion. In 2001, it was 47. Today it is 70, actually 70.34. Last year it was 61. This is mandatory as well as discretionary. Both count, both are real dollars. Both are Uncle Sam writing the check. To go from \$61 billion in 2004 to \$70.4 billion in 2005, that is a 14.5 percent increase.

Even though we have allocated 14.5 percent, some people say that is not enough, and we would have to have 22 or 25 percent if this amendment was adopted and if this reserve fund was created and if it was released.

I don't know when you say enough is enough. I understand there is demand on veterans care. Senator ALLARD pointed out the amount of money we have spent has risen dramatically. I might mention, it has grown more in the last few years. In just veterans health care services alone, it has risen from \$21 billion in 2001 to \$29 billion under this resolution. That is a very significant percentage increase. I could go on and on. We have done a lot.

I might mention we have done a lot in other areas. I mentioned mandatory as well as discretionary. Last year we passed concurrent receipts, so starting for the first time this year, veterans who are service-connected disabled with 50 percent or more rating receive both military retirement and VA disability. That affects about 250,000 disabled military retirees. We passed the Montgomery GI bill increasing the benefits of that 52 percent in educational

benefits. They can receive benefits equaling up to \$35,000 worth of GI benefits.

Veterans buying their first homes, we have increased the VA home loan guarantee by 20 percent up to a maximum mortgage of \$240,000. We have done a lot.

Under this budget we increase medical care, which I have heard is being cut, by \$1.4 billion over last year. So we have done a lot. We increased medical and prosthetic research by about 25 percent. I could go on and on. A lot has been done. Yet I see this amendment says we haven't done near enough. We want to it grow 20 percent.

How sustainable is that when we are trying to do a budget that holds the growth of spending down close to a freeze in nondefense areas? We didn't hold it to a freeze in VA. VA discretionary and mandatory is 14.5 percent. That is a big increase. Yet it is still not enough.

I want to attack how this is being paid for. I have heard some people say this assumes there is only going to be a tax on millionaires. That is not in the budget resolution or the amendment. The amendment says, let's raise taxes by about \$5.4 billion for 2005. One can say, our assumption is that is only going to be on millionaires. It reminds me of Russell Long: Yes, tax someone. Don't tax me, tax somebody behind the tree. Tax somebody else.

Well, what we are assuming in the budget resolution, what we guess we might be successful in getting passed, what I hope and expect we will be successful in getting passed is a continuation of present law.

In present law, most of those benefits go to low-income people, to families. For example, the child tax credit is \$2.6 billion. The marriage penalty relief is \$5.4 billion. So we almost pay for this if we eliminate the marriage penalty relief that we have given people for 2004 and that some want to give in 2005.

This idea we are just going to tax millionaires, do my colleagues think the President is going to sign a bill that is going to increase marginal rates? I can guarantee you he will not. I know the President very well. I can tell you we will not let that pass. I am not going to let it pass. I happen to be on the Finance Committee. I can talk for a long time. That is not going to happen.

People can say: We are just going to tax these upper income rates. Those happen to be small businesspeople. The real tax debate is: Are we going to extend present law? Are we going to make present law permanent, or are we going to extend permanent law? Those are family-friendly tax cuts—marriage penalty relief, child tax credit, and the 10-percent rate.

Some people are saying we do not want to do those cuts; we do not want to extend those cuts. My point is, if you look particularly in the last few years, since President Bush has been in office, total spending for veterans care

has risen dramatically. It has risen more than Bill Clinton's first 8 years—substantially more. The total amount of outlays since 2001 has increased by \$23 billion. In President Clinton's 8 years, total outlays, mandatory and discretionary, grew by \$11 billion. Yet that is still not enough, according to this amendment.

Then this amendment says let's just increase taxes. They assume it is going to be on those darn millionaires. For one, they cannot make that assumption. If you read the amendment, it doesn't say that. It tells the Finance Committee: Raise more taxes than assumed by this resolution by several billion dollars.

Also, this is interesting: Oh, this just applies to 2005. Sure, if we are going to increase spending by \$2.7 billion in 2005, you might as well multiply that by 10 plus an inflator because this is not going to happen for 1 year. We are not going to fund it for 1 year and drop it off, just as I hope we do not give a tax cut to families and then stop it at the end of this year. I hope we don't. So the real cost of this amendment over a 10-year period of time would probably be more like \$35 billion, and people should be aware of that fact.

My guess is we will have a lot of amendments where people will want to raise taxes and raise spending. I happen to disagree with that. I disagree and will take issue with this idea of increasing marginal rates from 35 percent. When Bill Clinton was elected, the maximum rate was 31 percent. It went all the way up to 39.6, and we finally have it down to 35 percent. Thirty-five percent happens to be the same rate that corporations pay. Why should individuals who maybe own a business, maybe a restaurant or something, why should they pay more than the corporate rate? That would be bad policy. If you want to slam the door on the economic recovery, that is a good way to do it because about 80 percent of the jobs are created by small business, and they are 80 percent of the beneficiaries of that top percent.

That top percent rate does not fly. There is nothing in this amendment when one reads it that says it only applies to millionaires. That is in rhetoric but not in reality. The reality is it raises taxes by \$5.4 billion, and we are going to assume, yes, maybe eventually it is going to come to Veterans Affairs even though there is not an outlay for the VA in this amendment.

At the appropriate time, I will urge my colleagues to vote against this amendment. I advise my colleagues my expectation is we will be voting on this amendment probably in the next 30 minutes.

THE PRESIDING OFFICER. Who yields time? The Senator from North Dakota.

Mr. CONRAD. Mr. President, first, I ask unanimous consent that the following Members be added as cosponsors to Senator DASCHLE's amendment: Senator BOXER, Senator FEINGOLD, Senator

REID of Nevada, Senator LINCOLN, Senator DORGAN, Senator GRAHAM of Florida, Senator ROCKEFELLER, Senator LEAHY, Senator JOHNSON of South Dakota, and Senator KERRY.

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

Mr. CONRAD. Mr. President, as always, the chairman of the committee has been very articulate in his defense of his budget. The problem is he is defending the indefensible when it comes to the question of funding for veterans medical care.

Yes, there have been increases in funding for veterans medical care. I think the chart the Senator from Colorado had up showed veterans medical care back in 1990 was about \$15 billion, and now in that period of time—14 years, actually 15, to 2005—it is almost double, not quite.

Medical inflation in that period of time would lead to a doubling alone—only medical inflation. Is that the only factor forcing up costs for veterans medical care? No.

Let's recall in 1996 this Congress voted to expand eligibility for veterans medical care. In 1996, there were 100,000 in categories 7 and 8, and by 2003, the number eligible increased from 100,000 to 1.3 million. In categories 1 through 6, there were 2.6 million people in 1996. By 2005, that will increase to 3.7 million people. The fact is, the increases for veterans medical care are not keeping pace with the demands.

The chairman of the committee talks about facts. I agree. Let's talk about facts, and the facts are that medical inflation over that period of time has doubled the cost to provide the same coverage to the same number of people. We have not quite doubled the amount of money.

It is not just a matter of medical inflation for the same number of people. The number of people eligible has been dramatically expanded by action of this Congress. Again, in 1996, we dramatically increased eligibility, and the number of those in categories 7 and 8 that was only 100,000 of the workload in 1996, by 2003 had increased to 1.3 million. That is an increase of more than tenfold.

In categories 1 through 6, 2.6 million people were eligible in 1996. By 2005, that is expected to reach 3.7 million people. That is an increase of almost 50 percent.

The reality we are confronting is not just numbers on a page. The reality we are confronting is, Are we providing adequate resources for the medical care of the Nation's veterans? The Nation's veterans have looked at the President's budget and have said it is inadequate. They have said it is inadequate to the tune of about \$3 billion.

That is why Senator DASCHLE is on the Senate floor saying we ought to increase veterans medical care by \$2.7 billion. He has said we ought to pay for it, and we ought to pay for it by looking to those who are fortunate enough to be earning over \$1 million a year and

ask them to give up 10 percent of their tax cuts.

Their tax cuts in 2005 are going to cost \$27 billion. The Senator from South Dakota is asking our colleagues to go to those who are the wealthiest among us, earning over \$1 million a year, and ask them to give up 10 percent of their tax benefits in that year so we can more adequately fund veterans medical care. That is a reasonable request.

I note the Senator from Wisconsin is in the Chamber, and I ask him how much time is he seeking.

Mr. FEINGOLD. Madam President, if I could have 10 minutes.

Mr. CONRAD. I yield 10 minutes off the resolution to the Senator from Wisconsin.

THE PRESIDING OFFICER (Mrs. DOLE). The Senator from Wisconsin.

Mr. FEINGOLD. Madam President, I thank the Senator from North Dakota for yielding me this time.

I rise in strong support of the amendment offered by the Senator from South Dakota to fully fund health care programs for our Nation's veterans.

America is indebted to our veterans and military personnel and to their families for the extraordinary service and sacrifice that they have so selflessly provided to our country. As we debate this budget resolution, our men and women in uniform put their lives on the line in this country and around the world, from Iraq to Afghanistan to the Balkans to the Korean DMZ and countless other places. We thank those men and women and we hope for their quick and safe return to their families.

At the same time that the current members of our Armed Forces serve us across the globe, we must not forget those who paved the way for the soldiers, sailors, airmen, and marines of today. Our Nation's veterans and their families have given selflessly to the cause of protecting our freedom. Too many have given the ultimate sacrifice for their country, from the battlefields of the Revolutionary War that gave birth to the United States, to the Civil War, which sought to secure for all Americans the freedoms envisioned by the Founding Fathers, to the global fight against Nazism and fascism in World War II.

In the last century, Americans fought and died in two world wars and in conflicts in Korea, Vietnam and the Persian Gulf. They also participated in peacekeeping missions around the globe, some of which are still going on.

We owe it to our veterans to ensure that they have a decent standard of living and access to adequate health care. It is the least that we can do in return for their courageous service to our country. This is especially important as we welcome home a new generation of veterans who are serving in Iraq and in the fight against terrorism. We must ensure that their service and sacrifice, which is much lauded during times of conflict, is not forgotten once the battles have ended and our troops have come home.

The amendment that we are considering will go a long way toward ensuring that the VA health care system can meet the demand for care from the existing veterans population and will help to ensure that the VA is able to care for returning veterans who will require health care services.

For too long our veterans have had to wait months for appointments to see a doctor at a VA facility. Others are unable to access VA care within a reasonable distance from their homes. I cannot tell my colleagues how many times I have heard that comment at the town meetings ended all over Wisconsin. And still others are told by the VA that they are not eligible for care because their priority group level is too low. The amendment before us today would ensure that the Veterans Health Administration is funded at the level recommended by the Independent Budget for Veterans Affairs, which is drafted annually by a coalition of veterans service organizations. By their calculations, the President's budget request falls short by nearly \$2.8 billion, and the underlying budget resolution is \$2.7 billion below what would be needed to meet demand at VA health care facilities during fiscal year 2005.

The amendment that is before the Senate would increase the amount for veterans' health care in the budget resolution by \$2.7 billion. This increase would ensure that all veterans, including those in priority group 8 who are currently barred from enrolling in the VA health care system, receive care at VA facilities. It would also eliminate the need for the proposed prescription drug co-payment increases and new user fees for veterans in priority groups 7 and 8 that have been proposed by the President.

The Secretary of Veterans Affairs said the following about his Department's budget request:

My top priority in health care is to ensure that resources are available to care for those veterans who are most deserving of VA's medical services. The proposals in this budget will assist us in continuing that focus on our core service population in our health care system.

Let me repeat that. The Secretary said his budget would ensure that resources are available to care for those veterans who are "most deserving of VA's medical services."

In my view and in the view of veterans and their families who I have spoken with around Wisconsin, all veterans are deserving of the VA's medical services. I am troubled that the Secretary's comments seem to pit groups of veterans against each other for health care services. The amendment before the Senate today will enable the VA to serve all veterans who wish to take advantage of their health care benefits.

In order to offset this increase, the amendment would reduce the tax cut for Americans making more than \$1 million annually. This is a more than fair exchange that will allow us to pro-

vide badly needed health care services to our veterans.

I am deeply concerned that for the last several years funding for veterans health care and other programs for our Nation's veterans has been delayed as Congress and the administration wrangle over the Federal budget. I believe strongly that we should consider and pass a budget resolution and 13 individual appropriations bills each year. I regret that the VA budget has been rolled into omnibus measures, thus delaying this important funding for our Nation's veterans.

I hope that this amendment will be the first step in providing adequate funding to care for our veterans in fiscal year 2005 and beyond. This is the very least that we can do for those who done so much for our country. I strongly urge my colleagues to support this important amendment.

I yield the floor.

Mr. NICKLES. Will the Senator yield for a question?

Mr. FEINGOLD. The Senator yields.

Mr. NICKLES. I believe I heard my good colleague and friend from Wisconsin, a member of the Budget Committee—and I have worked with him on some issues and amendments—say this is only a tax increase on millionaires, but I read the resolution. It says, raise taxes, but it does not say raise it on millionaires.

Would the Senator not agree with me on a budget resolution the Finance Committee can raise revenues, but they cannot be directed how to do it?

Mr. FEINGOLD. I think this amendment offered by Senator DASCHLE clearly attempts to fund this out of the most unjustified aspects of the tax cut that was put into place. It would simply prevent certain tax cuts that are for very high-income people from going forward, and at a minimum level make sure the Veterans Affairs budget is fully funded. I believe this is an appropriate amendment.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Madam President, I appreciate that answer, but the facts are, and my colleague from North Dakota I know will affirm this if pressed, we do not write tax law in the budget resolution. We may assume something. I am assuming we are going to continue law that is presently in effect. We have at least scored enough for reconciliation to make sure low and middle-income families do not get a big tax increase to the tune of, for a family of 4, about \$1,600, and for a family of 6 about \$2,200 next year. That is basically all we are assuming for next year. And a little AMT relief. In reconciliation, that is all we are assuming.

If last year is any example, we assumed a lot but we only got what we reconciled. Reconciliation assumes continuation of present law. In other words, no tax increase on families, no tax increase on marriage penalty, no tax increase on families that have children. That is what we are assuming.

This amendment says, no, we want \$5.5 billion more in taxes. That is just the first year. That might as well be multiplied by 10.

My point is, this assumes a tax increase. The proponents may say they assume it is only for millionaires, but that is not what the amendment says. The amendment says to the Finance Committee, go raise some taxes; increase spending in an account that is already growing by 14.3 percent in the budget we have before us, mandatory and discretionary.

So I just make those points. I am a little disappointed to hear my colleague from Florida say he wants to do an amendment tomorrow that is going to raise the same function by another \$1.5 billion without regard to how this amendment comes out. How many times do we have to vote on Veterans Affairs? I guess I will wrestle with that one tomorrow.

I just tell my colleagues, in looking at what this President has done and what this Congress has done since the year 2001, it is a dramatic increase compared with what the previous Congresses did for the last 8 or 10 years; a dramatic increase. Yet some people are still saying that is not enough.

This amendment needs to be defeated for a lot of different reasons. I mentioned we have done a lot for veterans, including expanding the Montgomery Bill of Rights by 52 percent, by expanding concurrent receipt—last year a multibillion dollar expansion for about 250,000 retirees. We added \$1.4 billion for VA medical care under this resolution. We did not assume the increase in copays that some people have alleged.

I urge our colleagues, in the not too distant future—my guess is we will be voting on this amendment within the next 20 minutes—to vote no.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Madam President, perhaps this would be a good time for us to say what a budget resolution does do and doesn't do. The chairman is entirely correct that when the budget resolution gives an instruction to the Finance Committee to raise a certain amount of revenue, it does not control how they do it. When the Budget Committee gives an allocation to an appropriations committee or an appropriations function, we give them an allocation of funds. We don't tell them how to spend it. That is true.

What is also true is when we offer amendments on the floor we talk about assumptions. In fairness, the chairman has talked about assumptions that he has with respect to his reconciliation instruction. He has said he is assuming that money will be used to extend the 10-percent rate, to extend the child care credit, to extend marriage penalty relief. But the fact is we do not control how the Finance Committee ultimately decides to use those funds any more than we control, with what Senator DASCHLE has done, reducing the tax cuts for those who earn over a million dollars a year by 10 percent in

order to fund increased resources for veterans medical care.

The chairman's assumptions are made with respect to reconciliation. He has stated them clearly and directly. The Democratic leader has stated his assumptions clearly and directly. He has indicated he would fund the increased spending for veterans health care by reducing the tax cuts for those who earn over \$1 million a year by 10 percent. That is his assumption. Just as the chairman has indicated, the reconciliation instruction that he has provided in this Budget resolution he believes ought to be used to expand, for the most part, middle-class tax cuts.

The fact is, neither of them control what the Finance Committee does with their allocation. But it is an assumption and both sides are using assumptions, so there is really not a difference there between the two sides.

With that, the Senator from Florida is seeking time. Is he asking for 10 minutes?

Mr. GRAHAM of Florida. If possible.

Mr. CONRAD. I yield the distinguished Senator from Florida 10 minutes off the resolution.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM of Florida. Madam President, I appreciate the Senator from North Dakota yielding me 10 minutes. I hope he will not take offense at what I am going to say.

The Senators from Oklahoma and North Dakota have just given us a very accurate and descriptive statement of how certain parts of the budget procedures operate. But let me say, I do not believe this issue is about the arcane features of budget policy; rather, they are first about choices.

When we voted in 2001 and again in 2003 for the most massive tax cuts in American history, targeted primarily at the wealthiest 10 percent of Americans, we were making a choice. One of those choices comes home today, and that is, will we be able to adequately finance our responsibility to the health care of American veterans as well as the health care of those American men and women who have been injured as a result of the ongoing wars in Afghanistan and Iraq?

That comes to the second thing this is about. This is about real people. I take a different job every month, and in November, on Veterans Day, I worked at a VA hospital in Miami, FL. While I was there, I met a returning soldier. I will use the name "John" in order to respect his confidentiality.

John is approximately 24 years old. He was born and lived most of his life in Puerto Rico. The reason he is in the Miami VA hospital is because it has responsibility for certain specialty care that is provided to veterans from most of Florida, Puerto Rico, and the U.S. Virgin Islands.

John was a member of the Puerto Rican National Guard and was called up to duty in Iraq. Prior to his reporting for duty, he married a beautiful

young lady who I will call Linda. John was a tanker. He was assigned to a tank unit that led the surge from the Kuwait border into Baghdad. After the conflict ended, his tank crew was given the assignment of taking down some of the buildings Saddam Hussein had constructed in Baghdad, some of them because they were no longer safe by virtue of U.S. military action, some because of their symbolic importance. John's assignment was to stand by the side of the tank as the tank was used as a battering ram to take down these buildings. Unfortunately, in the course of this he was hit by a falling wall from one of these structures and is now a paraplegic. He is in the spinal cord injury program at the Miami VA hospital.

You can imagine the devastation of John and Linda, as their plans for a life together, functioning as a normal couple, have been devastated by this spinal cord injury.

John is who we are talking about here today and John very specifically is who we are talking about here today because this Congress, in the late 1990s, took on for the Veterans Administration the responsibility for 2 years after discharge from active duty for the care for Americans who had been injured in combat. John is one of those veterans.

Last year we asked the VA how much it was going to cost to carry out this responsibility. They did some calculations based on, first, what their experience was in the first Persian war as to what percentage of troops would be injured and become eligible for this VA service, and what is the current per-capita cost of delivering this service.

Do you know what they came up with? The cost would be \$350 million. The administration objected to that cost, and after extended negotiation that figure was reduced to \$100 million—less than a third of what the VA estimated the cost would be. Then do you know what happened. They didn't spend it on health care. They spent it to improve the processing capability of the VA for a variety of veterans applications. That may be desirable to do, but that is not what even the miserly \$100 million was appropriated to do.

John now sits there in his wheelchair facing many years—possibly a lifetime—as a paraplegic, and his country told him last year he wasn't worthy of having that service he had been promised by the Congress. Now we are about to tell him again he is not worthy of having that service financed.

We need to be realistic. This budget for American veterans and the brave fighting men and women who are returning is totally inadequate. It does not provide even enough to cover the cost for medical inflation, including payroll increases for the health care of the current group of U.S. veterans.

This budget, unfortunately, reflects this administration's priority. If enacted, it will have a devastating effect on the men and women who have served this country with honor and

those who are currently serving with honor because this administration has said this is all it is willing to do.

Rather than funding these programs as our veterans were promised, the President seeks to fund the shortfall in his request by increasing the out-of-pocket costs to the so-called higher income veterans. That means veterans who have earnings starting at approximately \$24,000. We would raise the prescription drug copayment from \$7 to \$15. But, more importantly, we would charge a \$250 enrollment fee which not only has as its goal to generate some additional revenue but, more importantly, it will artificially reduce the demand for VA services by veterans who either cannot or do not feel it would be advantageous to pay that \$250 enrollment fee.

Mr. NICKLES. Madam President, will the Senator yield?

Mr. GRAHAM of Florida. If I could just finish. The Senate Committee on Veterans Affairs has reviewed this on a repeated basis. The Presiding Officer is a member of that committee, as am I. All of the members of the committee, Republicans and Democrats, rejected the proposed increases in copayments or in the \$250 annual enrollment fee.

All Members agree Congress needs to appropriate sufficient funds to obviate the need for these abhorrent out-of-pocket costs to veterans.

The committee also recognized the need to protect vital specialty services. These were not included in the President's budget.

Can you believe we are not going to fund the long-term care needs of the veteran population which is aging in place and which will have increasing demands for either community-based services or institutional care as they are unable to be fully independent?

It also would substantially reduce mental health services to a population which as it ages encounters increasing and more severe mental health problems.

It is insulting to laud this budget but continue to bar veterans from the VA health care they have earned by their service.

It is unfair to double prescription drug copayments for other veterans so some veterans can have their increased costs paid through that means rather than through the appropriations to the Veterans Administration.

This is nothing short of hypocrisy to deliberately reduce demand for health care services and count that reduction in demand as if it were savings.

The PRESIDING OFFICER. The Senator has used his time.

Mr. CONRAD. Madam President, I would be happy to extend an additional 5 minutes of time to the Senator.

Mr. NICKLES. Madam President, will the Senator yield?

Mr. GRAHAM of Florida. No. I will yield when I complete my remarks, which will be soon.

The amendment my colleagues and I are debating today would provide the



VA with the \$1.8 million which is necessary to keep the current services in place and would also provide the funds to meet the cost of these wounded returning American service men and women like John so we will be able to honor the commitment we have made to him. It will also provide the funds to continue to meet our long-term care and mental health needs.

These numbers were not derived out of smoke. These numbers were derived by an independent budget committee. This is a committee made up of representatives of all the major veterans organizations looking at what is the realistic cost of providing appropriate service. This consortium of veterans organizations has set the bar as well as to how much VA needs will be to treat their patients.

This administration has made the war in Iraq and Afghanistan a priority, appropriately so. But at the same time, this administration does not want to provide the resources to meet the health care needs of returning combatants. This war will create a new generation of veterans, and this budget fails to take that into account.

This budget has the potential of creating a conflict between generations of veterans. It is asking the current veterans assume a further dilution in their medical services so the newly returning injured combatants will be able to receive the care for which they have been promised.

It is up to us in the Congress to see service members and veterans alike receive the benefits they have earned. We can do no less than to meet our duty to their patriotic service.

Thank you, Madam President. I would be glad to yield to the Senator from Oklahoma.

Mr. NICKLES. Madam President, I wanted to clarify. I heard my colleague say increase in copays. You are aware, I am sure, under the resolution we are not assuming any increase in copay for categories 7 or 8, and we are also not assuming the \$250 deductible.

Mr. GRAHAM of Florida. Does that mean the budget is even more out of balance in terms of providing services than the one the President submitted which would have had those increases in out-of-pocket costs?

Mr. NICKLES. I thought I heard my colleague say you were opposed to these increase in copays. I was trying to make sure you are aware we did not assume an increase. We did not have that in our budget. I wanted to make sure you knew that. If you didn't, I will read it to you. It says the committee resolution does not assume the President's proposal to establish a new \$250 enrollment fee for priority 7 or 8 veterans or to increase the insurance for prescription drug copayment for priority 7 and 8 veterans from \$7 to \$15. That is not in our resolution. I wanted to make sure you knew that.

Mr. GRAHAM of Florida. Does the resolution, therefore, contain the funds from appropriate sources to offset that

which would have been raised had the President's recommendation of the prescription drug copayment increased and the enrollment fee been enacted?

Mr. NICKLES. Madam President, I want to remind our colleague to go through the Chair. I warned other people. I think I need to do that.

Our resolution, to answer my colleague's question, has a \$1.4 billion increase in VA care. It assumes an increase in VA—and it is mandatory—from \$61 billion to \$70 billion—a 14.3 percent increase, so my colleague will know.

Mr. GRAHAM of Florida. My question was not what the totality is, but since the President assumed a substantial additional revenue source for the VA through these enrollment fees and increased copayments, how does the budget resolution propose to fund those items or to provide the replacement revenue that would come from those two items?

The PRESIDING OFFICER. The time of the Senator from Florida has expired.

Mr. NICKLES. Madam President, I have a couple comments.

We did not have the assumptions; they were not revenue raisers, as I understand from the administration's perspective. What they were trying to do is get high-income nonservice-connected disabled veterans to not clog the system or at least have them pay a little more. If they were not injured by military service—maybe they were playing basketball or whatever and they had high incomes, shouldn't they pay a greater percentage of the prescription drug? That was the assumption. It is more to change behavior than to raise money. We did not make that assumption in our resolution.

I yield the Senator from Texas as much time as he desires. I know there is a reception tonight. If the Senator could keep his remarks to 10 or 15 minutes.

For the information of our colleagues, I suspect we will have a vote probably about 5:45, hopefully not much later than that.

The PRESIDING OFFICER. The Senator from Texas.

Mr. CORNYN. Madam President, I will say a few words about this budget resolution because it is an important document. As in any budget, we identified what our Nation's priorities are, and we have done the tough job that all budget writers have to do, whether it is the Senate, a small business, or a family, in trying to figure out how to live within our means, how do we make sure we are good stewards of the taxpayers' money.

I commend the chairman of the Budget Committee, the Senator from Oklahoma and the ranking member, the Senator from South Dakota, for conducting a very important debate about our Nation's priorities and how they are reflected in this budget and the civility with which that debate has taken place in the Budget Committee and in the Senate.

There is no higher priority in the Federal Government than our national security. Indeed, this budget does fund an increase in national security; it, likewise, funds an increase in homeland security funding—two items which would strike me as no-brainers in a post-September 11 world. Particularly when it comes to military spending with our troops in the field and with the Nation being at war, we have to keep our commitments to those troops in the field that we will give them the resources they need in order to get the job done.

As to the rest of the nondefense, non-homeland security spending, this discretionary part of the budget is essentially flat. That represents the considered judgment of a lot of people who have this Nation's best interests at heart: How do we deal with this budget deficit and how do we meet this Nation's commitments without killing the burgeoning growth of the recovery of the economy while at the same time recognizing we are a nation at war, a nation that needs to harden its homeland security.

However, what we all need to realize when we hear amendments being proposed from the Senate to this budget, we are talking about spending more of the taxpayers' money, plain and simple. The American people are wise enough to understand when people talk about tax increases on the wealthy, if they begin to look at the numbers, ultimately what we are talking about are tax increases on the middle class and literally on all Americans.

I referred back to some figures and discovered that last year our Democratic colleagues offered budget amendments in the range of \$85 billion additional spending to the budget over 1 year and it would have calculated \$1.2 trillion over 10 years.

I don't know how anyone can stand in front of this group or anyone else and say those geometric leaps in spending could be accomplished without raising taxes across the board. We cannot do both. We cannot have the kind of huge increases in spending that our colleagues across the aisle would want to have without raising taxes across the board.

I know it is easier to make the class warfare argument, tax millionaires, but when we look at the people who are paying taxes, it includes small businesses that pay not as corporations but pay as an individual taxpayer would if they were a sole proprietor or a partnership or small subchapter S corporation. They essentially pay income taxes as if they were individuals.

What our colleagues on the other side of the aisle are proposing when they talk about raising taxes against the wealthy, they are talking about raising taxes against the very engine that grows jobs in our economy. We have come off of a rough time in our history, the last 2½ years since September 11. Of course, we were starting into a recession when President Bush and Vice

President CHENEY took office. We suffered a body blow to our Nation's economy and to our consciousness on September 11. That had a devastating impact on our economy. Of course we saw the stock market plummet as investors lost confidence in corporate America because of some scandals which shook that confidence to its very core.

So we have had what some have called, many have called, the perfect storm. It is as a result of the tax relief and growth package we passed last year in this body, something our colleagues on the other side of the aisle argued mightily against, but it is as a result of allowing the people who earn the money to keep it, to keep more of it, and spend it as they see fit, to save it, and to invest it in their small businesses that we have seen the job growth.

We have seen the roaring back of the economy in a way we have not seen in the last 20 years. It comes to productivity; it comes to growth in the gross domestic production.

I fear if we were to accept this formula offered by our colleagues on the other side of the aisle to tax more and to spend more, it would simply squelch the nascent recovery we are seeing in this economy.

There is a lot of discussion about jobs. Obviously that is a core goal we all share. We do not grow jobs by killing the profits, by taxing the engine of job creation—which our colleagues across the aisle would do by their proposals, including this one. The only way we get more in this economy is by letting people who earn the money keep more of it and invest it, save it, and create more jobs. That is simply the formula that we on this side of the aisle, as well as our President, have said is the philosophy we should approach.

Let the people who earn the money keep more of it. We have seen as a result explosive growth in our economy. We know over time we will reduce unemployment rates to the point that literally anybody and everybody who wants to work can find a job. Indeed, that is our goal.

While we have to make tough choices in writing a budget, just as anyone else does, what our colleagues by this amendment seek to do is to add to an already substantial increase when it comes to veterans benefits and services. I can think of no more sympathetic or deserving cause than our veterans.

My dad was a veteran of World War II. He flew B-17s in the Army Air Corps, was shot down after a bombing mission over Mannheim, Germany, was captured and served for a time in a German prisoner-of-war camp before General Patton and his Army came along and liberated him and his colleagues. As so many in this generation, he came back to this country, married my mom, and helped build this Nation into what is today the envy of the entire world. We owe a debt to all of our

veterans to see that we address their needs, whether it is health care or other veterans benefits.

But at a time when this budget resolution proposes giving less money than the Commander in Chief has asked for in terms of current military operations, I am sure all of our veterans would understand why we say a 14.5-percent increase over last year is a reasonable increase in veterans benefits and services, and why they would say—at a time when we are looking at trying to balance the budget under tough times and actually giving the Commander in Chief, our Department of Defense, less than what has been requested because of our attempt to try to balance the budget, to meet our priorities to the soldiers and airmen and sailors and marines in the field and on the waters—that is an appropriate increase at this time.

Particularly for those veterans coming back from their military duty, they would want to make sure there will be, once they leave active duty military service, jobs for them to hold to provide for their families.

I think this is a good budget resolution. I agree with the Senator from Oklahoma the best thing we could do to keep faith with both our troops in the field and our veterans is to make sure we are responsible, that we meet our priorities, that we do not overtax, that we do not overspend, and that we continue to grow this economy so anyone and everyone who wants to work can find a good job.

With that, I yield the floor back to the Senator from Oklahoma.

The PRESIDING OFFICER. The Democratic leader.

Mr. DASCHLE. Madam President, I think we are about to wrap up the debate on this amendment. I know the Senator from Arkansas wants to be recognized for a couple minutes. Once she finishes, I will have the final comments on the amendment and we will prepare to have a vote.

I yield the floor to accommodate the Senator from Arkansas.

The PRESIDING OFFICER. Does the leader yield to her?

Mr. DASCHLE. Yes. Are we under a time agreement now?

The PRESIDING OFFICER. Yes.

Mr. DASCHLE. Madam President, I yield time off the resolution, 3 minutes, to the Senator from Arkansas.

The PRESIDING OFFICER. The Senator from Arkansas.

Mrs. LINCOLN. Madam President, I thank my colleague, the minority leader.

I stand today to speak in strong support of Senator DASCHLE's amendment to the budget resolution that would ensure the U.S. Veterans Administration has the funding it needs to provide the best services possible to our Nation's veterans.

My father passed away about a year and a half ago. He was an infantryman in the Korean war. Both of my grandfathers served in World War II.

I believe probably one of the most important values those men instilled in me when I was growing up was the need to respect and honor our Nation's veterans, those who had put their lives on the line to ensure our freedoms and this incredible Nation we are a part of could be sustained.

I have always treasured that lesson, and my father's example has guided me throughout my career in public service, as well as the examples of those I have met along the road of the very strong and determined and willing Arkansans who have also served this country.

That lesson has always been important, but it is particularly poignant today. With the war on terrorism and the war in Iraq, a new generation of young people has stepped forward to defend our Nation and the world against threats to our security, peace, and stability. Many have given their lives in this cause. A great many more, who rarely get mentioned, have been wounded in action, and they will need our support in the years to come.

We often hear people talk about the American military's superiority in weapons and technology, which is the most advanced and powerful in the history of the world. I know every Member in this body is proud of that. But there is also no getting around the fact our most important military strength resides in our people, in the men and women who serve, and in the officers who lead them. No weapon and no technology is as valuable to our military as our military personnel.

One of my top priorities has been to ensure our military personnel gets the support they need, whether it is equity in pay, health care, housing, or child care.

With an all-volunteer military, it follows you are going to have more career soldiers, and more of those soldiers are going to be married and have families. We should recognize this and provide for their needs. Particularly with the demands placed on our soldiers in the war on terror and in Iraq, we need to find new ways to better serve them and their families in recognition of their service and their sacrifice to this country. Their sacrifice today reminds of us of the sacrifices of earlier generations. It reminds us of the service and sacrifice of those who are here today. It should remind us we owe our veterans a much greater debt than just gratitude and respect. We also have an obligation to support the health and well-being and dignity of our veterans and their families when they need health care or when death, disability, and economic hardship leave them in distress.

The cornerstone of this commitment is our Veterans Administration, with its numerous support programs for health care, homelessness, and veterans with special needs. But as many of you know all too well, our veterans programs have not always lived up to their promise. While things have improved in many respects, we still have some distance to travel to make our

veterans programs the most effective they can be.

The PRESIDING OFFICER. The Senator's time has expired.

Mrs. LINCOLN. Madam President, I ask unanimous consent for an additional 2 minutes.

Mr. DASCHLE. Madam President, I yield the Senator 2 additional minutes.

The PRESIDING OFFICER. The Senator from Arkansas.

Mrs. LINCOLN. One of my priorities as a Senator has been to seek ways we can make our Government work better. I believe one important place to begin is with our programs for our veterans. It is particularly true as our population ages, the Veterans Administration must adapt to new demands. Over 45 percent of American veterans are now over the age of 60.

In addition, the largest group of veterans, the Vietnam-era veterans, are nearing retirement. We are going to need innovative approaches to meet the needs of these veterans. A top priority should be to ensure our veterans benefits are more fair and equitable. The amendment Senator DASCHLE and I, as a cosponsor, offer today would increase funding for veterans health care by \$2.7 billion. We would accomplish this by reducing tax cuts for people making over \$1 million per year, so this measure would not add to the Nation's budget deficit, the budget deficit our children will be paying.

One measure of a nation's greatness is how well it cares for those who have fought and sacrificed to protect its citizens, its values, its freedoms, and its interests.

I urge my colleagues to join me in voting for this amendment to ensure our veterans have health care they so richly deserve, and that we do so without putting an enormous burden on our children.

I would like to also comment on some of the talks we have had, both in the Finance Committee and here, about where those dollars are actually going to come from and who actually gets harmed, and remind our colleagues today these dollars do not come out of the small business arena. We have had information from the IRS which indicates that. We have charts which help us show that.

I hope my colleagues will look at what is most important: The priorities and the choices we have to make today, and the consequences we will see from those choices we make. Let us support our veterans.

Thank you, Madam President.

The PRESIDING OFFICER. The Democratic leader.

Mr. DASCHLE. Madam President, I thank very much the distinguished Senator from Arkansas for her strong statement.

Does the Senator from Iowa seek recognition to speak on this amendment, as well?

Mr. GRASSLEY. Yes, I do want to speak.

Mr. DASCHLE. Madam President, I yield the floor to accommodate the Senator from Iowa.

Mr. NICKLES. Madam President, I yield the Senator from Iowa such time as he desires.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Madam President, what we have to think about when people suggest raising taxes is, I have hardly ever had anybody ever tell me they want to raise taxes. How high do taxes have to be to be high enough to satisfy the people asking to raise the taxes?

Since we hear that more from the other side of the aisle than we do from this side of the aisle, I cannot help but ask anybody on that side of the aisle who is going to be suggesting during this debate on the budget to raise taxes, how high do they have to be to satisfy you?

We have had marginal tax rates of 93 percent in the last 50 years. Was that high enough? We had 70 percent in the last 20 years. Is that high enough? We have had them as low as 28 percent. People felt an awful lot of economic good happened, particularly promoting entrepreneurship, when they were lower.

I think the most important thing for my colleagues to think about during this debate is on the issue of process. Quite frankly, we are being given some direction through this amendment to raise taxes. We are being told the intent is to raise them on the very wealthy, but that is not how the budget resolution works. The budget resolution just says to the Budget Committee, raise X number of dollars based upon what that budget says. We decide where that is going to be raised.

Anybody who believes that by voting for this amendment, they are putting the burden on just the wealthy, for instance, are sadly mistaken. What it takes to get a bill out of the Senate Finance Committee is a bipartisan compromise, and just taxing one class of people is kind of a nonstarter for our committee, if you believe in bipartisanship.

In addition, if the issue of raising taxes just on millionaires is an issue, you need to remember you cannot just tax the wealthy. You confiscate all the income of people over \$1 million, and you are going to run the Government for a few days. If you see that as a solution to our budget problems, you don't study the statistics, you don't study the impact taxation can have on the economy.

Also, if it is the millionaires, just think in terms of the top 1 percent, earning about 27 percent of the income, paying 33 percent of all of the income tax coming into the Federal treasury. Once again, how much is enough for the top 1 percent to pay? They make 27 percent of all the income. They pay 33 percent of the taxes. Should they pay 50 percent? Pretty soon it gets to the point where maybe they ought to pay 100 percent of it all. But that is a nonstarter. There is not enough income there to take care of our problems.

What does this high tax philosophy lead us to? It eventually leads us to taxing the common ordinary American to a greater extent than is good for the country, good for economic freedom, and obviously a discouragement to entrepreneurship.

I believe I saw on the chart, the one the Senator from Arkansas had, does taxing higher tax rates or lowering marginal tax rates really help small business? That is probably based on the argument that every small business does not pay the highest marginal tax rate. We are not dealing just with what is the highest marginal tax rate; we are dealing with fairness between self-employed, sole proprietors, and their highest rate of taxation and the highest rate of taxation of corporations. So anybody who is suggesting we ought to raise the marginal tax rate above where it is now at 35 percent is being unfair to sole proprietors, self-employed people, compared to corporations.

We should not have a penalty against small business in America. Regardless of the income of that small business, there should not be a penalty. When you have a 38.6-percent marginal tax rate, that is a 13-percent penalty on small business. It is unfair to sole proprietors. There is no reason individuals paying taxes in America ought to have to pay more than corporations.

I am not arguing raising the corporation tax because we know what that does to our international competitiveness. That hurts our international competitiveness because we have high cost of capital. But I am arguing for fairness between corporations and sole proprietors, self-employed people, people who scrounge to get money to invest. They don't have stockholders. They can't go to the bond market like corporations can. They have to raise their capital. They live relatively moderately and maybe even low income throughout their livelihood to reinvest their earned income, to expand their business, to create jobs. Why do we want to penalize them? That is basically what this business of taxing the wealthy is all about.

There isn't enough wealthy in this country to do everything they want to do on the other side. Eventually it filters down to hurting the middle class.

We have to protect the middle class. What we are doing is talking about lower rates of taxation, protecting working men and women from having their resources confiscated by government.

I urge we defeat the amendment.

The PRESIDING OFFICER. The Democratic leader.

Mr. DASCHLE. Madam President, I have great respect for the Senator from Iowa. He does a terrific job as our chair of the Finance Committee. I would ask him to read the amendment. He gave a great speech on fairness among taxpayers. I am concerned about fairness in this budget between millionaires and veterans. That is the fairness I am looking for.

In this budget, there is a \$27 billion tax cut for millionaires alone. What I am asking is the \$27 billion we have for veterans for their health care, which is also in this budget, be increased by a mere \$2.7 billion. How do I do it? Not by raising taxes. We are not talking about raising taxes. Each millionaire in this budget will get a \$140,000 tax cut this year. We are simply suggesting maybe we could reduce that \$140,000 to \$112,000 so veterans are not going to have to wait in line up to 6 months to get health care today, so veterans who are concerned about whether their VA facility is going to close do not have to be concerned about it, so veterans who are being told today they are going to have to pay \$250 to walk in the front door will be told, you don't have to worry about that anymore because now the millionaires only get \$112,000 and you are going to be able to walk in the door without having to pay that fee. That is the fairness I am talking about. We don't want to raise taxes, but we certainly want to see some fairness when it comes to veterans.

I have seen countless bumper stickers in South Dakota, across the country that say support our troops. I think we ought to add three words: "and our veterans." If we really are serious about supporting our veterans and our troops, we ought to be willing to say to our veterans: You know the billion dollars you are now being asked to pay for your health care? We are actually going to find a way so you are not going to be asked to pay anymore, that billion dollars can be reduced somewhat.

I actually have had veterans in the last couple weeks ask me about having to pay double for prescription drugs, which is also in this budget. We increased the fee for each prescription drug from \$7 to \$15, each office visit to \$20. We are telling category 7s and 8s they are now going to have to pay \$250 to walk in the door. That accumulated amount of money is a billion dollars paid for by veterans after they have fought and defended their country.

Is it fair to simply say: We are going to give the millionaires of this country a \$112,000 tax cut so we have an opportunity here to provide some fairness to veterans in a budget as the war in Iraq and the war on terrorism go on?

I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Madam President, my colleague and good friend from South Dakota said: This budget increases copays on veterans on drugs from \$7.50 to \$15. That is not correct. Read the resolution. The resolution has a paragraph that we did not assume either the \$250 deductible or the increase in copays for category 7 or 8 veterans. It is not in the budget. I have only said that about three times. Maybe my good friend missed one of my great speeches.

Look what we have done. I venture to say that whatever we do is never enough. Mr. President, I say to Senator

BYRD, many times he talked to me about mandatories. Mandatory spending on veterans and discretionary are growing under this budget from \$61 billion to \$71.4 billion. That is a 14.5-percent increase. Not too many categories in this budget will be growing 14.5 percent.

I want people to know we are doing a lot. We have assumed a \$1.4 billion increase in VA health care. So we have a lot already in this assumption that we are already expanding.

I looked at the amendment of my colleague from South Dakota, and where is the increase for outlays for veterans? It is not in this amendment. It assumes maybe there is a trust fund, and if the appropriations bills come in and if they spend a certain amount, then maybe it will be increased and then we will increase the caps. It has a lot of assumptions. The only thing for sure is that it increases taxes.

It is very hypothetical, at the most, to say we think that is only going to be on millionaires for a certain amount. That is not what the amendment says. The amendment says increase taxes next year by \$5.4 billion over the budget resolution.

I also tell my colleagues the taxes that we are assuming for next year will be continued to make sure taxpayers do not have a tax increase are really the marriage penalty relief of \$5.4 billion, and the 10-percent tax bracket. That is \$4.3 billion for 2005, and the child tax credit is \$2.6 billion. That is really what we are assuming.

This idea we are going to rewrite the Tax Code is just not going to happen—I think my colleagues know that—not in this election year, not in this environment.

What we are assuming are some profamily tax credits. It just so happens veterans are also taxpayers. If we do not do some of these things, a lot of veterans are going to have an increase in their taxes, if they have kids, to the tune of maybe \$1,200, \$1,600, \$2,200, depending on how many kids they have. The marriage penalty alone, if they have taxable income of \$58,000, a husband and wife, is \$900.

The only fact we are sure about in this amendment is we are going to increase taxes and maybe veterans might get some of it if it goes through this process of a reserve fund and then the reserve fund is released and then, depending on appropriations—that is an interesting way to say we are trying to help veterans.

This budget tries to help veterans. It tries to be responsible, to give a significant increase, a \$1.4 billion increase for veterans when we have very little increase period in nondefense, nonhomeland.

I urge our colleagues to vote no on the amendment. Madam President, I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. ALEXANDER). Is there a sufficient second?

There appears to be a sufficient second.

All time is yielded back. The question is on agreeing to amendment No. 2710. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. REID. I announce that the Senator from Delaware (Mr. CARPER), the Senator from South Dakota (Mr. JOHNSON), and the Senator from Massachusetts (Mr. KERRY) are necessarily absent.

I further announce that, if present and voting, the Senator from Massachusetts (Mr. KERRY) would vote "yea".

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 44, nays 53, as follows:

[Rollcall Vote No. 34 Leg.]

#### YEAS—44

Akaka	Durbin	Lieberman
Bayh	Edwards	Lincoln
Biden	Feingold	McCain
Bingaman	Feinstein	Mikulski
Boxer	Graham (FL)	Murray
Breaux	Harkin	Nelson (FL)
Byrd	Hollings	Pryor
Cantwell	Inouye	Reed
Clinton	Jeffords	Reid
Conrad	Kennedy	Rockefeller
Corzine	Kohl	Sarbanes
Daschle	Landrieu	Schumer
Dayton	Lautenberg	Stabenow
Dodd	Leahy	Wyden
Dorgan	Levin	

#### NAYS—53

Alexander	DeWine	Miller
Allard	Dole	Murkowski
Allen	Domenici	Nelson (NE)
Baucus	Ensign	Nickles
Bennett	Enzi	Roberts
Bond	Fitzgerald	Santorum
Brownback	Frist	Sessions
Bunning	Graham (SC)	Shelby
Burns	Grassley	Smith
Campbell	Gregg	Snowe
Chafee	Hagel	Specter
Chambliss	Hatch	Stevens
Cochran	Hutchison	Sununu
Coleman	Inhofe	Talent
Collins	Kyl	Thomas
Cornyn	Lott	Voinovich
Craig	Lugar	Warner
Crapo	McConnell	

#### NOT VOTING—3

Carper	Johnson	Kerry
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The amendment (No. 2710) was rejected.

Mr. NICKLES. Mr. President, I move to reconsider the vote.

Mr. BENNETT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. NICKLES. Mr. President, for the information of our colleagues, that will be the last rollcall vote tonight. Senator CONRAD and I have indicated we are willing to stay to do additional business tonight, maybe well into the night. That remains to be seen, depending on the amendments that will be offered and/or discussed. If there are rollcalls on the amendments to be offered tonight, we will hold those over for tomorrow at a mutually agreeable time with our leaders.

For the information of our colleagues, I am not sure how late we will work tonight. We will see. I think we are making progress on the resolution

and on the amendments. I know Senators LINDSEY GRAHAM and JIM BUNNING have an amendment. I don't believe it is quite ready. I believe Senator MURRAY has an amendment. I also believe Senator BENNETT wants to speak on a report.

We will have additional business probably for some time tonight, for the information of our colleagues. Some of our colleagues have said they would like to speak tonight. That is fine with this Senator. We would like to get as much work done on this resolution as possible so we are not crammed into the last day and a half with a lot of votes.

I do thank our colleagues. We are off to a good start in working through this resolution. I thank our colleagues for their cooperation.

The PRESIDING OFFICER. The Senator from Utah.

Mr. BENNETT. Mr. President, I am happy to yield to the Senator from Kentucky if he wants to lay an amendment down. Does the Senator from Kentucky wish to speak? I have anticipated speaking on behalf of the Joint Economic Committee. The ranking member of the Joint Economic Committee, Senator REED, is also prepared to speak. We are here under the Budget Act to make a presentation to the Senate in the middle of the budget discussion. I don't know if that has ever been done, but we are going to do it. It is for that purpose I sought recognition, but I don't want to hold up the Senator from Kentucky if he has an amendment.

Mr. BUNNING. Will the Senator from Utah yield?

Mr. REID. Mr. President, I object to the Senator yielding to the Senator from Kentucky. It is not appropriate.

The PRESIDING OFFICER. The Senator may yield for a question.

Mr. BENNETT. Mr. President, if the Senator from Kentucky has a question, I will yield for a question.

Mr. BUNNING. Will the Senator yield for a question?

Mr. BENNETT. I am happy to yield for a question.

Mr. BUNNING. The Senator from Kentucky was going to make a general statement on the budget resolution. If the Senator from Utah would like to yield, that is up to him. But I rose to seek recognition to make my general statement on the budget resolution.

Mr. BENNETT. Mr. President, I would be happy to yield to the Senator from Kentucky if he would tell me how long he intends to talk.

Mr. REID. Mr. President, the Senator from Utah has no right to yield to the Senator from Kentucky except for a question.

The PRESIDING OFFICER. Senators may not yield control of the floor to other Senators.

Mr. NICKLES. Mr. President, they can yield for a question.

The PRESIDING OFFICER. Senators may yield for a question.

Mr. BENNETT. Mr. President, under the circumstances, then, having made

arrangements with Senator REED for this time, I will proceed and suggest to the Senator from Kentucky he respond when we finish.

The debate has been an interesting one since the beginning of the budget period. There has been a great deal said about the economy and a great deal said about the state of the economy. Much that has been said, in my opinion, has more to do with the fact this is an election year than it does with the situation facing the economy.

In response to the requirement of the act creating the congressional budget process that says the Joint Economic Committee is to make a report to the Senate during the Budget Committee deliberations, I have asked for and received this time for myself and Senator REED to address the Senate.

I do not wish to address the specifics of the budget resolution because I think it is more important we lay down the background of the economy and what is really happening in the economy. I will do my best to keep it out of the realm of politics, keep it out of the realm of the rhetoric of this election, and stay as close as I can to statistics and facts so we can understand exactly what is happening in the economy and where the economy is headed. The basis and sources I have used in this situation have in every case been from outside groups. This is not the Republican Policy Committee or any other partisan group that has come up with these statistics. I will share them with the Senate tonight in the hope it will help the Senate and anyone who is watching understand exactly where the economy is.

We begin, if we can, by reviewing exactly what happened with respect to the recession and the recovery. There has been a lot of rhetoric about this. I have heard on the Senate floor this is the worst recession in 50 years, the worst economy we have ever had.

On this chart, we go back to the year 2000 and through the year 2003. The first quarter of 2004 is not in yet, so this goes back to the beginning of the softening of the economy through the recession and the recovery.

These bars are by quarters. The first quarter of 2000 was a very weak quarter. This is measuring the growth of the economy in terms of the gross domestic product, the GDP. These data come from the government agency that tracks economic performance. These data are always available only after the fact. It is almost impossible to be sure of the data at the time it is happening, but after the fact the Bureau of Economic Analysis goes back and reconstructs what happens and makes whatever changes have to be made in order to make sure the data are correct. This is their current reading of what has happened in the last 4 years.

In 2000, in the first quarter, very weak quarter, only 1 percent growth; second quarter, very high. Some will say that is because of weather. Very often, there is bad weather in the first

quarter which causes sales to go down. They are delayed. They show up in the second quarter. But in the third quarter, we spilt into negative territory; that is, instead of expanding, the gross domestic product contracted one-half of 1 percent.

The definition, according to many observers, of a recession is two successive quarters of contraction, and we did not have that. We came up with a relatively weak fourth quarter in 2000.

I will point out in that period of time there were those who were suggesting the economy was in fact weakening. They were attacked as having made partisan political statements trying to talk the economy down for political purposes. We now know in fact they were correct, the economy was in fact weakening. In the first quarter of 2001, once again, the economy contracted rather than expanded. Then in the second quarter, it contracted even more.

The common definition of a recession was therefore met with two successive quarters of contraction, and then you have a third quarter where the economy contracted 1.3 percent. This, of course, was the quarter in which September 11 occurred.

We have the three successive quarters of contraction. There are some who say this quarter, the fourth quarter of 2000, will be revised to show contraction rather than expansion as the data are further reviewed. As of now, these are the data the Bureau of Economic Analysis has given us.

The fourth quarter of 2001 was positive, up 2 percent. Not robust growth, but at least positive. By definition, that is the beginning of the recovery. The first quarter of 2002 was strong and then we went back to anemic growth and kept that pretty much through 2002.

In 2003, the growth starts to pick up and becomes very robust. The entire year showed growth of 4.3 percent which, by historic terms, is higher than the average growth of all of the years of the 1990s. If we can sustain 4.3 percent growth, we can be very happy indeed. We can see the economy is starting to recover, the recovery is getting traction and it is getting hold in 2003.

Let's go back over the same time period and look at some of the spending patterns that came through the same situation. In green, the bars are the same quarters on the previous chart and they show consumer spending. A very unusual thing happened during this period of recession and recovery. Consumer spending remained positive in every single quarter. It got a little weak in the first quarter of 2001, but it remained positive, above the line, in every single quarter. That has never happened before. In recessions consumer spending goes negative, but in this one the consumers had enough confidence they stayed positive all the way through. That is one of the things that kept this recession from being deeper and more long lasting than it might otherwise have been.

The blue bars, however, show a very different story and give us the reasons why this recession occurred. The blue bars are business investment. Business investment in the first and second quarters of 2000 was very strong. A weak third quarter followed, and a very weak fourth quarter, and into negative territory we fell in the first quarter of 2001, staying there for one, two, three, four, five, six, seven, eight, nine successive quarters, with business investment down. It is not until we get to the second quarter of 2003 that business investment becomes positive again and very strong.

This was an investment recession. It was not a consumer recession. It was an investment recession, as businesses felt they were overextended and cut back on their investment. After nine quarters—a long period of time—business investment finally began to be robust again. This again is from the Bureau of Economic Analysis. When this starts to happen, we assume we will start to get jobs because business investment has the biggest impact on jobs, not consumer spending.

From the Department of Labor we have statistics on jobless claims. This shaded period on the chart is the period of the recession—that is, the three quarters when there was negative gross domestic production growth. The jobless claims heading into the recessionary period are going up. They reach their peak during the recessionary period. Then when the recession ends and the recovery takes place, the jobless claims start coming down somewhat, until you get that strong business investment that we saw on the previous chart. Then the jobless claims start coming down much more dramatically, indicating the jobs are on their way back.

We have heard a lot about manufacturing. The Institute for Supply Management provides a composite index on manufacturing activity. In 1999, manufacturing was up. And manufacturing follows the same pattern. It starts down in the second half of 2000 and comes down during the recession and stays down for longer than the recession itself. It is down in negative territory below this line, through all of 2001, gets up a little bit in 2002 but comes back down and again down, finally.

When business investment starts up in 2003, the manufacturing activity comes up strongly. So it goes down, stays down, but when the business investment comes back, the manufacturing activity comes back very strongly.

What about jobs, then? Where are the jobs? If this activity is coming back, why aren't we seeing the jobs? If there is investment activity, why aren't we seeing the jobs? What we are seeing is something we have not seen before, and that is the surveys done by the Bureau of Labor Statistics as to jobs—and there are two of them, one known as the establishment survey or payroll

survey and one known as the household survey—have diverged in ways they have never diverged before in history.

Before, they pretty well track each other. The difference is the payroll survey or establishment survey gets its sample entirely from firms and other employers, whereas the household survey does its sample by checking households to see who has jobs and who does not. The household survey picks up agricultural jobs. The household survey picks up self-employed and, to the degree they impact the statistics, the household survey would pick up illegal aliens who for one reason or another do not show up on the payroll survey.

Everyone says the payroll survey is the more reliable. I will stipulate that everyone says that, but I ask this same "everyone," if that is the case, how can you explain the sudden discrepancy between the two, a discrepancy that has come in this recession and this recovery? The discrepancy is not minor. If you take the entire period we are talking about, the payroll survey shows a loss of 2.3 million jobs while the household survey shows a gain of 614,000. That is a discrepancy of three million jobs.

I don't have the answer as to what is causing that discrepancy. We have tried to do studies in the JEC staff to get the answer. I have asked the Commissioner of the Bureau of Labor Statistics if she will do some studies to find the answer. I have discussed this with Chairman Greenspan, and he says the Federal Reserve people are concerned about this and are trying to find the answer.

If we take the period since November of 2001—this is the recovery period, as opposed to the entire period that included the recession—in this recovery period, even while we are in recovery, the payroll survey says we have lost 718,000 jobs; the household survey says during the recovery we have added 1.895 million jobs. That is a very wide margin.

If we look at just the past six months, the period of the strongest recovery, the period when we are getting the strongest activity, the payroll survey says yes, we have finally started to add jobs. In the last 6 months, the payroll survey says 364,000 new jobs, while the household survey says 981,000. I am not saying the household survey is right and the payroll survey is wrong. I want to make clear. I am saying something is happening in the economy that has not happened before for which we do not have an accurate gauge. What is important is that our statistics be accurate so when we throw them around in a political debate, we know we are telling the truth.

It is very clear to me the payroll survey needs to be adjusted upward. How far upward, I do not know. It is probable the household survey needs to be adjusted downward. How far downward, I do not know.

Commissioner Utgoff, the head of the Bureau of Labor Statistics, has said

the real number is probably somewhere in between the number shown by both surveys. But she does not know. This is one of the things we are pursuing in the Joint Economic Committee, to do what we can to get accurate data so we can make accurate analysis of what is happening in the economy.

All right. Let's look at the unemployment rate. The unemployment rate is figured on the basis of the household survey.

As shown on this chart, the shaded areas show the recession. In this case I have gone beyond the time period of the first chart. In this case we go back to the recession that occurred during the time Ronald Reagan was President, and you will see two shaded areas because Ronald Reagan suffered the double dip; that is, we went into a recession, had two quarters of negative growth or of contraction of the economy, came out, and went back in for an even longer period of time.

This is the worst recession in memory. Unemployment hit a high of 10.8 percent at that time. When it spiked up and came back down, there were a lot of people, with unemployment at that level, who said: Well, we are in good shape now. The jobs are coming back. Notice that level was about 7 percent unemployment, but it came down further as the prosperity of the late Reagan years took hold, and it was down until the next recession hit. As is always the case—it was the case, as shown on this chart here and here—it happened here. As soon as the recession hit, the unemployment went up and spiked up even during the recovery. This is the period of time when we talked about the jobless recovery. I had just come to the Senate, and I remember everybody saying: Well, if we are in recovery, where are the jobs? Unemployment spiked several quarters after the recession was over at 7.8 percent—not nearly as bad as the 10.8 percent of the previous peak, but still pretty bad.

All right. Then it started coming down slowly. We did not get down to the prerecession level for 4 years. It took 4 years for the economy to generate enough jobs to bring us down to the prerecession level of unemployment, which was just under 6 percent.

Incidentally, that is the level where we are right now, because in this recession we saw exactly the same reaction. The unemployment rate came up dramatically during the recession, just as it did here several quarters after the recovery started. The unemployment rate was still going up. It peaked a little later than this one did, but a lot lower than this one did. The unemployment rate peaked at 6.3 percent and then started coming down, and it is now down to a level which in previous recessions would be considered very good.

In the debate on the floor about the extension of unemployment insurance, we noted that extended benefits were allowed to run out at a level of unemployment that was well below the corresponding level at which such benefits

expired during the Clinton administration.

I share all of this information to make this point: This recession is different. It is not different because it happened on George W. Bush's watch or because it happened in a Republican-controlled Congress. As Paul Samuelson has pointed out, if Presidents knew how to create jobs, every President would have a 3.5 percent unemployment number going into his reelection. If Congress could control jobs, every Congress would see to it in every October, as we were running for reelection, the unemployment rate would be at 3.2 percent. But unemployment is a reflection of what is happening in the economy. What this information shows us is what is happening in technology with this recession and this recovery is different from that which has happened in previous recessions.

Let me give you my personal view of what is happening here. I believe the recession we have just gone through and the recovery we are now in represent the first recession and recovery of the information age, as opposed to the previous recessions and recoveries, which were the last recessions and recoveries of the industrial age.

When I took economics, I was told recessions basically were a series of inventory buildups, and recoveries were inventory selloffs.

For example, you got excited about how well things were going in the automobile industry, and you built more cars. Suddenly, the vice president of marketing looks out on the back lot and says: Good heavens, there are 40 acres covered with Chryslers we haven't been able to sell. Send everybody home. Lay them all off until we sell off all the back acres full of cars. And after some time, suddenly he looks out the back window and says: There aren't any cars. Quick, get everybody on the phone and tell them to come back to work so we can build up again. That is the classic, vastly oversimplified definition of an industrial age recession and recovery.

It is clear from the data I have displayed here that this recession was different. This recession was an investment recession. This recession came at a time when productivity, by virtue of the information age and the application of high technology, was higher than it has ever been. This was a recession where productivity stayed positive and in high territory all the way through the recession, and productivity has stayed high during the recovery.

In the hearing we held last Friday, I asked Commissioner Utgoff: What was productivity growth in 2003? She said: 4.4 percent. I asked: What was GDP growth in 2003? She said: 4.3 percent. In other words, productivity grew faster than GDP, even though GDP grew at a rate higher than the average of the 1990s. When productivity goes up faster than economic growth, you lose jobs.

I asked: How many jobs did we lose in 2003, again according to the payroll

survey, which is the survey she uses for this kind of calculation. She said: We lost 60,000 jobs in 2003. I asked: Is that about the right number with productivity at 4.4 percent and GDP at 4.3 percent? She said: Yes, that is about the right number. If productivity is growing more than GDP, at that number you would lose about 60,000 jobs statistically.

That is the challenge we have as we look forward. We do not want to do anything in the economy to bring down productivity, because productivity is what gives us a higher standard of living, productivity is what gives us lower prices, productivity is what gives us economic dominance in the rest of the world. Our rate of productivity is higher than any other nation's, and we clearly want to keep it that way.

The challenge is to get GDP growing faster than productivity. That is where the jobs will come from, and that is why we are having a different kind of recovery this time, because it is a different kind of recession, because it is the first recession of the information age when we are finally reaping the rewards of all the investment we have made in technology in the decades leading up to this. It is finally paying off in this very significant productivity.

That is what I believe is happening. As we do our analysis around here, I think, therefore, it is not helpful to be using industrial age assumptions dealing with the first information age recession and recovery.

A few other items, and then I am through.

We have heard a lot on this floor about the size of the deficit and how terribly big it is. In terms of nominal dollars, I will concede—absolutely, I will stipulate—it is the largest deficit in history.

Now let's look at it the way you have to look at it if you are going to understand it intelligently, which is, how big is it with respect to the size of the economy?

Going back over the same period where we have talked about previous recessions, only this time I have gone back and picked up some others, this chart goes back to the recession of 1970—again, the recession period is shaded—the recession of 1975, the double dip of the early Reagan years, the recession in the early 1990s, and now the recession we have just gone through. In every case, when you go into the recession, the deficit comes up.

In this case the deficit is not measured in absolute dollars. It is measured as a percentage of the economy. In 1970, it goes up. When you get into the recovery, it comes back down. In the next recession, the deficit goes up dramatically because this recession lasted longer and becomes a double dip. The deficit goes up tremendously because this was the most serious recession we had. Then in the recovery it comes back down. It goes up. The recovery

hits us and it starts coming down. Indeed, we even get into a surplus period. And we were in a surplus but the recession hit us, and once again the same historic pattern occurred as the deficit came back up and is now coming back down.

The blue lines are history. You can see that the highest point of the deficit as a percentage of GDP was during the double dip that occurred in the early Reagan years. Then there was a pretty high point in the recession of the early 1990s, pretty close to the high point of the recession in the mid-1970s. The current point is about equivalent to the size of the deficit in the 1970s, below the deficits of the last two recessions.

The red line and the green line on the chart are the projections of where the deficit is going in the years ahead. The red line is the President's projection. The green line is CBO's projection.

I can't tell you which one of the two is right. I can tell you that both of them are wrong. Because when you try to make projections that far ahead with an \$11 trillion economy, you are always going to be wrong. But I can tell you that the trend will be down.

I remember the projections when the deficit was here. This was when I came to the Senate when President Clinton went to the White House. We hoped and prayed—and we signed the balanced budget agreement in the mid-1990s—that it was going to get the deficit down to zero by 2002. We went into surplus in 2 years. We missed it. Everybody missed it. CBO missed it. OMB missed it. Everybody missed it. The economy was so strong that the deficit turned into a surplus.

Then we had the projections of surplus, and we missed it again. I hear the rhetoric on the floor: We were promised this surplus. Well, the only thing I can promise is that these lines are wrong. Even though they are CBO's best guess, they are OMB's best guess, they are wrong. Because the economy responds in different ways than the computers anticipate around here.

Let's go directly to the question of the debt. This is the real issue, because deficits in one year or one business cycle don't matter all that much. It is the accumulation of the deficits, cycle over cycle, that adds up to the national debt that matters. If you have too many of them back to back, you have real problems. If you have one that is not a problem by itself, you can deal with it.

Here is the publicly held debt as a percentage of GDP. That is the measure Chairman Greenspan urges us to use and so that is the measure we have used. People are always a little surprised to find that the highest level of publicly held debt in our history was 1945. We paid for the Second World War with debt. It was over 100 percent of the economy. It started coming down.

Here we have the Korean war, and the debt kept coming down. It bottomed out in the mid-1970s and started to rise again. That is the period of time



when we began to get some entitlement programs built into the system, the later years of Richard Nixon and Jimmy Carter. Then it starts going up again, and it goes up again and up again and up again.

As we saw from the statistics in the previous chart, the deficit then fell, even becoming a surplus, and the debt comes down dramatically. Then we hit the latest recession. The debt starts up again. Once again, the blue line is historic debt to GDP. The red line is the President's projection and the green line is CBO's projection.

Once again, the only thing I know about those projections is they are wrong. It will be something different. It always is.

We can see the debt at the present time is in relatively comfortable territory. I know Senator CONRAD will then start talking about, yes, but what happens out here. I agree with him, what happens out here is going to be horrendous if we don't start to fix things. But I don't think that this particular year, in a time of war, in a time of recovery, when the economy is just getting traction, that the size of the deficit—which we don't know what it will be at the end of the year; last year we missed it by \$80 billion—is going to determine what is going to happen out here. I think what is going to happen out here in terms of the Social Security and Medicare problem has to do with the way we restructure Social Security and Medicare around the demographic realities rather than what we do in this particular year. I am perfectly willing to vote for this budget as it comes out in this situation.

There are other charts that I shall not burden you with. I will end with this one. We, once again, get to this question of projections. We have a projection of a surplus. No, we have a projection of a huge deficit. We always go back after the fact and the actual figures never match the projections. They are always high or low. Again, last year the fiscal year that came in \$81 billion lower than the high projections we got in the middle of the year. You say: Gee, \$81 billion is a huge miss.

Not necessarily. Out of an \$11 trillion economy, \$80 billion is within the margin of error, a phrase that all of us understand.

Here, then, is the analysis of what happened to the surplus. Yes, the blue shows that the surplus went for tax cuts. The 2001 tax cut took 18 percent of the projected surplus. The economic stimulus package that we passed in 2002 took another 1 percent. The tax cuts of 2003 took another 5 percent of the surplus. Thirty-eight percent of the surplus went for increased spending: the war on terror, rebuilding New York, handling the aftermath of 9/11, homeland security, and lack of discipline on the Senate floor for a whole series of issues.

I am a member of the Appropriations Committee. I know what happens in the conferences. I know what happens

when people come in and start saying: We have to have this much more and that much more, and you have to hold the line. And the line doesn't get held and the combination is more red, if you will, than blue.

But the biggest part of the chart, the reason we missed the projection, 40 percent was the weak economy. We just missed calculating what the economy would produce because we missed the recession. We didn't see the recession coming and we didn't see how weak the recovery would be.

There are those who insist—and I happen to agree with them—that if we had not passed the tax cut, the economy would have been weaker than it was.

Just about every economist I talk to on Wall Street says: If you had not passed the tax cut, you would not have had the recovery that you have had in the financial markets.

That is not trivial because in the financial markets we have seen the recovery, if you will, in the form of between \$3 trillion and \$4 trillion worth of wealth. That may very well have funded the increased business investment I showed on an earlier chart. You cannot say this is a sum zero game and if the tax cuts had not occurred, then you would have had that much of the surplus left, because if the tax cut had not occurred, there would have been more weakness in the economy. I don't think it is one-to-one. I think clearly the tax cuts took more out of the economy than came back. But, over time, it may well have been one-to-one. The tax cuts happened at the right time and in the right places to produce a stronger economy and give us the recovery we need.

So, Mr. President, I conclude with this observation once again: I believe that the recession we have just gone through is the first recession of the information age; therefore, this is the first recovery of the information age. It has not behaved like any previous recession, and it has not behaved like any previous recovery. We need to understand it far more than we do—we may have to go through 2 or 3 more before we truly understand it—in order to make the right prescriptions as to what we should do. But we are in recovery. The recovery is now strong.

GDP is now growing almost as fast as productivity, and if GDP can grow faster than productivity, then jobs will come. We don't want to do anything to destroy productivity in the effort to create jobs because it is the growth of productivity that is responsible for our standard of living and for our hope for the future.

Overall, for the next 10 years, the prospects for the U.S. economy are very strong and bright. Hanging out there in the future, there is the baby boom retirement problem and the challenge that we have to deal with that in a structural fashion.

I hope this has been useful to the chair and other Members of the Senate.

I appreciate the indulgence and allowing me to go through this in detail.

I yield the floor.

The PRESIDING OFFICER (Mr. TAL-ENT). The Senator from Rhode Island is recognized.

Mr. REED. Mr. President, I yield myself 20 minutes from the time allocated.

The PRESIDING OFFICER. The Chair recognizes the Senator from Rhode Island for 20 minutes.

Mr. REED. Mr. President, first, I thank the chairman of the Joint Economic Committee, Senator BENNETT, for arranging this discussion on the economic aspects of the budget before us. Also, I thank him for his gracious and very thoughtful chairmanship of the committee.

In 1992, it was popular to say, "It is the economy, stupid." I think circa 2004 the saying is, "It is jobs, stupid." I think the economy can be measured in many different ways. It can be measured by GDP, which seems to be moving along at a healthy pace. It can be measured in terms of productivity.

But for most families, the true measure is a very simple one: Do I have a good job? Will I keep this job for the next several years, hopefully until I retire? Will my children, who I have attempted to educate and give advantages to, be able to realize even better job opportunities and be able to hold those jobs in the future? Frankly, for families across this country, those questions are very uncertain at this moment as a result of the record of the last several years in terms of job creation, the record of the administration in terms of its economic stewardship of the most critical factor, and that is jobs for Americans.

There is much discussion about these numbers. For example, this morning, the distinguished Senator from Kentucky, Mr. MCCONNELL, pointed out that in 1996 the unemployment rate was the same as it is now, 5.6 percent. He then stated that Democrats at that time argued that achieving that rate of unemployment was good news, but today we seem to be unsatisfied with the 5.6 percent unemployment rate.

First, the Senator from Kentucky is right about that fact. In January 1996, 3 full years into President Clinton's term, the unemployment rate was 5.6 percent. Now, 3 full years into President Bush's term, the unemployment rate is 5.6 percent. But that is where the similarities end.

When President Clinton took office in January 1993, he really did inherit a weak economy. The unemployment rate was 7.3 percent. Three years later, it was 5.6 percent, a drop of 1.7 percentage points. Of course, Democrats regarded that 5.6 percent unemployment rate as a significant improvement, and based on the experience of the Reagan-Bush years when the unemployment rate was always above 5 percent, it was about as good as it seemed to get.

What has been the experience under this President Bush? He inherited an

economy that was definitely slowing down from the very strong growth achieved in the late 1990s. But the unemployment rate was 4.2 percent when he took office in January, 2001. The unemployment rate had been below 5 percent for 3½ years prior to his inauguration. So 3 years later, when the unemployment rate was 1.4 percentage points higher than when he took office, a 5.6 unemployment rate doesn't look very good at all. That is because it is a sign of continued weakness in the economy.

The unemployment rate has been above 5.5 percent for over 2 years. Put simply, under President Bush, unemployment went up. Under President Clinton, it went down. Families throughout this country recognize the difference.

Let's look not just at unemployment rates, but at job creation. When the unemployment rate stood at 5.6 percent in 1996, the economy had already created nearly 7 million new jobs under President Clinton. As we all know, the unemployment rate may be the same for President Bush at a comparable point in his Presidency; but instead of presiding over the creation of 7 million jobs, he has presided over the loss of 2.2 million jobs—one of the most significant records of job loss of any President of the United States in our history.

My colleagues on the other side sometimes think it is unfair to compare President Bush's job record with President Hoover's. We are not saying that the economy today is the same as it was in 1930. We are saying what the facts show. This is the most persistent jobless recovery since the 1930s. The unemployment rate is lower now, but we are not creating jobs.

One of the worst aspects of the job slump we are experiencing is a large fraction of the unemployed have been unemployed more than 26 weeks and are no longer eligible for regular State unemployment insurance benefits. This morning, Senator MCCONNELL argued that the President and our Republican colleagues were justified in not reviewing the Federal temporary extended unemployment compensation program because the unemployment rate was so low. But here again, the numbers tell a different story.

When President Clinton discontinued the temporary Federal extended benefits in 1994, the unemployment rate was 6.4 percent, as Senators MCCONNELL and BENNETT said. But the economy was creating jobs at a rapid pace at that time. The situation is starkly different now. The official unemployment rate may be 5.6 percent, but when you include people who want to work but have dropped out of the labor force and people who are working part-time because of the weak economy, you are talking about an unemployment rate that is 9.6 percent, and that is a function of one I think important point that must be made again and again: The way we measure unemployment in

the United States is based upon the number of people who are in the workforce who are actively seeking work, either have work or are actively seeking it.

What the number really disguises is the number of people—hundreds of thousands of people—who have given up or are working part time. Let me say this again. If we were looking at all the people who historically, in the last several years, have been in the workforce, and we looked at the number of jobs, the rate of unemployment would be closer to 9.6 percent.

That is the difference between creating jobs in the mid-1990s when the waiting period for a job was much shorter and today when very talented, highly trained individuals are having a very difficult time to find any employment whatsoever.

With respect to the budget resolution at hand, the President's economic policies have failed, and the budget being proposed by the majority will lock us into that failed policy.

What the economy has needed for the past few years is short-term job-creating policies and long-term growth-creating policies. What we have instead are tax cuts that go disproportionately to upper income taxpayers and create a legacy of large budget deficits and mounting debt.

Those tax cuts have provided very little job-creating stimulus relative to their huge costs, and they will depress growth in the long run.

All of the economic analysis I have seen says that when the economy is in a slump with excess unemployment—which is the situation we have been in for several years now—the immediate policy objective is to stimulate job creation. Giving tax cuts to high-income taxpayers who are more likely to save those tax cuts than to spend them is exactly the wrong approach.

If this is an investment recession, then our policies have not been particularly geared to stimulating directed investment. These large income tax cuts to wealthy Americans have not translated into jobs.

If we really were interested in creating jobs, we could have targeted much more of these tax cuts to lower income Americans who would consume and thus drive up demand. We could give specific incentives to industry to provide investments in new plant and equipment. This approach, which would make much more sense if you are trying to deal with a lack of demand and an investment slump, could have been done, but it was not.

Last year, when we debated a similar stimulus package, the President's Council of Economic Advisers estimated that nearly 2 million jobs would be created in the second half of last year, with about half a million of those jobs coming as a direct result of the tax cuts.

Again, these are the projections of the Council of Economic Advisers: 2 million extra jobs and a half million jobs directly related to the tax cut.

In fact, however, in that period, only 124,000 jobs were created. We got the tax cuts—actually most of the tax cuts went to the wealthiest Americans—but we did not get the jobs.

I do not know when we will see a truly sustainable job-creating recovery, but I know it will not erase the legacy of large structural budget deficits that the policies of the past 3 years have produced.

Economic analysis tells us that persistent structural deficits are bad for the economy. They drain national savings and slow down or crowd out private investment. That means our standard of living grows more slowly and becomes more costly.

Analysis by the Congressional Budget Office and the Joint Committee on Taxation has found that tax cuts that add to the budget deficit are, on net, harmful to long-term growth.

Some have tried to distract our attention from the deteriorating long-term budget outlook by talking about cutting the deficit in half in 5 years. Such an approach completely ignores the real story, which is what happens to the budget when the baby boom generation starts to retire in just a few years.

In my opinion, the charts Senator BENNETT showed historically looking back at the highs and lows of deficits miss a very important point. In the mid-sixties, in the mid-seventies, and even in the mid-eighties, we were not on the cusp of a huge number of Americans being entitled to Social Security benefits and Medicare benefits in the foreseeable future. I think failing to recognize the onset of the baby boom generation into these programs and reserving funds to deal with it is a tremendous mistake.

I read, as many did, a book about Secretary of the Treasury Paul O'Neill's tenure in the Bush administration, and I was struck by the fact that he and Chairman Greenspan apparently saw this onslaught of the baby boom generation with respect to Social Security, and they were working very diligently to reserve \$1 trillion from our surplus to do the structural reforms about which so many talk. But what happened on the way to structural reforms? That trillion-dollar surplus turned into a trillion-dollar deficit, and our opportunity to deal honestly and in a timely fashion with Social Security, and also Medicare, evaporated along with the evaporating surplus.

The budget before us represents a continuation of the failed policies of the past 3 years. It has no effective programs to provide short-term job-creating stimulus and does nothing to address the problems faced by large numbers of American workers who see their jobs disappearing.

By making the tax cuts permanent, it locks us into a legacy of deficits that could leave us unprepared to deal with the demographic challenge of the baby boomers' retirement.

Those deficits will depress future standards of living by draining national savings, discouraging investment, and adding to our foreign indebtedness.

This is a situation that argues for different policies. I agree, I think, with the Senator from Utah that we are in a different type of economic climate. The information technology has transformed radically what we do in our economy, but the policies and programs espoused by the President and embraced by this budget do not recognize, in my view, this new reality, and certainly I do not think we can content ourselves with the view that in the long run everything will be fine because, as Maynard Keynes pointed out, in the long run we are all dead.

Our constituents expect us to act in the short run prudently and realistically to help them, and I hoped we could be here debating a budget that would invest in our people, would reassure the American people that we are working to help stimulate the creation of private jobs in this economy.

Finally, I point out what was most alarming to me in the last report from the Bureau of Labor Statistics last Friday is that not only was there negligible job growth—21,000 jobs—virtually none of these were in the private sector. They were public sector jobs.

We can do more, and we should do more, to ensure that every family in this country feels confident in their job and in the ability of their children to obtain meaningful work in this country. That should be the first priority of any government. This budget does not represent that type of priority.

I yield the floor.

The PRESIDING OFFICER. The Senator from Rhode Island yields the floor. Who seeks recognition?

The Senator from North Dakota.

Mr. CONRAD. Mr. President, maybe I can engage in a colloquy with the chairman for a moment. I am going to speak in response to Senator BENNETT for probably 20 or 25 minutes, and I do not want to unduly take the time of the chairman. Perhaps he wants to stay and listen to this. He has heard much of this before. I want to tell him what my intention is.

If there are arrangements we can make for tomorrow at this point, that would be useful. We have just been talking about that point. Maybe we can talk some more later. I wanted to tell the chairman that I sought recognition for the purpose of speaking for some amount of time giving an alternative view of what we heard from Senator BENNETT. I do not know how the chairman wants to proceed. I do not want him to just have to sit here and listen to what he has heard several times before.

Mr. NICKLES. Mr. President, I appreciate the comments of my very good friend, Senator CONRAD. I will suggest the absence of a quorum and see if he and I can work out an arrangement for finishing tonight.

The PRESIDING OFFICER. Does the Senator from North Dakota, who has the floor, suggest the absence of a quorum?

Mr. CONRAD. I will be happy to suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. NICKLES. 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. NICKLES. Mr. President, I want to make a couple of comments. I heard my very good friend, Senator REED from Rhode Island, call President Bush's economic policies failed. I take issue with that.

Last year we passed an economic stimulus package and it happened to work. The proof is in the pudding. We have the results. The last three quarters have been phenomenal growth. The third quarter of last year grew at over 8 percent. That is record growth for the last 20 some years, which is phenomenal growth. A quarter after that, it was 4.4 percent. So if we look at the GDP, we can see real significant growth as a result of the growth package we passed last year.

Look at the stock market. The stock market was a precursor for the decline in the economy that happened in the year 2000–2001. NASDAQ, as I mentioned a few times, declined by almost 50 percent in the year 2000, kind of sending a signal there was a recession coming. Subsequently, we saw two or three quarters of negative growth in 2000–2001.

We made these changes last year in economic policy by accelerating the rate cuts by saying we should not tax individuals more than corporations. I thank my colleagues for their vote on that last amendment saying we really should not tax individuals, doctors, lawyers, entrepreneurs, or self-employed individuals at a rate higher than Exxon. That was one of the things that was voted on just a minute ago, and I thank my colleagues.

I think reducing the tax on dividends has helped the economy. The stock market has now shown significant growth. Dow Jones a little over a year ago was at 7,700. Now it is at 10,500. NASDAQ went up by 50 percent last year. The stock market has sent some good signals and we have seen good economic growth for the last few quarters.

When my good friend, and he is my good friend, my marine buddy, Senator REED from Rhode Island, said President Bush's economic policies are a failure, I beg to disagree. I think we have evidence the changes we made last year have caused very significant, positive economic growth, and I mention that with great respect, but I wanted to give a different viewpoint.

Momentarily, we are going to be locking in an order for tomorrow. We

made good progress on the budget today. We worked a lot of the day. Senator CONRAD and I both have been on the floor since 9:30 this morning, and we are really starting to work our way through the budget. I thank all of our colleagues, Democrat and Republican, for their cooperation in doing so.

Tomorrow I believe Senator ENSIGN from Nevada wishes to make a speech, and shortly after that I believe Senator MURRAY will be recognized to offer an education amendment. After that, I believe Senator LINDSEY GRAHAM and Senator BUNNING have an amendment, and we will consider that. There will be a mutually agreeable time to vote on those amendments. We do not expect the debate on those amendments to be too prolonged. That is not in our interest. Our interest is trying to complete this budget and to conduct business in an appropriate, orderly manner so we can avoid the vote-aramas that have happened in the past.

I want to let our colleagues know there will not be any more votes tonight. We will be on the floor for a little while longer. We do have in the queue a couple of the amendments ready. It will be Senator MURRAY's amendment and Senator LINDSEY GRAHAM's amendment tomorrow morning.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Is it the chairman's intention we not ask for a unanimous consent in terms of that basic structure or could we at least have a unanimous consent agreement to the extent Senator ENSIGN would be recognized for up to 30 minutes and then we would turn to Senator MURRAY's amendment, and after the disposition of that amendment we would go to the amendment of Senator GRAHAM of South Carolina?

Mr. NICKLES. I am happy to enter into such an agreement. That would be fine. I can state the agreement. I think the staffs are working on it. Why do we not let staff complete it because we will also yield back some time and complete that. I am happy to agree to such a request.

Mr. CONRAD. I thank the Chair. I think it will help our colleagues understand there is a basic order and structure tomorrow so they can make their plans accordingly in terms of seeking recognition if they understand Senator ENSIGN will first be recognized for a period and then we will turn to the Murray amendment on education and then to the Graham amendment.

Senator WYDEN is here. I yield to Senator WYDEN 5 minutes off the resolution.

The PRESIDING OFFICER. The Senator from Oregon is recognized for up to 5 minutes.

Mr. WYDEN. Mr. President, I thank Senator CONRAD of North Dakota, and also thank Senator NICKLES, whose staff has been working with me.

Many Senators know last year we put a tremendous amount of effort in trying to get a bipartisan bill passed to

get our forests healthy again. We have seen much of our country just devastated by staggering forest fires.

A key part of that legislation was to authorize \$760 million in hazardous fuels reduction programs. The amendment I have filed—and I will be asking the Senate to vote on it tomorrow—has generated interest among many colleagues of both political parties. It would add \$343 million to last year's \$417 million for hazardous fuels reductions to reach the \$760 million authorization in title I Healthy Forests legislation.

It seems to me what we have seen over the years is essentially a shell game, where various Forest Service programs are robbed in order to fund the hazardous fuels reduction programs and we end up without adequate resources across the board in the forestry area. I am hopeful we will be able to agree with our Republican colleagues on this effort.

Suffice it to say, it was a Herculean task to get Healthy Forest legislation passed last session. I think many thought it was impossible. It seems to me the Senate owes it to the people who are waiting to see improvements in their communities to fully fund this important legislation.

I am going to work with colleagues on both sides of the aisle on this particular piece of legislation. This amendment will ensure we really get some health back into this idea of healthy forests. We are not going to be able to do it if we consistently underfund these programs.

In the past, it seems to me, we played sort of a "rob one fund in order to fund another fund" kind of program. That is not going to do the job responsibly for the long term. We are talking about millions and millions of acres that we are going to have to thin in the days ahead.

After the Senate passes historic legislation, legislation that is going to be good for the environment, good for the economy, promote old growth, involve local communities, protect the rights of citizens—for example, being involved in forestry policy—what we have to do is fund this properly.

There will be interest among colleagues on both sides of the aisle on the legislation. I thank Chairman NICKLES for being willing to work with me on it, and Senator CONRAD as well. On the other side of the aisle, Senators DOMENICI and BURNS are intensely interested in this matter. On our side of the aisle, Senators DASCHLE, FEINSTEIN, BINGAMAN—all of us have cooperated with the ranking member, Senator CONRAD, and the chairman, Senator NICKLES.

My amendment has been filed, and I am hopeful we will be able to pass it without controversy tomorrow.

I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

The Senator from Oklahoma.

Mr. NICKLES. I thank my colleague from Oregon, Senator WYDEN, for his

gracious comments. It is a pleasure working with him on a multitude of issues, this being one, forest fires.

Mr. WYDEN. I thank the Chairman.

#### MORNING BUSINESS

Mr. NICKLES. I ask unanimous consent the Senate now proceed to a period of morning business with Senators permitted to speak for up to 10 minutes each.

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

#### 100 HOURS AS PRESIDING OFFICER

Mr. FRIST. Mr. President, on Thursday, March 4, 2004, Senator SAXBY CHAMBLISS reached his 100th hour of presiding over the U.S. Senate. As a presiding officer, his dedication and dependability are to be commended. It is with sincere appreciation that I announce Senator CHAMBLISS as the most recent recipient of the Golden Gavel Award for the 108th Congress.

#### HONORING ROSIE WHITE

Mr. CRAPO. Mr. President, I rise today to honor a valued staff member who has recently retired. Rosie White joined my staff in June 1994, shortly after I began my service in the U.S. House of Representatives. She has been vital to the operating of my State offices, by providing stability and organization. She has served as my State scheduler for more than 4 years—ever since I was elected to the Senate, and she has done an outstanding job. She has managed to balance the needs and demands from constituents in the State, other staff members, and my family during that time, and she has my utmost admiration for handling it all so well.

Rosie has been active in local Republican politics for many years, and she was extremely involved in local charities, most particularly the Booth Home in Boise and the Salvation Army. Her contributions to Idaho have been many and varied as well as appreciated. She brought vitality and enthusiasm to nearly every project she tackled, and it was always fun to hear about her experiences. I enjoyed working with her and know that many others join me to extend their best wishes to her as she retires to spend more time with her husband, Cal. She was an asset to my office and I am pleased to call her my friend.

#### PEACE CORPS

Mr. FEINGOLD. Mr. President, I am pleased to commemorate the 43rd anniversary of the Peace Corps. Peace Corps volunteers have made a tremendous difference in the lives of so many around the world. I salute these volunteers of all backgrounds and ages who have reached out to people in need beyond our borders and who have pre-

sented an image of our country that is compassionate, energetic and approachable. I am especially proud of the 255 people from Wisconsin who are presently volunteering for the Peace Corps in South Africa, Ghana, Nicaragua, Philippines, Turkmenistan, Mongolia and many other countries. Wisconsin is one of the biggest contributors of Peace Corps volunteers in our country, ranked 15 among the 50 States. For the 10th year in a row, University of Wisconsin-Madison has the highest number of alumni serving as Peace Corps volunteers. The selfless service of Wisconsinites must be commended.

In 1960, President Kennedy challenged Americans to serve their country by living and working in developing countries. Americans have been answering this call ever since by joining the Peace Corps. Decades later, I have been struck by the lasting impact that this organization, and the young people who have fueled it, have had around the world.

In 2002 I traveled to visit the sites of the 1998 embassy bombings. Tanzania, a country where about half of the population is Muslim, is no stranger to suspicion and mistrust of the West. Yet as I found myself meeting with a group of Tanzanian legislators, asking for their views about how to strengthen our partnership in combating terrorism and to improve the relationship between our countries, I was overwhelmed by their enthusiasm for the Peace Corps.

These distinguished legislators told me about how their first English language teachers were Peace Corps volunteers, and how those teachers seemed to be opening the whole world to them just by their very presence in the classroom. These legislators said that the best way to strengthen our relations with their country was to foster meaningful people-to-people links by increasing our Peace Corps presence there.

In today's world where our challenges are global in nature, there is an urgent need for Americans to participate in programs like the Peace Corps. Peace Corps volunteers reach across the political and cultural divide, connecting with people as individuals. They treat others with respect by learning about their cultures and their lives, and they put a human face on America, which would otherwise be simply a distant powerful land. They help dissolve resentment against our country that might flourish in their absence.

I congratulate Peace Corps and its volunteers for 43 years of effective service in a mission of world peace and friendship.

#### LOCAL LAW ENFORCEMENT ACT OF 2003

Mr. SMITH. Mr. President, I rise today to speak about the need for hate crimes legislation. On May 1, 2003, Senator KENNEDY and I introduced the

Local Law Enforcement Enhancement Act, a bill that would add new categories to current hate crimes law, sending a signal that violence of any kind is unacceptable in our society.

One terrible crime occurred in October 2003 in Providence, RI. There, a woman was grabbed off a street by two men who yelled homophobic slurs and then egged each other on while raping her at knifepoint. The woman was walking to a club around 11:30 p.m. when a large tan vehicle pulled up nearby. The driver asked her for directions, and as she spoke with him, another man grabbed her from behind and forced her into the back seat of the vehicle. The men accused her of being a lesbian and called her names. They then pulled into a lot and took turns raping her at knifepoint. After, they pushed her out of the car and sped off.

I believe that Government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act is a symbol that can become substance. I believe that by passing this legislation and changing current law, we can change hearts and minds as well.

#### NOMINATION OF MARK McCLELLAN AS ADMINISTRATOR, CENTERS FOR MEDICARE AND MEDICAID SERVICES

Mr. VOINOVICH. Mr. President, 3 weeks ago President Bush nominated Mark McClellan to be Administrator of the Centers for Medicare and Medicaid Services, CMS. I rise today to express my deep concern over the news that some of my colleagues have threatened to delay his confirmation.

This is happening at a time when CMS has more on its plate than it has had in 39 years—since the creation of the Medicare and Medicaid programs in 1965. Last November, I proudly joined my colleagues in support of a bill to finally provide over 40 million seniors a voluntary prescription drug benefit through Medicare. After years of having to carry the burden of high prescription drug costs without any assistance from Medicare, the bill we passed will provide 1.6 million seniors in my State with access to affordable prescription drugs. This is long overdue.

At CMS, steps are already being taken to implement the provisions in this bill. In fact, 2 months from now, in May 2004, seniors across the Nation will have the opportunity to enroll in a Medicare-endorsed drug discount card that is expected to yield an average 10 to 25 percent savings on all prescription drug purchases. On top of these discounts, the Federal Government will annually purchase the first \$600 in prescription drug costs for those seniors below 135 percent of the poverty level.

Five weeks ago, on February 5th, CMS announced that over 100 separate entities had submitted applications to offer Medicare-approved cards to bene-

ficiaries, a response they called a "robust level of interest" from potential card sponsors. While this is encouraging, this level of interest places greater demand on CMS staff as they continue to review applications and move forward in announcing their card endorsements within the next month.

Furthermore, former CMS administrators have been quick to point out that if the new drug benefit is to commence on time in January 2006, rules must be written and finalized no later than October or November of 2005. Vital decisions must be made about the administration of the benefit in the development stage, which is now—decisions that require strong leadership and expertise. Unfortunately, CMS has been without a leader since January, when Tom Scully resigned.

I assure you that the success of Medicare and the prescription drug benefit rests with a capable CMS workforce under strong leadership. CMS already faces an enormous challenge. Approximately one quarter of its workforce will be eligible to retire in the coming years. In fiscal year 2003, 30 percent of individuals serving in career Senior Executive Service positions at CMS were eligible for retirement. In addition, 20 percent of CMS's workforce was eligible to retire. The leadership to move this vital agency forward is lacking without a confirmed administrator.

Gail Wilensky, administrator of CMS's predecessor, the Health Care Financing Administration from 1990 to 1992, describes the task ahead as "the largest challenge an administrator has had." Similarly, her successor, Nancy Ann Min DeParle, who had the demanding task of implementing the Balanced Budget Act throughout her tenure from 1997 to 2000, has correctly stated that implementing the new drug benefit will be even more taxing than previous initiatives and will require the agency to design a "new delivery system that does not now exist even in the commercial market."

I could not agree more. I have concerns about the arduous task ahead for CMS and as a result, will be holding a hearing at my Government Affairs Subcommittee in the coming weeks to examine CMS' capacity to do this job. I expect Dr. McClellan to be at this hearing to discuss his plans for leading CMS in this pursuit.

I cannot think of a more qualified leader for CMS at this critical time than Dr. Mark McClellan. His work at the helm of the FDA over the past 2 years brought innovation and creativity to the agency, which many believe has dismantled bureaucratic barriers and led to quicker reviews of drug and other product applications to speed generic drugs to the marketplace. I am most appreciative of his work in this area, as a few years ago, I was able to secure \$400,000 for the FDA to educate our nation's seniors about the safety and cost-effectiveness of generic drugs.

Dr. McClellan earned a medical degree from the Harvard University-Mas-

sachusetts Institute of Technology Program in Health Sciences and Technology and a doctorate in economics from MIT. He served under President Clinton between 1998 and 1999 as Deputy Assistant Secretary of the Treasury and served as health policy coordinator and a member of President Bush's Council of Economic Advisers before joining the FDA.

In fact, Dr. McClellan has always enjoyed broad support across party lines, and it was no surprise that just last week, Senator EDWARD KENNEDY described Dr. McClellan as a superb choice for CMS administrator who "brings to the job a powerful intellect, a deep knowledge of the programs and a commitment to public service."

What did come as a surprise was the announcement by several Senators that, despite Dr. McClellan's outstanding qualifications, they are threatening to block his nomination to gain leverage on the issue in Congress of re-importing pharmaceuticals from outside of the United States.

As Chairman of the Governmental Affairs Subcommittee on Oversight of Government Oversight and Management and the Federal Workforce, I am gravely concerned. Delaying this appointment at a time when CMS desperately needs leadership will affect the agency's ability to effectively implement the prescription drug benefit and even more urgently, the drug discount card program.

This is not fair to the 5,000 dedicated CMS employees who are working tirelessly to implement the congressionally mandated prescription drug benefit.

This is not fair to our Nation's seniors. Every American, and particularly every senior citizen, should be outraged.

Now is not the time to play political games. We must make sure that CMS has the leadership it needs at this juncture to handle the task at hand. I urge my colleagues to reconsider their decision to delay the nomination of Dr. Mark McClellan and confirm his appointment to this important position.

#### CONGRATULATING SUJEY KALLUMADANDA

Mr. ENZI. Mr. President, today is, and will always be, a special day in the life of one of my staffers, Sujey Kallumadanda. For on this day, Sujey has successfully completed all the requirements, passed all the tests, completed the interviews and officially taken the oath as a new citizen of the United States. I appreciate having this opportunity to congratulate him on his effort and to wish him well on his acceptance of this wonderful new title he will carry with him for the rest of his life, United States Citizen.

Sujey's story is quite a remarkable one. It begins with his emigration from India when he was young and his arrival in the United States with his family. He is the latest of his family to become a citizen of the United States,

and he couldn't be more proud of his new status.

The journey that began in India brought him to Texas where he graduated from Texas A&M with a bachelor's degree in Economics. He then graduated from Michigan State University with his law degree, and from there he went on to Georgetown University where he received his Master of Laws in Securities and Financial Regulations.

Sujej is a member of the New York Bar and his background and understanding of banking and financial matters made him an invaluable source of information for my staff. He has also proved to be an important asset as we have worked on and studied issues of importance to the small business community.

My staff and I have greatly enjoyed having Sujej on our team and I would like to think we have taught him some valuable lessons about American life. For instance, thanks to my staff, Sujej has developed an appreciation for the finer things in life like Wyoming Honey Candy. I haven't been able to convince him to read fiction novels or that Wyoming is the center of the sports universe but that will come with time. All in all, I don't think he'll ever be the same. But one thing is for certain, and that is the drive and focus he placed on achieving his dream of life in the United States.

Now his apprenticeship is over, and he has received the greatest honor our Nation has to bestow—American citizenship. I know he will carry it proudly and with purpose in the years to come.

Sujej knows full well that being an American Citizen is not only a great honor, but that it brings with it both great freedoms and rights—and great duties and responsibilities. He will become very familiar with them both as he continues to take part in one of the greatest experiments in government the world has ever known—the American democracy.

Congratulations, Sujej. By your example you have reminded us that we are very fortunate to be American citizens. By your heartfelt dedication and commitment to earning your citizenship you have taught us that citizenship is a great honor and we should never take it for granted. Good luck and God bless.

#### WOMEN'S HISTORY MONTH

Mr. SARBANES. Mr. President, I rise today in recognition of Women's History Month. As an outgrowth of International Women's Day, the Education Task Force of the Sonoma County Commission on the Status of Women planted the seeds of Women's History Month during the week of March 8, 1978. The task force established an agenda of events and celebrations that included a multicultural perspective recognizing the contributions made by all women. Soon thereafter the idea spread, as many Sonoma area schools

began holding similar week-long programs.

In 1979, Molly Murphy MacGregor, Director of the Sonoma County Commission, spoke so eloquently during a Women's History Institute Conference about the importance of this recognition that, by the end of the conference, participants vowed to promote the idea of Women's History Week within their own organizations and to secure a Congressional Resolution declaring the week of March 8, National Women's History Week.

By the end of 1980, Maryland's own Senator BARBARA MIKULSKI, then a Member of Congress, sponsored a joint congressional resolution declaring the week of March 8 as National Women's History Week. That same year, President Jimmy Carter issued a presidential message to encourage recognition and celebration of women's historic accomplishments during the week of March 8.

In 1987, at the request of women's organizations, educators, and others, the National Women's History Project petitioned Congress to expand these celebrations to the entire month of March. Upon bipartisan approval of the National Women's History Month Resolution, National History Month was born, affording us the opportunity to focus each year on areas of accomplishment and inspiration—and to honor the many great women leaders from our past and present who have served our Nation so well.

As scientists, writers, doctors, teachers, and mothers, women have shaped our world and guided us down the road to prosperity and peace. For far too long, however, their contributions to the strength and character of our society went unrecognized and undervalued.

Women have led efforts to secure not only their own rights, but have also been the guiding force behind many of the other major social movements of our time—the abolitionist movement, the industrial labor movement, and the civil rights movement, to name a few. We also have women to thank for the establishment of many of our early charitable, philanthropic, and cultural institutions.

I would like to take this time to single out a few women from the State of Maryland whose work and accomplishments are very much in line with this year's theme "Women Inspiring Hope and Possibility." These individuals are from different professions, different age groups, different backgrounds, but they all represent what it means to inspire.

Edith Houghton Hooker, a member of the Maryland Women's Hall of Fame, truly embodied this year's theme. Ms. Houghton Hooker was convinced that progressive reform would occur much more quickly and completely if women achieved the right to vote. In 1909, in the midst of Maryland's suffrage movement, Hooker organized the Just Government League and affiliated her or-

ganization with the National American Woman Suffrage Association, NAWSA. In 1910, the defeat of suffrage in the Maryland General Assembly led Hooker and others to believe that, although they should continue to urge suffrage legislation at the State level, the passage of a national constitutional amendment should be the priority of their organization's efforts. Ms. Houghton Hooker also realized early on that while there were several local and statewide suffrage organizations, these groups would have to present a united front in Annapolis and that activists would have to engage in an effective and collaborative public information campaign.

With that in mind, in 1912, she created the Maryland Suffrage News as the official organ of the Just Government League, which served to address each of those needs: unity, a statewide presence, and public information. The News became the weekly voice, not just for the Just Government League, but for the entire suffrage movement in Maryland. In addition to developments regarding suffrage, the News informed its subscribers, most of whom were from the middle class, of the needs and circumstances of working class women, and the problems associated with education, crime and corruption. And, in 1917, largely because of her work in growing the News, Hooker was named President of the Maryland Suffrage Party of Baltimore. Now, the many bound volumes of the Maryland Suffrage News reside in the Maryland Historical Society, where our generation and future generations can learn about the struggles of the suffrage movement, the dedication of suffragists, and the importance of the result.

The late Rachel Carson, another Maryland woman and scientist, inspired the Nation as pioneer of the modern conservation movement. Carson, a well-known naturalist, wrote *Silent Spring*, which became a key symbol of the new environmental movement in this country. After World War II, Ms. Carson became concerned about the increased use of synthetic chemical pesticides and took it upon herself to alert a national audience to the environmental and human dangers of hazardous use of these chemicals.

In the tradition of women inspiring and helping others, I would be remiss if I failed to mention Clara Barton, founder and first president of the American Red Cross. While recuperating from illness in Europe, she learned of the Treaty of Geneva, which provided relief to sick and wounded soldiers. Upon her return to the U.S., her crusading ensured the signing of the Geneva Treaty in 1882. Ms. Barton founded the American Red Cross in 1881, where she served as its first president. Several years later, she wrote the American Amendment to the Red Cross Constitution, which provided for disaster relief during peacetime as well as war. As part of her legacy, the American Red Cross continues to provide relief work in times of famines,

floods, and earthquakes in the United States and throughout the world.

I also want to mention some of today's heroes from Maryland. Sol de Ande Mendez Eaton serves as an activist for the Maryland Hispanic/Latino community. Ms. Eaton convened the first Maryland Statewide conference on civil rights as co-chair of the Maryland Advisory Committee to the U.S. Commission on Civil Rights. She has worked at the local and State level as a pioneer in the areas of women's health and domestic violence. Every day, she continues to inspire us to work for the rights of others by seeking to reduce discrimination in employment, housing, education and health.

June Bacon-Bercey, another Marylander, the first African American woman to receive a PhD in Atmospheric Sciences, inspires us as well. As a television forecaster, she is also the first African American woman, and indeed the first woman to receive the American Meteorological Service Seal for television-radio weather-casting. In 1979, Ms. Bacon-Bercey became Chief Administrator of Television Activities for the National Oceanic and Atmospheric Agency.

She is a scientist, an international expert on weather and aviation, as well as a wife and mother. Recognizing the difficulties that other women would face in pursuing her profession, she has chosen to go beyond her substantial personal achievement to help other women reach their goals in weather-related professions. In fact, she donated her winnings from a game show to create a scholarship plan for young women wanting to join meteorology. In view of this year's theme, I commend Ms. Bacon-Bercey not only for her example and inspiration to other women, but for her generosity in directly helping others reach their dreams.

Since the first woman received a medical degree from a United States medical school, in 1848, female doctors have helped shape and change the course of medicine. A model physician in the State of Maryland, Dr. Marie Amos Dobyns, has worked in Maryland for over 20 years and served over 3,000 patients. As an Eastern Cherokee Native American, she integrates her heritage into her medical practice and her vision of a partnership between patient and physician has inspired would-be physicians across the country to seek out innovative approaches to offering comprehensive patient-centered care.

I am privileged to speak in honor of the mothers, wives, daughters, friends and neighbors that have inspired and opened up possibilities for us all. We should take this month to redouble our efforts to ensure that their work has not been for naught. In that regard, I ask us all to take Women's History Month as a time to reflect on the contributions of women, but also as a time to refocus on how much needs to be accomplished to achieve full equality.

## ADDITIONAL STATEMENTS

### TRIBUTE TO MARY F. DIAZ

• Mr. KENNEDY. Mr. President, yesterday I paid tribute to Mary Diaz, who died on February 12 in New York after a long battle with cancer. Mary was executive director of the Women's Commission for Refugee Women and Children, an affiliate of the International Rescue Committee, and one of this Nation's most effective and most compassionate advocates for women and children throughout the world.

I ask to have printed in the RECORD the attached articles, including a tribute to Mary from the Women's Commission for Refugee Women and Children, an article by the International Rescue Committee, as well as articles that appeared in the New York Times and the Boston Globe.

The articles follow.

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

[From the Women's Commission for Refugee Women and Children]

#### TRIBUTES TO MARY

I was most saddened to learn of the death of Ms. Mary Diaz, the Executive Director of the Women's Commission. Mary's death touches us at UNHCR profoundly as she was known and admired by many colleagues.

Her death will be a great loss to those who work for the cause of refugees. Ms. Diaz was a tireless and committed advocate for the rights of displaced women and children whose voices are so often unheard. Last year I was pleased to honour Ms. Diaz as a recipient of the UNHCR Gender Equality Award for her work in promoting the equal rights of refugee women. Under her leadership, the Women's Commission made a considerable contribution to UNHCR's policies on refugee women and children, most recently in our efforts to address sexual and gender-based violence. She will be greatly missed.

On behalf of all my colleagues at UNHCR, I offer you and the staff of the Women's Commission for Refugee Women and Children our sincere condolences.

—Ruud Lubbers, UN High Commissioner for Refugees.

I wish to express PRM's sincerest condolences to you and the colleagues and family of Mary Diaz. Mary's dedication, commitment, passion and leadership had a tangible impact on the lives of millions of refugee women and children around the world. Mary was truly admired by many, including by those of us in the bureau that knew her well. She was a shining example of what it means to be a true humanitarian.

Mary has left behind a legacy that will continue to bear fruit for many, many years. We will miss her tireless spirit and everlasting smile. Please know that we share your grief.

—Arthur E. Dewey, Assistant Secretary of State, Bureau of Population, Refugees, and Migration.

On behalf of the staff at Human Rights Watch, we would like to express our deepest sympathy and support for you all at the loss of our wonderful colleague, Mary Diaz.

Mary was one of a kind. She was not only an outstanding champion for the rights of women and children in the most difficult circumstances, but a warm and loving person who brought great humanity and humility to her work. She touched many of us deeply—as

colleague, friend and mentor. We drew special inspiration from the courage, dedication and grace with which she faced these last difficult months. Be assured of our support at this difficult time. We will continue to work closely with you on these issues to which Mary gave her life.

—Kenneth Roth, Jo Becker, Widney Brown, Diane Goodman, LaShawn Jefferson, Iain Levine, Rory Mungoven, Alison Parker, Rachael Reilly, Joanna Weschler, Lois Whithman—Human Rights Watch.

[From the International Rescue Committee, Feb. 19, 2004]

#### MARY DIAZ IS MOURNED AS TIRELESS ADVOCATE FOR REFUGEE WOMEN AND CHILDREN

Mary Diaz, executive director of the Women's Commission for Refugee Women and Children died February 12 in New York after a long illness. She was 43.

During her 10 years as leader of the Women's Commission, an affiliate of the International Rescue Committee, she earned an international reputation as an effective and knowledgeable advocate for refugee women and children.

George Rupp, president of the IRC, said, "Mary was a remarkable person. She cared deeply about the women and children whose cause she served, and on their behalf she used her exceptional advocacy and organizational skills to ensure that their needs were addressed at the highest levels. Under her creative leadership over the last 10 years, the Women's Commission continued to grow in stature and influence.

"Mary enjoyed the respect, admiration and affection of everyone who had the opportunity to work closely with her. It was a pleasure to be in her company. She will be greatly missed."

A tribute published in the New York Times on Feb. 13 by the IRC's board of directors said, "Mary was among the world's most eloquent, devoted, tireless and effective advocates for the protection and empowerment of women and children affected by war and persecution. Her courageous work and vibrant spirit touched the lives of tens of thousands of vulnerable refugee women and children."

[From the New York Times, Feb. 18, 2004]

MARY F. DIAZ, 42, HEAD OF COMMISSION FOR WAR REFUGEES, DIES  
(By Wolfgang Saxon)

Mary Frances Diaz, the executive director of the Women's Commission for Refugee Women and Children, died last Thursday at Columbia Presbyterian Center of New York-Presbyterian Hospital. She was 42 and lived on the Upper West Side of Manhattan.

The cause was pancreatic cancer, the commission announced.

Ms. Diaz's organization, a volunteer group that works to provide a voice for women and children in war zones, is a nongovernmental group that advocates for refugees before the United Nations and around the world.

Mary Diaz had led the group since 1994 and continued her work until late last year.

The Commission, working under the auspices of the International Rescue Committee, was founded in 1989 by the actress Liv Ullman. Ms. Diaz became its chief investigator, strategist, watchdog and lobbyist.

She deployed volunteers in Africa, the Middle East, South America and trouble spots like Kosovo and Afghanistan. She often went to the scene herself, visiting refugees in Bosnia and Burundi fleeing to the relative safety in Tanzania.

Mary Diaz was born in Newport News, Va., and grew up in suburban Pottstown, Pa.

She focused on international relations at Brown, graduating in 1982. She took a job at



a Philadelphia television station writing news late in the day, which left her time for volunteer work helping refugees to settle in the city. Her calling gradually shifted from the newsroom to the outside world. She studied administration, planning and social policy at the Harvard Graduate School of Education, receiving a master's degree in international education in 1988. She became director of refugee and immigration services for Catholic Charities in Boston before becoming head of the Women's Commission in New York.

Ms. Diaz is survived by her partner, Tom Ferguson; her mother, Bertha Diaz of Pottstown; two brothers, Dr. Philip Diaz of Columbus, Ohio, and Dr. Joseph Diaz of Barrington, R.I.; and two sisters, Teresa Diaz of Reading, Pa., and Bernadette Diaz of Oak Park, Ill.

[From the Boston Globe, Feb. 20, 2004]

MARY DIAZ, HEADED AGENCY ON WORLD'S REFUGEES

(By Gloria Negri)

For 10 years, Mary F. Diaz traveled to the world's trouble spots, dodging minefields, tsetse flies, lions, and wars on her mission to help refugee women and children reclaim their lives.

As executive director of the New York-based Women's Commission for Refugee Women and Children, Ms. Diaz went on fact-finding missions to places such as Serbia, Angola, Rwanda, Nepal, Pakistan, Haiti, and South America to talk to the displaced women and children firsthand.

On her return to the United States, she would plead their cases before the United Nations and lobby law makers and relief agencies to improve their conditions. When they needed asylum in this country, she fought for that, as well.

Ms. Diaz, 43, who formerly worked in Boston, died Feb. 12 of pancreatic cancer at New York's Columbia Presbyterian Hospital.

"Mary was passionate about her work and was dedicating her life to it," said the commission spokeswoman, Diana Quick.

She often got results, Quick said. After Ms. Diaz's report on her trip to Bosnia, the Clinton administration provided a fund for its women refugees. During a visit to Tanzania, she got the rules changed to allow Burundian women as well as men to distribute food to fellow refugees—and, as a result, many women got food.

After a visit to Afghanistan in 2002, Ms. Diaz initiated a fund for programs for Afghan women.

"Since Mary became executive director," Quick said, "the commission has grown from a small organization with a staff of four and a budget of \$425,000 to one with more than 20 staff and a budget of \$4 million."

Ms. Diaz's death, said Ruud Lubbers, who heads the United Nations High Commission for Refugees in Geneva, "left a void in the refugee and humanitarian world, where she touched many lives."

In Boston, where Ms. Diaz worked for Catholic Charities from 1984 to 1994, the last six years as its director of refugee and immigration services, Judith Whitmarsh of Catholic Charities described her as "the kindest and most compassionate person I've known."

Whitmarsh, a former program coordinator of the state Office for Refugees and Immigrants, said Ms. Diaz was "particularly concerned with people who were disenfranchised."

"When new immigrants arrived at the airport, Mary would always make sure there was a friendly face to greet them and that there would be some cultural orientation for them. If they had experienced trauma, there would be help. If they didn't know English, she got them into classes so they could find jobs."

Ms. Diaz became executive director of the Women's Commission, a nongovernmental organization, in 1994, five years after it was founded by actress Liv Ullman.

Ms. Diaz also gave eloquent and poignant speeches about the plight of refugee women and children to potential donors. "Mary was very strong in a very quiet way," Quick said.

In an address in Minneapolis in 2002, seeking support for the reproductive health care and rights of adolescents in refugee settings and war zones, Ms. Diaz told the story of Marion, a 14-year-old girl she had met in Sierra Leone.

"Marion was living with her family near Freetown when rebels forced their way into her home and demanded her mother surrender one of the children," Ms. Diaz said in her speech. "When her mother refused, the rebels threatened to kill everyone in the house. Her mother pointed to Marion."

"Marion was gang-raped almost immediately," Ms. Diaz said, "but told she had to walk with the rebels or be shot. She lived with different commanders as a slave for more than two years, escaping one day when she was given permission to go to the market. She gave birth to a baby a year after being abducted."

Marion developed serious health problems that couldn't be addressed in Sierra Leone, Ms. Diaz said. She had a chance to go home, but her mother wouldn't take her back.

Ms. Diaz believed the international community had a responsibility to help children like Marion.

Ms. Diaz was born in Newport News, Va. Tom Ferguson of New York City, her long-time partner, said her desire to serve others came naturally. Her late father, from the Philippines, was a doctor; her mother is a nurse. Two brothers are doctors. One sister is a teacher, another a librarian.

Ms. Diaz grew up in Pottstown, Pa. After high school, she graduated from Brown University in 1982, with a major in international relations. She worked briefly for a Philadelphia television station and then came to Boston, where she studied for a master's degree in international education at Harvard University, which she earned in 1988.

Four years later, while she was at Catholic Charities, a group of 112 Haitian children got separated from their parents en route to refugee camps at Guantanamo Bay. They ended up in Boston, under Ms. Diaz's care. First, she met the children at the airport, Ferguson said, then took them all for lunch at Buzzy's Fabulous Roast Beef and a swim in a pool before reuniting them with their parents.

Ms. Diaz "left her mark wherever she went," Whitmarsh said.

In addition to Ferguson, Ms. Diaz leaves her mother, Bertha of Pottstown, Pa.; two brothers, Philip of Columbus, Ohio, and Joseph of Barrington, R.I.; and two sisters, Theresa of Reading, Pa., and Bernadette of Oak Park, Ill.

A memorial service will be held tomorrow at 2 p.m. in The Church of the Ascension in New York City. •

#### UNIVERSITY OF NORTHERN IOWA'S MEN'S BASKETBALL TEAM

• Mr. HARKIN. Mr. President, I would like to take a moment to extend my heartfelt congratulations to the University of Northern Iowa's men's basketball team on their Missouri Valley Conference Championship. The Panthers vanquished Southwest Missouri State in double overtime, clinching a berth in the NCAA Tournament. Coach Greg McDermott has proven his mettle

in his 3 years as head coach, and now UNI is heading to the Big Dance for the first time in 14 years. I wish them luck there, and will be cheering for them alongside all Iowans. •

#### TRIBUTE TO IRVINE LEE SHANKS

• Mr. BUNNING. Mr. President, I rise today to pay tribute to Irvine Lee Shanks, who passed away Friday, March 5, 2004, at the age of 73. Mr. Shanks broke the college basketball color barrier in Kentucky when he took the court for Berea College in 1954. On that day in February, at a small basketball stadium in Ohio, he became the first black man to play for a previously all-white college basketball team.

He enrolled at Berea College at the age of 23, likely lured by that institution's goal of educating the underprivileged at no cost. To this day, Berea is one of the few affordable options for the lower-income families of Kentucky and Appalachia.

Just as Berea is not your typical college, Mr. Shanks wasn't your typical student. He was married with two children. He was a veteran of the Korean War, choosing service to his country rather than a basketball scholarship at Tennessee A&I in Nashville.

Returning to college was difficult, but the 6-foot-5 center excelled on the basketball court. He stood out among his teammates for other reasons as well, but there were no major racially-inspired incidents during his games. His team, however, often chose to miss meals or sleep on campuses because they could not find restaurants or hotels that would serve a black man. Despite these difficulties, his team came together in 1955 and upset Georgetown College to win the Kentucky Intercollegiate Athletic Conference Championship.

Mr. Shanks' experience in sports reminds me of my time in Major League Baseball and my good friend Jackie Robinson. Breaking barriers and achieving success seem to be a common link between these two athletes. These pioneers in sports taught our Nation quite a bit and deserve our thanks for setting America on the road to equality. What I have seen in baseball makes me admire Mr. Shanks' accomplishments that much more.

He was a role model for all throughout the State and helped change society's attitudes towards race. He will be missed. •

#### FIFTH ANNIVERSARY OF THE AMERICAN LEGACY FOUNDATION

• Mr. DURBIN. Mr. President, I am pleased to rise today, recognizing the fifth anniversary of the American Legacy Foundation, an organization dedicated to educating Americans on the dangers of tobacco use.

In 1964, the Surgeon General of the U.S. Public Health Service officially recognized that cigarette smoking

causes cancer and other serious diseases. However, 40 years later, tobacco use remains the Nation's leading preventable cause of death. Tragically, tobacco use continues to affect the lives of millions of Americans, particularly plaguing our Nation's young people. Each year, smoking kills more than 440,000 people in the United States, and millions more suffer from serious tobacco-related illnesses.

Established in 1999 under the Master Settlement Agreement, the American Legacy Foundation has developed national programs that address the health effects of tobacco use. Tobacco prevention programs play a vital role in decreasing tobacco use among youth, and the Legacy Foundation's innovative antismoking campaigns have had a significant impact in reducing tobacco use, especially among our Nation's youth. As a result of their continuous dedication, millions of Americans are living healthier lives.

Unfortunately, the future of the American Legacy Foundation is in question. This year the foundation received its last payment from the Master Settlement Agreement. Because of this dramatic reduction of resources, all of the successes of the last 5 years are in jeopardy.

I am pleased to stand here, recognizing the achievements of the American Legacy Foundation. I know that my fellow colleagues will join with me in applauding the efforts of the Legacy Foundation and congratulating them on their fifth anniversary. I hope that they will also join with me in pledging continued support for this life-saving cause. Only with such concerted action can we avert millions of premature deaths and prevent future generations of young people from falling victim to the tobacco epidemic.●

#### MAINE LOBSTERMEN'S ASSOCIATION

● Ms. SNOWE. Mr. President, I rise today to congratulate the Maine Lobstermen's Association on the occasion of its 50th anniversary. Reaching this significant mile stone is a testament to the organization's positive message and the strong guidance of its leadership throughout the last half-century.

Lobstermen are symbolic of Maine's unique way of life. Harvesting lobsters is part of the proud heritage of Maine's coasts and the State produces more lobster than any other in the Nation. Each year, over 50 million pounds of lobster are harvested in Maine, adding several hundred million dollars to the State's economy. Lobstering is a traditional occupation which represents the values of Mainers and their deep connection with the abundant natural resources and beautiful coast that surround the State.

Maine's lobster fishery, though well recognized today, had very humble beginnings. According to the Gulf of Maine Aquarium, lobsters were once so

plentiful that they were considered a plain, dull food and a cheap source of nutrition for those living near the Northeast coast. Lobstering was done by hand until the mid-19th century, when trapping became more popular and allowed for larger numbers of lobsters to be caught. The fishery also experienced growth due to the advent of new canning practices, which enabled Maine lobsters to reach far and wide across the globe. As Maine's lobster fishery has grown, changing technologies and stronger regulations have put new pressures on lobstermen, while also ensuring the continued success and sustainability of lobstering as an occupation.

Founded in 1954, the MLA has promoted a spirit of cooperation among lobstermen, and it has fought hard to improve their way of life as Maine's lobster fishery evolves. Through the dedication of its membership and the strong leadership of its directors, the Association has been instrumental in keeping the grandest tradition of Maine's coasts both profitable and sustainable. Along the way, it has grown to a considerable size and now counts over 1,200 lobstermen in its ranks. The Association has such a large membership that it currently bills itself as the biggest commercial fishing industry on the East Coast.

As Maine's Senator and as chair of the Senate Subcommittee on Oceans, Fisheries and Coast Guard, I am particularly dedicated to helping fishing communities maintain the quality of life which they deserve. I am extremely grateful to the Association for its tireless dedication to Maine lobstermen, and I thank each and every one of its members for being actively involved in their communities through their membership. I look forward to many more years of working closely with the MLA.

Again, I congratulate the Association on its past successes, and wish it at least another 50 years of growth and achievement.●

#### PETITIONS AND MEMORIALS

POM-365. A resolution adopted by the House of Representatives of the General Assembly of the Commonwealth of Pennsylvania relative to the National Defense Authorization Act; to the Committee on Armed Services.

#### HOUSE RESOLUTION NO. 520

Whereas, the United States Department of Defense reports that 37,000 legal permanent residents are now serving in the armed forces, with an additional 13,000 legal permanent residents serving in reserve units; and

Whereas, of the 3,000 legal permanent residents who have served in United States military operations in Iraq, 14 have lost their lives in the line of duty; and

Whereas, the Congress of the United States, in recently passing the National Defense Authorization Act for Fiscal Year 2004, has extended immigration benefits, including citizenship and family protections, to noncitizens serving in the United States military; and

Whereas, this legislation provides for expedited naturalization of lawful permanent

residents engaged in active duty and certain reserve service in peacetime, times of war and during hostile military operations and for expedited posthumous citizenship in certain cases; and

Whereas, this legislation further grants or preserves the lawful permanent residence of noncitizen surviving spouses, unmarried children and parents of citizen and noncitizen United States service members killed in the line of duty: Therefore be it

*Resolved*, That the House of Representatives of the Commonwealth of Pennsylvania express support for the National Defense Authorization Act for Fiscal Year 2004 (H.R. 1588) and the protections it confers on certain noncitizen military personnel; and be it further

*Resolved*, That copies of this resolution be transmitted to the President of the United States, to the presiding officers of each house of Congress and to each member of Congress from Pennsylvania.

POM-366. A joint memorial adopted by the Legislature of the State of Washington relative to the Renewable Energy Production Incentive program; to the Committee on Energy and Natural Resources.

#### SENATE JOINT MEMORIAL 8031

Whereas, the United States Congress established the Renewable Energy Production Incentive (REPI) program in the Energy Policy Act of 1992 to provide direct payments to not-for-profit utilities for energy produced by new renewable energy projects; and

Whereas, REPI is the counterpart to the program authorized in the same act which grants private utilities a federal tax credit for energy produced by new renewable energy projects; and

Whereas, REPI has proved to be a valuable and needed program to encourage public power systems and rural electric cooperatives to pursue development of renewable technologies; and

Whereas, authorization for the current REPI program expires in 2003 and must be renewed by Congress to continue to assist not-for-profit utilities in the development of cost-effective renewable resources and to provide a measure of parity with the incentives provided to private power companies; and

Whereas, the effectiveness and vitality of the REPI program also depend on congressional support for annual appropriations to provide more certainty to utilities considering development of renewable energy projects; and

Whereas, reauthorization and an increase in federal funding for REPI could also benefit the Northwest by encouraging development of energy resources that provide significant environmental benefits; and

Whereas, the volatility in the western electricity market in 1999 and 2000 also demonstrated the need for the Northwest to develop additional generating resources and to broaden the diversity of its resource portfolio and REPI could play an important role in meeting those regional goals; and

Whereas, in calendar year 2001 not-for-profit utilities applied for almost \$30 million in incentive payments from the REPI program, but less than \$4 million was made available to provide incentives for these renewable energy projects;

Now therefore, your Memorialists respectfully urge the Northwest congressional delegation, the United States Congress, and the Bush Administration to:

(1) Reauthorize REPI for an additional ten years, with such modifications as are needed to provide greater certainty of payment and, therefore, greater incentives to qualified renewable energy projects; and

(2) Provide a level of funding for REPI that will maximize the potential for development of new renewable resources by not-for-profit utilities.

*Be it resolved*, That copies of this Memorial be immediately transmitted to the Honorable George W. Bush, President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, and each member of Congress from the State of Washington.

POM-367. A resolution adopted by the Senate of the Legislature of the State of Michigan relative to the recovery and stabilization of the manufacturing industry in the United States; to the Committee on Energy and Natural Resources.

#### SENATE RESOLUTION NO. 190

Whereas, historically, manufacturing has been a base industry for the national economy, steadily comprising approximately 17 percent of the Gross Domestic Product since 1947; and

Whereas, the manufacturing industry has experienced a rapid decline and economic losses over the last three years. After a peak in July 2000 of 17.3 million people employed by the manufacturing sector, employment declined by more than 2.7 million jobs over the next 38 consecutive months; and

Whereas, lowered demand due to troubled economic conditions, coupled with unfair foreign competition, has greatly hindered the economic prosperity of the manufacturing industry. There is substantial concern over the continuation of manufacturing in the United States if the unfair trade practices of other nations on our domestic market are not addressed; and

Whereas, the restoration and revival of the manufacturing sector are vital to the economic recovery of the United States, as manufacturing has consistently led the economic recovery from previous down-turns; and

Whereas, maintaining a strong and vibrant manufacturing industry is crucial to sustaining or enhancing our national security. Recent bankruptcies and other losses in the manufacturing industry could put the United States in the unprecedented position where it must purchase defense technology from other countries, as foreign companies currently produce such items as a key guidance chip for smart bombs. Most recently, a foreign company purchased a bankrupt domestic manufacturer that retained the rights to the stealth fighter technology; and

Whereas, developing a package of economic incentives to help foster additional growth in the manufacturing industry and assist in keeping domestic manufacturers competitive with their foreign counterparts will greatly benefit not only the manufacturing industry, but will also provide great economic benefits to Michigan and the entire country; now, be it therefore

*Resolved by the Senate*, That we memorialize the Congress of the United States to develop economic incentives and other programs to aid in the recovery and stabilization of the manufacturing industry in the United States; and be it further

*Resolved*, That copies of this resolution be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, the United States Secretary of Commerce, and the members of the Michigan congressional delegation.

POM-368. A resolution adopted by the House of Representatives of the General Assembly of the Commonwealth of Pennsylvania relative to the Abandoned Mine Reclamation Fund; to the Committee on Energy and Natural Resources.

#### HOUSE RESOLUTION NO. 510

Whereas, the Abandoned Mine Reclamation Fund is scheduled to expire in September 2004; and

Whereas, the Abandoned Mine Reclamation Fund has been instrumental in providing the resources to help states reclaim and restore abandoned mine lands; and

Whereas, the Commonwealth of Pennsylvania receives approximately \$25 million annually to clean up these areas and to help restore the quality of our waterways that have been impaired by acid mine drainage; and

Whereas, the Commonwealth of Pennsylvania has more than 5,000 abandoned mine sites encompassing more than 189,000 acres; and

Whereas, continuation of the Abandoned Mine Reclamation Fund is critical to Pennsylvania's efforts to improve these lands and the surrounding water quality: Therefore be it

*Resolved*, That the House of Representatives of the Commonwealth of Pennsylvania urge the President and Congress of the United States to enact legislation reenacting the Abandoned Mine Reclamation Fund; and be it further

*Resolved*, That the reenacted legislation would base funding on historical coal production rather than upon current coal production; and be it further

*Resolved*, That copies of this resolution be transmitted to the President of the United States, to the presiding officers of each house of Congress and to each member of Congress from Pennsylvania.

POM-369. A resolution adopted by the Senate of the General Assembly of the Commonwealth of Pennsylvania relative to steel tariffs; to the Committee on Finance.

#### SENATE RESOLUTION NO. 163

Whereas, a vibrant and thriving steel industry is a critical segment of the manufacturing industry for the Commonwealth of Pennsylvania and the entire nation, as well as a key component of our national defense; and

Whereas, approximately 47% of the nation's steelworkers are employed in the Commonwealth of Pennsylvania and the states of Ohio and Indiana; and

Whereas, more than nine out of ten steelworkers are employed at establishments with 50 or more employees; and

Whereas, as of 2000, 40.3% of steelworkers were covered by union contracts; and

Whereas, employment in the steel industry is expected to decline by approximately 22% from 2000 through 2010; and

Whereas, employment levels will be influenced greatly by the ability of United States steel producers to compete with imports from foreign countries; and

Whereas, between 1997 and 2002, proliferation of illegally dumped foreign steel in the United States economy has resulted in approximately 35 steel companies filing for bankruptcy and the loss of 54,000 industry jobs; and

Whereas, in June 2001, as a result of the crisis in the domestic steel industry, the Federal Government and the Bush Administration initiated a trade investigation under section 201 of the Trade Act of 1974 (Public Law 93-618, 19 U.S.C. §2101 et seq.), a safeguard clause that allows a domestic industry injured by unfair trade practices to seek relief through the International Trade Commission; and

Whereas, in March 2002, in response to a report by the International Trade Commission that the American steel industry had suffered serious injury based on the surge of steel imports, the Bush Administration imposed three years of declining tariffs ranging

from 8% to 30% on imports of 13 finished steel products and a three-year increasing tariff rate quota on certain imports; and

Whereas, the Section 201 steel programs tariffs will decline each year until they expire on March 6, 2005; and

Whereas, based on the Section 201 tariffs, the American steel industry is experiencing its most significant restructuring in decades and has been able to begin a process of consolidation and reorganization; and

Whereas, steel prices are stabilizing, layoffs and bankruptcy filings are slowing, prices are recovering, domestic mills are increasing production and inventories are healthy; and

Whereas, the actions taken by the American steel industry as a result of the Section 201 tariffs will inure to the long-term benefit of American steel-using industries, the United States economy and the Pennsylvania economy; and

Whereas, Section 201 tariffs imposed must undergo a review process at the midpoint of their duration; and

Whereas, the midterm review of the tariffs is designed to help assess the effect of the tariffs and decide whether to extend them for the full three-year term; and

Whereas, President Bush will determine whether the Section 201 tariffs should remain in effect; and

Whereas, the United States International Trade Commission Report of September 19, 2003, which analyzed the preliminary effects of the tariffs noted that, since the imposition of the tariffs, industries producing steel products have undergone major reconstruction and expansion and the assets of several bankrupt steel producers have been acquired by other firms; and

Whereas, since the imposition of the tariffs, steel producers and the United Steelworkers of America, the principal union representing steelworkers in the United States, have negotiated groundbreaking collective bargaining agreements and adopted principles designed to reduce fixed costs, improve productivity and protect retiree welfare; and

Whereas, according to the report, approximately one-half of the steel-consuming firms surveyed shifted some of their purchases to domestically produced steel after the imposition of the tariffs; and

Whereas, according to the report, almost two-thirds of the responding steel-consuming firms reported that they or other firms did not relocate or shift production to foreign plants or facilities after tariff implementation; and

Whereas, it is evident from the report that the Section 201 tariffs are contributing greatly to the revitalization of the steel-producing industries in the Commonwealth of Pennsylvania and the nation; and

Whereas, on three separate occasions prior to the release of the International Trade Commission's report, both Houses of the Pennsylvania General Assembly passed resolutions urging the President to maintain the Section 201 steel tariffs for the full three-year term; and

Whereas, the International Trade Commission's report reveals that the Pennsylvania General Assembly's earlier support for continuing the Section 201 steel tariffs was justified, prudent and in the best interests of the steel-producing industry in the Commonwealth of Pennsylvania: Therefore be it

*Resolved*, That based on the International Trade Commission's report, the Senate of the Commonwealth of Pennsylvania reaffirm its support for continuing the Section 201 steel tariffs until March 6, 2005, as the tariffs have been instrumental in reshaping and reinvigorating the steel-producing industries in the Commonwealth of Pennsylvania and the nation; and be it further

*Resolved*, That the Senate of the Commonwealth of Pennsylvania strongly urge the President and Congress of the United States to continue to support the revitalization of the American steel industry for the benefit of the citizens of this nation and for the benefit of the national economy; and be it further

*Resolved*, That a copy of this resolution be submitted to the President of the United States, to the Vice President of the United States, to all members of the Congress who represent districts in Pennsylvania and to the Governor of the Commonwealth of Pennsylvania.

POM-370. A resolution adopted by the House of Representatives of the Legislature of the State of Michigan relative to legislation to extend the production tax credit for wind power energy development; to the Committee on Finance.

#### HOUSE RESOLUTION NO. 88

Whereas, in an effort to foster the development of alternate energy sources for the future, a production tax credit for wind power energy development was established in 1992. In the years since that time, significant progress has been made in the challenging work of developing clean sources of power for our country; and

Whereas, the long-term strategy behind the production tax credit for wind energy development has been impeded by the fact that this federal program faces sunset provisions every two years. Sunset provisions clearly are a productive tool to ensure sound spending policies. However, in an extended effort like developing viable wind energy technology, which has enormous capital expenses, the requirement for renewal every two years has proven to be counterproductive. Over most two-year cycles, the amount of power added through wind technology investment drops considerably in the second year, as developers worry about whether the tax credit incentive will be revived after it expires; and

Whereas, the production tax credit, like other incentives that the government has provided throughout history to encourage various development initiatives, would be far more effective if it could be extended beyond the two-year period. This emerging industry, which may one day be a key part of America's overall energy needs, will make much more significant advances with a consistent, multiple-year approach: Now, therefore, be it

*Resolved by the house of representatives*, That we memorialize the Congress of the United States to enact legislation to extend the production tax credit for wind power energy development beyond the two-year cycle under which it now operates; and be it further

*Resolved*, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.

POM-371. A resolution adopted by the House of Representatives of the Legislature of the State of Michigan relative to a prescription drug benefit; to the Committee on Finance.

#### HOUSE RESOLUTION NO. 176

Whereas, in recent years, the rising costs of prescription medications have created a growing burden for America's senior citizens. An increasing number of our people cannot afford the medications they need to live and function. This situation is harmful not only to a large segment of our population, but to our entire health care system; and

Whereas, since prescription medications contribute significantly to public health by

minimizing the need for far more costly services, including hospitalization, the current Medicare program is not nearly as effective as it could be in helping our senior citizens protect their health and well-being. The overall ramifications of this problem are amplified by the realization that the first waves of baby boomers are now reaching retirement age; and

Whereas, although health care is a challenge that includes a wide range of factors, it is essential that a prescription drug benefit be established within Medicare. For those men and women currently grappling with the difficulties of paying for medicines they need, adding this benefit will provide immediate relief and help them maintain their health. For their families and our entire country, this is a program that needs to be put in place swiftly. Now, therefore, be it

*Resolved by the house of representatives*, That we memorialize Congress to enact legislation to establish a prescription drug benefit within Medicare; and be it further

*Resolved*, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.

POM-372. A resolution adopted by the Senate of the Legislature of the State of Michigan relative to the World Trade Organization and the World Intellectual Property Organization; to the Committee on Finance.

#### SENATE RESOLUTION NO. 188

Whereas, since the birth of our nation, the United States has amassed a remarkable record of creativity and discovery. Our history is replete with the development of new goods and production methods to advance the quality of life, and we have developed a strong economy based on these discoveries; and

Whereas, members of the manufacturing industry have cited a number of examples where companies in other nations have been infringing upon intellectual property rights. This has resulted in financial losses and further exacerbated the challenges faced by our manufacturers; and

Whereas, the World Trade Organization and the World Intellectual Property Organization implemented a set of standards and principles outlining how international intellectual property rights should be applied and how to settle disputes between members of the World Trade Organization and the World Intellectual Property Organization; and

Whereas, the United States can defend the intellectual property rights of domestic business through the procedures established by the World Trade Organization and the World Intellectual Property Organization; and

Whereas, to ensure a vibrant economic recovery in Michigan, our businesses and entrepreneurs must be secure in their intellectual property, for it is through these innovations that companies build their economic strength and maintain their competitive-ness: Now, therefore, be it

*Resolved by the Senate*, That we memorialize the Congress of the United States to expand its efforts through the World Trade Organization and the World Intellectual Property Organization to ensure that the intellectual property of domestic businesses and individuals is protected and that actions are taken against those countries that violate the World Trade Organization and World Intellectual Property Organization standards; and be it further

*Resolved*, That a copy of this resolution be transmitted to the President of the United States of America, the President of the United States Senate, the Speaker of the

United States House of Representatives, the United States Secretary of Commerce, and the members of the Michigan congressional delegation.

POM-373. A resolution adopted by the House of Representatives of the General Assembly of the Commonwealth of Pennsylvania relative to steel tariffs; to the Committee on Finance.

#### HOUSE RESOLUTION NO. 514

Whereas, A vibrant and thriving steel industry is a critical segment of the manufacturing industry for the Commonwealth of Pennsylvania, the birthplace of the American steel industry and home to United States Steel Corporation and the United Steelworkers of America, and for the entire nation and is a key component of our national defense; and

Whereas, Between 1997 and 2002, proliferation of illegally dumped foreign steel in the United States economy resulted in approximately 35 steel companies filing for bankruptcy and the loss of 54,000 industry jobs; and

Whereas, In June 2001, as a result of the crisis in the domestic steel industry, the Federal Government and the Bush Administration initiated a trade investigation under Section 201 of the Trade Act of 1974 (Public Law 93-618, 19 U.S.C. §2101 et seq.), a safeguard clause that allows a domestic industry injured by unfair trade practices to seek relief through the International Trade Commission; and

Whereas, In March 2002, in response to a report by the International Trade Commission that the American steel industry had suffered serious injury based on the surge of steel imports, the Bush Administration imposed three years of declining tariffs ranging from 8% to 30% on imports of 13 finished steel products and a three-year increasing tariff rate quota on certain imports; and

Whereas, The United States International Trade Commission Report of September 19, 2003, analyzed the preliminary effects of the tariffs and noted that since the imposition of the tariffs, industries producing steel products have undergone major reconstruction and expansion and the assets of several bankrupt steel producers have been acquired by other firms; and

Whereas, It was evident from the report that the Section 201 steel tariffs were contributing greatly to the revitalization of the steel-producing industries in the Commonwealth of Pennsylvania and the nation; and

Whereas, On November 10, 2003, the World Trade Organization Appellate Body ruled that the Section 201 steel tariffs on imported steel are illegal; and

Whereas, The European Union threatened the United States with the imposition of \$2.2 billion of sanctions on United States imports if the United States does not repeal the Section 201 steel tariffs by December 10, 2003; and

Whereas, Japan, South Korea, Norway, Switzerland, China, New Zealand and Brazil have joined Europe in welcoming the World Trade Organization's ruling; and

Whereas, The Section 201 steel tariffs have provided the Bush Administration with the leverage to negotiate a resolution to the underlying structural problems of massive global excess steel capacity and foreign government subsidies that caused the import surge and prompted the imposition of the steel safeguard; and

Whereas, Continuation of the Section 201 steel tariffs for the full three-year duration, even in the face of retaliatory sanctions from the European Union and other steel-producing countries, would help restore market forces and level the playing field in the global steel sector; and

Whereas, The World Trade Organization has ruled against every safeguard action instituted by any WTO-member country; and

Whereas, The American steel industry is in the middle of a historic restructuring effort, having invested more than \$3 billion to consolidate and having entered into a new agreement with the United Steelworkers of America to further improve productivity; and

Whereas, It is essential that the industry not be subjected to a renewed surge of imported steel because of any early termination or weakening of the safeguard measures; and

Whereas, The steel industry has been doing its part under the Section 201 program and needs the full three-year term if the President's program is to come to a successful conclusion; and

Whereas, the House of Representatives and the Senate of the Commonwealth of Pennsylvania have consistently urged the President through resolutions to pursue enhanced enforcement of United States trade laws, to take steps to rebuild the United States steel industry and to implement tariffs on foreign steel as recommended by the International Trade Commission and are now urging the reinstatement of the tariffs or support to the steel industry for the full three-year duration to ensure the industry's continued recovery; and

Whereas, On three separate occasions prior to the release of the International Trade Commission's report, the House of Representatives and the Senate of the Commonwealth of Pennsylvania have passed resolutions urging the President to maintain the Section 201 steel tariffs for the full three-year term; and

Whereas, The International Trade Commission's report reveals that the Pennsylvania General Assembly's earlier support for continuing the Section 201 steel tariffs was justified, prudent and in the best interests of the steel-producing industry in the Commonwealth of Pennsylvania; Therefore be it

*Resolved*, That the House of Representatives of the Commonwealth of Pennsylvania strongly urge the President and the Congress of the United States to continue to support the revitalization of the American steel industry for the benefit of the citizens of this nation and for the benefit of the national economy by reinstating the steel tariffs under Section 201 of the Trade Act of 1974 or providing support to the steel industry for the entire three-year duration regardless of the World Trade Organization's November 10, 2003, ruling; Therefore be it further

*Resolved*, That a copy of this resolution be transmitted to the President of the United States, to the presiding officers of each house of Congress and to each member of Congress from Pennsylvania.

POM-374. A resolution adopted by the Senate of the Legislature of the State of Michigan relative to the International Monetary Fund; to the Committee on Foreign Relations.

#### SENATE RESOLUTION NO. 189

Whereas, Through international agreements and in the spirit of fair and balanced trade, the United States dollar is allowed to float freely, with little to no market intervention; and

Whereas, Many of the trade partners with the United States, including, but not limited to, the European Union, Canada, and Mexico, operate with a floating exchange rate within the international financial system; and

Whereas, There are nations that are able to sell goods at rates lower than the cost of production in the United States, in part, through a manipulation of their nation's

currency. This contributes significantly to creating an unfair trade balance; and

Whereas, Foreign countries that manipulate their currency are able to sell goods in the United States at an artificial price, lower than the cost of domestically produced products. Doing so undercuts American manufactured products, and it may soon eliminate domestic manufacturing; and

Whereas, The loss of the domestic manufacturing industry poses a substantial threat to the nation's security by requiring the United States to depend on other nations to produce critical components for our defense programs.

Whereas, Currency manipulation has contributed to substantial trade deficits with certain nations. The increase in the trade deficit with China alone, one of the countries known for currency manipulation, represents about 15 percent of the decline in United States production since 2000; and

Whereas, Article IV of the International Monetary Fund Articles of Agreement states that members shall avoid manipulating exchange rates or the international monetary system in order to prevent effective balance of payments adjustment or to gain an unfair competitive advantage over other members." Under IMF surveillance procedures, a principal indicator of such manipulation is "protracted large scale intervention in one direction in the exchange market." Now, therefore, be it

*Resolved by the Senate*, That we memorialize the Congress of the United States to take the necessary actions, through the International Monetary Fund or otherwise, to ensure that foreign nations that trade with the United States do so fairly and do not manipulate their currency; and be it further *RESOLVED*, That a copy of this resolution be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, the United States Secretary of Commerce, and the members of the Michigan congressional delegation.

POM-375. A resolution adopted by the Senate of the General Assembly of the Commonwealth of Pennsylvania relative to the Individuals with Disabilities Education Act; to the Committee on Health, Education, Labor, and Pensions.

#### RESOLUTION

Whereas, In the interest of ensuring that children with disabilities in the United States receive a free appropriate public education, the Individuals with Disabilities Education Act (Public Law 91-230, 20 U.S.C. § 1400 et. seq.) encroached upon the states' traditional domain over education and established certain mandates that all state and local governments must observe in the education of children with special needs; and

Whereas, In recognition of the high cost of these Federal mandates, the Individuals with Disabilities Education Act allows the Congress to provide each state with a maximum Federal grant equal to the number of children with disabilities in the state multiplied by 40% of the average per pupil expenditure for all special education students in the United States; and

Whereas, The Federal Government has not provided sufficient funding to pay for the costly mandates imposed by the Individuals with Disabilities Education Act; and

Whereas, The Commonwealth's need for these increased funds is urgent and immediate; and

Whereas, The Federal funding the Commonwealth currently receives for each student with special needs is only the equivalent of 12% of the national average per pupil expenditure; and

Whereas, By this measure, the Federal Government contributes only 12% of the total cost of special education in this Commonwealth even though the Commonwealth and its school districts must comply with 100% of the costly mandates imposed by the Individuals with Disabilities Education Act; and

Whereas, These costs have been increasing rapidly in recent years; and

Whereas, In this Commonwealth, even though the population of students with special needs increased by less than 1% between 1995 and 2000, the number of special education instructors has increased by 14% to 14,547; and

Whereas, In the same period, the Commonwealth's appropriations for special education have increased by over 25% in order to keep pace; and

Whereas, If the Federal Government would provide the level of funding that the Individuals with Disabilities Education Act allows, the Commonwealth would have sufficient resources to meet these growing needs; in fiscal year 2001-2002 it would have received \$605,000,000, an increase of \$421,544,956, or 229.78%, over the Federal funding the Commonwealth received in fiscal year 2000-2001; and

Whereas, Because the Federal Government has failed to provide the level of funding that the Individuals with Disabilities Education Act allows, it has placed a disproportionate financial burden on the Commonwealth and its school districts; and

Whereas, If the Individuals with Disabilities Education Act is to fully accomplish its mission to provide a free appropriate public education to children with disabilities, the Federal Government must provide State and local governments with the funding they need to successfully implement the act's mandates; Therefore be it

*Resolved*, That the Senate of Pennsylvania urge the Congress of the United States to fulfill the commitment of the Individuals with Disabilities Education Act by taking immediate action on legislation that would provide resources equal to 40% of the national average per pupil expenditure for special education students for each Pennsylvania student with special needs; And be it further

*Resolved*, That copies of this resolution be sent to the President and Vice President of the United States, to the presiding officers of each house of Congress, to each member of Congress from Pennsylvania, to the National Conference of State Legislatures, to the National Governor's Association, to the State Board of Education and to the Secretary of Education.

POM-376. A resolution adopted by the House of Representatives of the State of Michigan relative to unopened prescription medications recovered from deceased patients; to the Committee on Health, Education, Labor, and Pensions.

#### HOUSE RESOLUTION NO. 233

Whereas, there are a host of issues relating to the difficult social, medical, and legal challenges of end-of-life concerns. A significant source of confusion, at times, are the procedures for prescribing and handling medications for terminally ill patients, including drugs that are governed by controlled substance laws; and

Whereas, one aspect of end-of-life care that needs to be resolved is how to handle prescription medications for patients who have died. It is a common situation for there to be prescriptions that are written and filled but unused. At the present time, there are no provisions of federal law that offer a means of returning unused and unopened medications in a way that these expensive medicines can be dispensed and used by another

terminally ill patient. Each year, thousands of dollars worth of prescription medications are wastefully discarded after a patient dies. In many situations, the medicines could safely be used for the benefit of others; and

Whereas, when medications, including those used by hospice patients in the final stages of life, are still sealed in tamper-evident containers that assure safety, there is little reason to destroy the medication rather than dispensing it again at no cost to a new patient beyond a handling fee. Appropriate changes need to be made to federal laws and regulations, including those that govern controlled substances; now, therefore, be it

*Resolved by the house of representatives,* That we memorialize the Congress of the United States to amend federal laws and regulations to address the issue of unopened prescription medications recovered from deceased patients; and be it further

*Resolved,* That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.

POM-377. A resolution adopted by the Senate of the General Assembly of the State of Tennessee relative to funding for the Juvenile Accountability Block Grant; to the Committee on the Judiciary.

#### SENATE RESOLUTION NO. 110

Whereas, the Juvenile Accountability Block Grant (JABG) was enacted in the 2002 reauthorization of the Juvenile Justice and Delinquency Prevention Act; and

Whereas, this grant provides dollars for use by states and units of local government to promote greater accountability in the juvenile justice system; and

Whereas, between 1998 and 2002, the State of Tennessee received \$20,757,000 in JABG funds for accountability-based juvenile justice system programs; and

Whereas, rural counties across the State have received funds to assist with juvenile court services and with decreasing the backlog of juvenile cases; and

Whereas, the types of programs in Tennessee currently being funded by the JABG include: (1) intensive probation services; (2) residential observation and assessment services; (3) intensive after-care services; (4) alternative school and summer adventure-based programs; (5) additional juvenile court officers and referees to handle cases; (6) improved data systems for tracking juvenile cases; and (7) new youth and drug courts for diversion from the regular juvenile justice system; and

Whereas, because of the JABG funds, juvenile courts in rural areas, which normally have minimal resources, now have a greater variety of services to meet more individualized needs; and

Whereas, because of the services enabled by the JABG funds, juvenile offense referrals in Tennessee for crimes such as homicide, robbery, aggravated assault, rape, larceny, and burglary have been reduced by 16 percent between 1997 and 2001; and

Whereas, the JABG funds are providing for seven staff positions and community-based services through OASIS Center, YCAP Positive Beginnings program, Save Our Children and Frank Reed Memorial Tutoring Program, all of which are community-based youth serving non-profit agencies in Nashville, Tennessee; and

Whereas, because of services provided by JABG funds, the Metropolitan Nashville/Davidson County juvenile court's central intake diversion unit was able to divert 1,700 youth out of the juvenile justice system; and

Whereas, JABG funds are being used in Davidson County to support an onsite mental health specialist in the juvenile court, who facilitates intervention with the mental health cooperative and provides the court with information on youth who are acting in ways that warrant evaluation; and

Whereas, it is necessary to maintain JABG funds to continue the success of reducing juvenile crime in Tennessee and providing more individualized, accountability-based interventions for youth involved with the juvenile courts; now, therefore, be it

*Resolved by the Senate of the one hundred third general assembly of the State of Tennessee,* That the continued success in the reduction of juvenile crime in Tennessee and the increase of vital services provided to children who are in the juvenile criminal system is dependent upon the renewal of Juvenile Accountability Block Grant funds by the federal government. Be it

*Further Resolved,* That the Senate strongly urges the United States Congress and the President of the United States to restore funding for the Juvenile Accountability Block Grant because of the tremendous value these funds provide for local communities in Tennessee. Be it

*Further resolved,* That the Chief Clerk of the Senate is directed to transmit enrolled copies of this resolution to each member of the Tennessee Congressional Delegation, to the Honorable George W. Bush, President of the United States, to the Speaker and Clerk of the United States House of Representatives, and to the President and Secretary of the United States Senate.

#### REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CAMPBELL, from the Committee on Indian Affairs, with an amendment in the nature of a substitute:

S. 1601. A bill to amend the Indian Child Protection and Family Violence Prevention Act to provide for the reporting and reduction of child abuse and family violence incidences on Indian reservations, and for other purposes (Rept. No. 108-228).

By Mr. DOMENICI, from the Committee on Energy and Natural Resources, with an amendment:

S. 213. A bill to clear title to certain real property in New Mexico associated with the Middle Rio Grande Project, and for other purposes (Rept. No. 108-229).

By Mr. DOMENICI, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute:

S. 524. A bill to expand the boundaries of the Fort Donelson National Battlefield to authorize the acquisition and interpretation of lands associated with the campaign that resulted in the capture of the fort in 1862, and for other purposes (Rept. No. 108-230).

By Mr. DOMENICI, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute and an amendment to the title:

S. 943. A bill to authorize the Secretary of the Interior to enter into 1 or more contracts with the city of Cheyenne, Wyoming, for the storage of water in the Kendrick Project, Wyoming (Rept. No. 108-231).

By Mr. DOMENICI, from the Committee on Energy and Natural Resources, with amendments:

S. 960. A bill to amend the Reclamation Wastewater and Groundwater Study and Facilities Act to authorize certain projects in the State of Hawaii and to amend the Hawaii Water Resources Act of 2000 to modify the water resources study (Rept. No. 108-232).

S. 1107. A bill to enhance the Recreational Fee Demonstration Program for the Na-

tional Park Service, and for other purposes (Rept. No. 108-233).

By Mr. DOMENICI, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute and an amendment to the title:

S. 1167. A bill to resolve the boundary conflicts in Barry and Stone Counties in the State of Missouri (Rept. No. 108-234).

S. 1516. A bill to further the purposes of the Reclamation Projects Authorization and Adjustment Act of 1992 by directing the Secretary of the Interior, acting through the commissioner of Reclamation, to carry out an assessment and demonstration program to assess potential increases in water availability for Bureau of Reclamation projects and other uses through control of salt cedar and Russian olive (Rept. No. 108-235).

By Mr. DOMENICI, from the Committee on Energy and Natural Resources, without amendment:

S. 1576. A bill to revise the boundary of Harpers Ferry National Historical Park, and for other purposes (Rept. No. 108-236).

S. 1577. A bill to extend the deadline for commencement of construction of a hydroelectric project in the State of Wyoming (Rept. No. 108-237).

By Mr. DOMENICI, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute:

S. 1848. A bill to amend the Bend Pine Nursery Land Conveyance Act to direct the Secretary of Agriculture to sell the Bend Pine Nursery Administration Site in the State of Oregon (Rept. No. 108-238).

By Mr. DOMENICI, from the Committee on Energy and Natural Resources, without amendment:

S. 2178. An original bill to make technical corrections to laws relating to certain units of the National Park System and to National Park programs (Rept. No. 108-239).

H.R. 408. A bill to provide for expansion of Sleeping Bear Dunes National Lakeshore (Rept. No. 108-240).

H.R. 417. A bill to revoke a Public Land Order with respect to certain lands erroneously included in the Cibola National Wildlife Refuge, California (Rept. No. 108-241).

H.R. 708. A bill to require the conveyance of certain National Forest System lands in Mendocino National Forest, California, to provide for the use of the proceeds from such conveyance for National Forest purposes, and for other purposes (Rept. No. 108-242).

H.R. 856. A bill to authorize the Secretary of the Interior to revise a repayment contract with the Tom Green County Water Control and Improvement District No. 1, San Angelo project, Texas, and for other purposes (Rept. No. 108-243).

H.R. 1598. A bill to amend the Reclamation Wastewater and Groundwater Study and Facilities Act to authorize the Secretary of the Interior to participate in projects within the San Diego Creek Watershed, California, and for other purposes (Rept. No. 108-244).

#### EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. MCCAIN for the Committee on Commerce, Science, and Transportation.

\*Rhonda Keenum, of Mississippi, to be Assistant Secretary of Commerce and Director General of the United States and Foreign Commercial Services.

\*Linda Morrison Combs, of North Carolina, to be an Assistant Secretary of Transportation.

\*Francis Mulvey, of Maryland, to be a Member of the Surface Transportation Board for a term expiring December 31, 2007.



\*W. Douglas Buttrey, of Tennessee, to be a Member of the Surface Transportation Board for a term expiring December 31, 2008.

Mr. McCAIN. Mr. President, for the Committee on Commerce, Science, and Transportation I report favorably the following nomination lists which were printed in the RECORDS on the dates indicated, and ask unanimous consent, to save the expense of reprinting on the Executive Calendar that these nominations lie at the Secretary's desk for the information of Senators.

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

Coast Guard nominations beginning Michael P. Guldin and ending Felicia K. Raybon, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on November 17, 2003.

Coast Guard nomination of Larry L. Jones. Coast Guard nominations beginning Catherine A. Abella and ending Bradley G. Winans, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on February 5, 2004.

Coast Guard nominations beginning Susan J. Blood and ending Heather L. Morrison, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on February 11, 2004.

By Mr. GRASSLEY for the Committee on Finance.

\*Brian Carlton Roseboro, of New Jersey, to be an Under Secretary of the Treasury.

\*Mark J. Warshawsky, of Maryland, to be an Assistant Secretary of the Treasury.

\*Mark B. McClellan, of the District of Columbia, to be Administrator of the Centers for Medicare and Medicaid Services.

\*Nomination was reported with recommendation that it be confirmed subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

(Nominations without an asterisk were reported with the recommendation that they be confirmed.)

#### INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. CORZINE:

S. 2177. A bill to amend title 10, United States Code, to change the effective date for paid-up coverage under the military Survivor Benefit Plan from October 1, 2008, to October 1, 2004; to the Committee on Armed Services.

By Mr. DOMENICI:

S. 2178. An original bill to make technical corrections to laws relating to certain units of the National Park System and to National Park programs; from the Committee on Energy and Natural Resources; placed on the calendar.

By Mr. BROWNBACK (for himself and Mr. ROBERTS):

S. 2179. A bill to posthumously award a Congressional Gold Medal to the Reverend Oliver L. Brown; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. CAMPBELL:

S. 2180. A bill to direct the Secretary of Agriculture to exchange certain lands in the Arapaho and Roosevelt National Forests in the State of Colorado; to the Committee on Energy and Natural Resources.

By Mr. CAMPBELL:

S. 2181. A bill to adjust the boundary of Rocky Mountain National Park in the State of Colorado; to the Committee on Energy and Natural Resources.

By Mr. NELSON of Nebraska (for himself and Mr. ENZI):

S. 2182. A bill to amend the Farm Security and Rural Investment Act of 2002 to permit the planting of chicory on base acres; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. BINGAMAN (for himself, Mr. LUGAR, and Mr. DODD):

S. 2183. A bill to amend the Child Nutrition Act of 1966 to create team nutrition networks to promote the nutritional health of school children; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. BUNNING (for himself and Mr. GRAHAM of South Carolina):

S. 2184. A bill to amend title 10 United States Code, to increase the rates of educational assistance for members of the Selected Reserve, and for other purposes; to the Committee on Armed Services.

By Mr. CHAMBLISS:

S. 2185. A bill to simplify the process for admitting temporary alien agricultural workers under section 101(a)(15)(H)(ii)(a) of the Immigration and Nationality Act, to increase access to such workers, and for other purposes; to the Committee on the Judiciary.

By Mr. DASCHLE (for Mr. KERRY):

S. 2186. A bill to temporarily extend the programs under the Small Business Act and the Small Business Investment Act of 1958, through May 15, 2004, and for other purposes; to the Committee on Small Business and Entrepreneurship.

#### SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Ms. MIKULSKI (for herself and Mr. SARBANES):

S. Res. 312. A resolution commending the bravery of the initial responders in the Baltimore Harbor water taxi accident of March 6, 2004; considered and agreed to.

By Mr. FEINGOLD (for himself and Mr. HAGEL):

S. Res. 313. A resolution expressing the sense of the Senate encouraging the active engagement of Americans in world affairs and urging the Secretary of State to coordinate with implementing partners in creating an online database of international exchange programs and related opportunities; to the Committee on Foreign Relations.

By Mr. VOINOVICH (for himself, Mr. LUGAR, and Mr. BIDEN):

S. Res. 314. A resolution commemorating and honoring President Boris Trajkovski; considered and agreed to.

By Mr. BIDEN (for himself, Mr. LUGAR, Ms. STABENOW, Ms. CANTWELL, Mr. LAUTENBERG, Ms. MIKULSKI, Mr. LEVIN, Ms. MURKOWSKI, Mr. GRAHAM of South Carolina, Mr. KOHL, Ms. LANDRIEU, Mrs. FEINSTEIN, Mr. BAYH, Mrs. MURRAY, Mr. JEFFORDS, Mr. HATCH, Mr. CORZINE, Mr. DASCHLE, Mr. CRAPO, Mr. DAYTON, Mr. KENNEDY, Mrs. CLINTON, and Mr. FEINGOLD):

S. Res. 315. A resolution designating March 8, 2004, as "International Women's Day"; considered and agreed to.

By Mr. AKAKA (for himself, Mr. ALLEN, Mr. SARBANES, Mr. CORZINE, Mr. SANTORUM, Mr. KOHL, Mr. THOM-

AS, Mr. JOHNSON, Mr. KENNEDY, Mr. SCHUMER, Mr. LEVIN, Mr. LAUTENBERG, Mrs. MURRAY, Ms. LANDRIEU, Mr. DURBIN, Mr. INOUE, and Mr. CRAPO):

S. Res. 316. A resolution designating April 2004 as "Financial Literacy Month."; considered and agreed to.

By Mr. SARBANES (for himself and Ms. MIKULSKI):

S. Con. Res. 97. A concurrent resolution recognizing the 91st annual meeting of The Garden Club of America; to the Committee on the Judiciary.

#### ADDITIONAL COSPONSORS

S. 623

At the request of Mr. WARNER, the name of the Senator from South Dakota (Mr. DASCHLE) was added as a cosponsor of S. 623, a bill to amend the Internal Revenue Code of 1986 to allow Federal civilian and military retirees to pay health insurance premiums on a pretax basis and to allow a deduction for TRICARE supplemental premiums.

S. 1093

At the request of Ms. SNOWE, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of S. 1093, a bill to amend the Internal Revenue Code of 1986 to extend the transportation fringe benefit to bicycle commuters.

S. 1222

At the request of Mr. NELSON of Nebraska, the name of the Senator from Hawaii (Mr. AKAKA) was added as a cosponsor of S. 1222, a bill to amend title XVIII of the Social Security Act to require the Secretary of Health and Human Services, in determining eligibility for payment under the prospective payment system for inpatient rehabilitation facilities, to apply criteria consistent with rehabilitation impairment categories established by the Secretary for purposes of such prospective payment system.

S. 1765

At the request of Mr. LOTT, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 1765, a bill to preserve and protect the free choice of individual employees to form, join, or assist labor organizations, or to refrain from such activities.

S. 1888

At the request of Mr. SPECTER, the name of the Senator from Nevada (Mr. REID) was added as a cosponsor of S. 1888, a bill to halt Saudi support for institutions that fund, train, incite, encourage, or in any other way aid and abet terrorism, and to secure full Saudi cooperation in the investigation of terrorist incidents.

S. 1916

At the request of Ms. LANDRIEU, the names of the Senator from New Jersey (Mr. LAUTENBERG), the Senator from New York (Mr. SCHUMER) and the Senator from Hawaii (Mr. INOUE) were added as cosponsors of S. 1916, a bill to amend title 10, United States Code, to increase the minimum Survivor Benefit Plan basic annuity for surviving



spouses age 62 and older, to provide for a one-year open season under that plan, and for other purposes.

S. 2020

At the request of Mrs. BOXER, the name of the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 2020, a bill to prohibit, consistent with *Roe v. Wade*, the interference by the government with a woman's right to choose to bear a child or terminate a pregnancy, and for other purposes.

S. 2049

At the request of Mr. SPECTER, the name of the Senator from Ohio (Mr. VOINOVICH) was added as a cosponsor of S. 2049, a bill to amend the Surface Mining Control and Reclamation Act of 1977 to reauthorize collection of reclamation fees, revise the abandoned mine reclamation program, promote remining, authorize the Office of Surface Mining to collect the black lung excise tax, and make sundry other changes.

S. 2132

At the request of Mr. FEINGOLD, the name of the Senator from Michigan (Ms. STABENOW) was added as a cosponsor of S. 2132, a bill to prohibit racial profiling.

S. 2143

At the request of Mr. DURBIN, the name of the Senator from Maryland (Ms. MIKULSKI) was added as a cosponsor of S. 2143, a bill to extend trade adjustment assistance to service workers.

S. 2157

At the request of Mr. BAUCUS, the name of the Senator from Maine (Ms. SNOWE) was added as a cosponsor of S. 2157, a bill to amend the Trade Act of 1974 to extend the trade adjustment assistance program to the services sector, and for other purposes.

S. 2158

At the request of Ms. COLLINS, the name of the Senator from Nevada (Mr. REID) was added as a cosponsor of S. 2158, a bill to amend the Public Health Service Act to increase the supply of pancreatic islet cells for research, and to provide for better coordination of Federal efforts and information on islet cell transplantation.

S. 2175

At the request of Mr. DODD, the names of the Senator from Massachusetts (Mr. KENNEDY) and the Senator from New York (Mrs. CLINTON) were added as cosponsors of S. 2175, a bill to amend the Public Health Service Act to support the planning, implementation, and evaluation of organized activities involving statewide youth suicide early intervention and prevention strategies, and for other purposes.

S.J. RES. 28

At the request of Mrs. MURRAY, her name was added as a cosponsor of S.J. Res. 28, a joint resolution recognizing the 60th anniversary of the Allied landing at Normandy during World War II.

S. CON. RES. 81

At the request of Mrs. FEINSTEIN, the names of the Senator from Louisiana

(Mr. BREAUX) and the Senator from Wisconsin (Mr. FEINGOLD) were added as cosponsors of S. Con. Res. 81, a concurrent resolution expressing the deep concern of Congress regarding the failure of the Islamic Republic of Iran to adhere to its obligations under a safeguards agreement with the International Atomic Energy Agency and the engagement by Iran in activities that appear to be designed to develop nuclear weapons.

S. RES. 308

At the request of Mr. SPECTER, the name of the Senator from New Hampshire (Mr. SUNUNU) was added as a cosponsor of S. Res. 308, a resolution designating March 25, 2004, as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy".

S. RES. 309

At the request of Mr. CRAIG, the names of the Senator from Arkansas (Mrs. LINCOLN) and the Senator from Alabama (Mr. SHELBY) were added as cosponsors of S. Res. 309, a resolution designating the week beginning March 14, 2004 as "National Safe Place Week".

S. RES. 311

At the request of Mr. BROWNBACK, the name of the Senator from Louisiana (Ms. LANDRIEU) was added as a cosponsor of S. Res. 311, a resolution calling on the Government of the Socialist Republic of Vietnam to immediately and unconditionally release Father Thadeus Nguyen Van Ly, and for other purposes.

AMENDMENT NO. 2639

At the request of Mr. EDWARDS, his name was added as a cosponsor of amendment No. 2639 intended to be proposed to S. 1637, a bill to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes.

AMENDMENT NO. 2697

At the request of Mr. DEWINE, the name of the Senator from Minnesota (Mr. COLEMAN) was added as a cosponsor of amendment No. 2697 intended to be proposed to S. Con. Res. 95, an original concurrent resolution setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009.

#### STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CORZINE:

S. 2177. A bill to amend title 10, United States Code, to change the effective date for paid-up coverage under the military Survivor Benefit Plan from October 1, 2008, to October 1, 2004; to the Committee on Armed Services.

Mr. CORZINE. Mr. President, I rise today to introduce the Military Sur-

vivors' Fairness Act of 2004, legislation to eliminate a major inequity that has existed for several years among certain year-groups of military retirees already enrolled in the Survivors' Benefit Plan.

In the interest of a strong national defense, it is critical that we keep faith with the men and women who serve in our military. This applies both while military members are serving, and as they move beyond their working years. Our military retirees and their families have made significant sacrifices in the defense of their country. They deserve benefits commensurate with those sacrifices.

In 1972, Congress created the Survivors' Benefit Plan (SBP), giving career military members the option of taking less retirement pay in their own lifetime in return for the continuation of that pay to the surviving spouse, in the event the retiree pre-deceased his or her spouse.

SBP was a wise and important decision by the Congress; hundreds of thousands of military members have enrolled in SBP since 1972, and the program has given much-deserved security and peace of mind to those spouses who, along with military members, share the burdens of a military career.

Congress expanded the Survivor Benefit Plan (SBP) in 1999, by creating the "Paid-Up Provision." Under that provision, retirees who are at least seventy years old and have already been paying into SBP for at least thirty years are considered "paid up" and do not have to continue paying in to receive benefits.

This change provides a modest but frequently important boost to retirees' income at a stage in their lives, in their 70's, when they may be less able to supplement their retirement income from other employment.

However, there is a major caveat, and a significant inequity here. The "Paid-Up Provision", under the 1999 legislation, does not take effect until October 2008. As a result, those who enrolled before 1978 will continue under the current law to have to pay in as much as six years longer than enrollees from 1978 or after.

The SBP program was created in 1972. An effective date of 2008 for the SBP's "Paid-Up Provision" means that those who enrolled in the first six years of the program, i.e., between 1972 and 1977, must, in order to get the same retirement benefits, pay in longer, as much as six years longer, than those who enrolled in 1978 or later.

In other words, those who signed up before 1978 get the same benefits but have to pay a much higher price. This arrangement is unfair on its face and should be corrected.

My bill, the Military Survivors' Fairness Act of 2004, simply takes the "Paid-Up Provision"—already established by Congress in 1999, and moves its effective date ahead four years, from October 1, 2008 to October 1, 2004. That is the only change it makes.

This bill, if approved, would benefit some ninety-two thousand military retirees nationwide, those who enrolled in SBP between 1974 and 1977. The Military Officers Association of America has estimated that the cost would be \$2.7 billion over ten years.

Under my bill, ninety-two thousand military retirees participating in the SBP program, from every State and congressional district, will no longer be forced to pay more for their retirement than military retirees who enrolled in SBP in 1978 or later. This is only fair—the benefits for which these 92,000 are paying are identical, and their service was just as worthy.

The 1999 legislation establishing the “Paid-Up Provision” was a good idea with the wrong effective date—it was given a 2008 effective date because that Congress wanted to defer any budgetary impact. Accounting conventions and budgetary targets, however, should not determine whether we are going to keep faith with our military men and women. Any arrangement that treats them with any trace of unfairness or lack of appreciation for their service is not right, is not in our national interest and should be fixed.

The Military Survivors’ Fairness Act of 2004 is such a fix it—corrects a significant inequity among an important group of military retirees, and I urge its adoption.

I ask unanimous consent that the text of the legislation be printed in the RECORD.

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

S. 2177

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the “Military Survivors’ Fairness Act of 2004”.

#### SEC. 2. EFFECTIVE DATE FOR PAID-UP COVERAGE UNDER SURVIVOR BENEFIT PLAN.

Section 1452(j) of title 10, United States Code, is amended by striking “October 1, 2008” and inserting “October 1, 2004”.

By Mr. CAMPBELL:

S. 2180. A bill to direct the Secretary of Agriculture to exchange certain lands in the Arapaho and Roosevelt National Forests in the State of Colorado; to the Committee on Energy and Natural Resources.

Mr. CAMPBELL. Mr. President, I am pleased to introduce a bill today that would effect a small land exchange to help the city of Golden, CO in its efforts to augment its water supply, that it might better prepare for a resumption of the drought which has plagued our State in the past several years. The bill I am proposing would direct that the U.S. Forest Service complete a land exchange with the city of Golden at the earliest possible date.

In the land exchange, the city would receive approximately 10 acres of National Forest land near Empire, CO. The city needs this land to complete

construction of a 140-foot stretch of water pipeline connecting the West Fork of Clear Creek with a brand new water storage reservoir, known as the Guanella Reservoir, which the city completed in December. The Guanella Reservoir will increase the city’s existing water storage capacity by approximately 40 percent, and better enable it to cope with future water shortages.

This legislation is critical, because while the Guanella Reservoir is now completed, as is the diversion dam, penstock, and all but 140 feet of the connecting pipeline, the reservoir remains dry. In short, the pipeline is completed up to the National Forest boundary, and authorization is needed from either the Forest Service or Congress to complete the small remaining stretch of pipeline that must cross National Forest land. Until that authorization is provided, the reservoir is sitting empty, and that is a situation we do not want to see continued into the dry summer months. Unfortunately, the Forest Service has indicated it would take quite some time, possibly several years, to authorize the pipeline, and we have agreed with them that this land exchange is the best approach to meet everyone’s needs and time frames.

For this reason, I am introducing this important legislation, and have asked the Committee on Energy and Natural Resources to expedite it in every way possible.

Additionally, I would like to note that while providing the city of Golden the ability to finish a critical water storage project, my proposal is also a beneficial deal for the United States. In return for the 10 acres it will give up, the Forest Service will receive up to 80 acres of land near a popular trail and recreation area in Evergreen, CO, and will also receive 55 acres of land on and near the Continental Divide National Scenic Trail in Clear Creek and Summit Counties. The 55 acres are located along one of the most popular stretches of the Trail, and are one of the ways hikers and other users can access the popular Greys and Torreys Peaks, two of the most heavily-climbed 14,000 foot peaks in our State. Further, my bill provides that all land values will be determined in accordance with Forest Service appraisal procedures, so we will be insuring that the United States will receive full market value for its land. In addition, the City is making a donation of Continental Divide Trail lands above which are required. I believe this is truly a “win-win” situation for all concerned, and commend the City for making the additional donation to the Forest Service.

Finally, I would like to note that my proposal has been endorsed by the County Commissioners of all three counties that have lands involved in the trade, the non-profit Continental Divide Trail Alliance, the City of Blackhawk Public Works Department, the Georgetown Loop Scenic Railroad, and by numerous others.

Again, I would recommend this legislation for my colleagues’ quick approval in order that the City of Golden can get on with its urgent needs to supply adequate additional water to its residents this summer.

I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 2180

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the “Arapaho and Roosevelt National Forests Land Exchange Act of 2004”.

#### SEC. 2. LAND EXCHANGE, ARAPAHO AND ROOSEVELT NATIONAL FORESTS, COLORADO.

(a) CONVEYANCE BY THE CITY OF GOLDEN.—

(1) LANDS DESCRIBED.—The land exchange directed by this section shall proceed if, within 30 days after the date of the enactment of this Act, the City of Golden, Colorado (in the section referred to as the “City”), offers to convey title acceptable to the United States to the following non-Federal lands:

(A) Certain lands located near the community of Evergreen in Park County, Colorado, comprising approximately 80 acres, as generally depicted on a map entitled “Non-Federal Lands—Cub Creek Parcel”, dated June, 2003.

(B) Certain lands located near Argentine Pass in Clear Creek and Summit Counties, Colorado, comprising approximately 55.909 acres in 14 patented mining claims, as generally depicted on a map entitled “Argentine Pass/Continental Divide Trail Lands”, dated September 2003.

(2) CONDITIONS OF CONVEYANCE.—The conveyance of lands under paragraph (1)(B) to the United States shall be subject to the absolute right of the City to permanently enter upon, utilize, and occupy so much of the surface and subsurface of the lands as may be reasonably necessary to access, maintain, repair, modify, make improvements in, or otherwise utilize the Vidler Tunnel to the same extent that the City would have had such right if the lands had not been conveyed to the United States and remained in City ownership. The exercise of such right shall not require the City to secure any permit or other advance approval from the United States. Upon acquisition by the United States, such lands are hereby permanently withdrawn from all forms of entry and appropriation under the public land laws, including the mining and mineral leasing laws, and the Geothermal Steam Act of 1970 (30 U.S.C. 1001 et seq.).

(b) CONVEYANCE BY UNITED STATES.—Upon receipt of acceptable title to the non-Federal lands identified in subsection (a), the Secretary of Agriculture shall simultaneously convey to the City all right, title and interest of the United States in and to certain Federal lands, comprising approximately 9.84 acres, as generally depicted on a map entitled “Empire Federal Lands—Parcel 12”, dated June 2003.

(c) EQUAL VALUE EXCHANGE.—

(1) APPRAISAL.—The values of the Federal lands identified in subsection (b) and the non-Federal lands identified in subsection (a)(1)(A) shall be determined by the Secretary through appraisals performed in accordance with the Uniform Appraisal Standards for Federal Land Acquisitions (December 20, 2000) and the Uniform Standards of

Professional Appraisal Practice. Except as provided in paragraph (3), the conveyance of the non-Federal lands identified in subsection (a)(1)(B) shall be considered a donation for all purposes of law.

(2) **SURPLUS OF NON-FEDERAL VALUE.**—If the final appraised value, as approved by the Secretary, of the non-Federal lands identified in subsection (a)(1)(A) exceeds the final appraised value, as approved by the Secretary, of the Federal land identified in subsection (b), the values may be equalized—

(A) by reducing the acreage of the non-Federal lands identified in subsection (a) to be conveyed, as determined appropriate and acceptable by the Secretary and the City;

(B) the making of a cash equalization payment to the City, including a cash equalization payment in excess of the amount authorized by section 206(b) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1716(b)); or

(C) a combination of acreage reduction and cash equalization.

(3) **SURPLUS OF FEDERAL VALUE.**—If the final appraised value, as approved by the Secretary, of the Federal land identified in subsection (b) exceeds the final appraised value, as approved by the Secretary, of the non-Federal lands identified in subsection (a)(1)(A), the Secretary shall prepare a statement of value for the non-Federal lands identified in subsection (a)(1)(B) and utilize such value to the extent necessary to equalize the values of the non-Federal lands identified in subsection (a)(1)(A) and the Federal land identified in subsection (b). If the Secretary declines to accept the non-Federal lands identified in subsection (a)(1)(B) for any reason, the City shall make a cash equalization payment to the Secretary as necessary to equalize the values of the non-Federal lands identified in subsection (a)(1)(A) and the Federal land identified in subsection (b).

(d) **EXCHANGE COSTS.**—To expedite the land exchange under this section and save administrative costs to the United States, the City shall be required to pay for—

(1) any necessary land surveys; and

(2) the costs of the appraisals, which shall be performed in accordance with Forest Service policy on approval of the appraiser and the issuance of appraisal instructions.

(e) **TIMING AND INTERIM AUTHORIZATION.**—It is the intent of Congress that the land exchange directed by this Act shall be completed no later than 120 days after the date of the enactment of this Act. Pending completion of the land exchange, the City is authorized, effective on the date of the enactment of this Act, to construct a water pipeline on or near the existing course of the Lindstrom ditch through the Federal land identified in subsection (b) without further action or authorization by the Secretary, except that, prior to initiating any such construction, the City shall execute and convey to the Secretary a legal document that permanently holds the United States harmless for any and all liability arising from the construction of such water pipeline and indemnifies the United States against all costs arising from the United States' ownership of the Federal land, and any actions, operations or other acts of the City or its licensees, employees, or agents in constructing such water pipeline or engaging in other acts on the Federal land prior to its transfer to the City. Such encumbrance on the Federal land prior to conveyance shall not be considered for purposes of the appraisal.

(f) **ALTERNATIVE SALE AUTHORITY.**—If the land exchange is not completed for any reason, the Secretary is hereby authorized and directed to sell the Federal land identified in subsection (b) to the City at its final appraised value, as approved by the Secretary. Any money received by the United States in

such sale shall be considered money received and deposited pursuant to Public Law 90-171 (16 U.S.C. 484(a); commonly known as the "Sisk Act", and may be used, without further appropriation, for the acquisition of lands for addition to the National Forest System in the State of Colorado.

(g) **INCORPORATION, MANAGEMENT, AND STATUS OF ACQUIRED LANDS.**—Land acquired by the United States under the land exchange shall become part of the Arapaho and Roosevelt National Forests, and the exterior boundary of such forest is hereby modified, without further action by the Secretary, as necessary to incorporate the non-Federal lands identified in subsection (a) and an additional 40 acres as depicted on a map entitled "Arapaho and Roosevelt National Forest Boundary Adjustment—Cub Creek", dated June 2003. Upon their acquisition, lands or interests in land acquired under the authority of this Act shall be administered in accordance with the laws, rules and regulations generally applicable to the National Forest System. For purposes of Section 7 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601-9), the boundaries of the Arapaho and Roosevelt National Forests, as adjusted by this subsection shall be deemed to be the boundaries of such forest as of January 1, 1965.

(h) **TECHNICAL CORRECTIONS.**—The Secretary, with the agreement of the City, may make technical corrections or correct clerical errors in the maps referred to in this section or adjust the boundaries of the Federal lands to leave the United States with a manageable post-exchange or sale boundary. In the event of any discrepancy between a map, acreage estimate, or legal description, the map shall prevail unless the Secretary and the City agree otherwise.

(i) **REVOCATION OF ORDERS AND WITHDRAWAL.**—Any public orders withdrawing any of the Federal lands identified in subsection (b) from appropriation or disposal under the public land laws are hereby revoked to the extent necessary to permit disposal of the Federal lands. Upon the enactment of this Act, if not already withdrawn or segregated from the entry and appropriation under the public land laws, including the mining and mineral leasing laws and the Geothermal Steam Act of 1970 (30 U.S.C. 1001 et seq.), the Federal lands are hereby withdrawn until the date of their conveyance to the City.

By Mr. CAMPBELL:

S. 2181. A bill to adjust the boundary of Rocky Mountain National Park in the State of Colorado; to the Committee on Energy and Natural Resources.

Mr. CAMPBELL. Mr. President, I am today introducing legislation that would authorize the exchange of lands between the Muriel MacGregor Trust and the National Park Service, and to amend the boundary of Rocky Mountain National Park to include the newly acquired land.

Rocky Mountain National Park was established by Congress on January 26, 1915, for the benefit and enjoyment of the people of the United States and to protect the natural conditions and scenic beauties of this portion of the Rocky Mountains. The park currently encompasses approximately 266,000 acres and has some of the most beautiful mountain scenery to be found anywhere in our country. Each year the park draws over 3 million visitors.

The MacGregor Ranch, located near Estes Park, CO, was homesteaded in

1873, which predates the establishment of Rocky Mountain National Park. In 1917, shortly after the establishment of the national park, the National Park Service built a residence for park employees just inside the park boundary, with access via a one-lane dirt road which crosses the MacGregor Ranch for about ¾ of a mile. This access was provided with the permission of the MacGregor family, but no easement, right-of-way, or other legal document was ever recorded.

The MacGregor Ranch is listed on the National Register of Historic Places and is owned by the charitable Muriel MacGregor Trust. The mission of the trust is to support youth education through the preservation and interpretation of the historic buildings and educational tours of this working high mountain cattle ranch. In 1980, the boundary of Rocky Mountain National Park was amended to include much of the MacGregor Ranch, and in 1983 the National Park Service purchased a conservation easement covering 1,221 acres of the ranch. While the ranch is located within the authorized boundary of the national park, it remains private property.

In the early 1970s, hikers and rock climbers began using the access road through the MacGregor Ranch to reach a small parking lot located just inside the park boundary. Known as the Twin Owls trailhead, the popularity of the area has grown steadily. In recent years, overflow parking has negatively impacted the ranch, and traffic on the one-lane access road has negatively affected the character of the historic homestead and has diminished the quality of the historic scene that visitors to the ranch come to experience.

For several years, the National Park Service and the MacGregor Ranch have been working to find a solution to the traffic and parking problems. Several environmental assessments have been prepared to examine various alternatives and gather public input. In 2003, based on public input and an Environmental Assessment, the National Park Service decided to relocate the Twin Owls parking lot to the east end of the MacGregor Ranch, some distance away from the historic homestead. A new access road and a larger trailhead parking lot that can accommodate 80 to 100 cars will be built at the new location.

So that the rules and regulations governing Rocky Mountain National Park can be enforced at the new trailhead and along the access road, the land needs to be incorporated into the national park. To accomplish this, the MacGregor Trust and the National Park Service have agreed to a land exchange. The National Park Service will acquire three parcels of land containing 5.9 acres from the MacGregor Trust for the development of the new parking lot and access road. In exchange, the MacGregor Trust will acquire up to 70 acres from the National Park Service that will be used for

growing hay and cattle grazing. A conservation easement will be placed on the 70 acres that is transferred to the MacGregor Trust. The conservation easement will ensure that the property is used solely for ranching.

The land exchange is intended to be an equal value exchange. One of the three parcels currently owned by the MacGregor Trust is zoned for residential development and has a high monetary value. A conservation easement will be placed on the 70 acres currently owned by the National Park Service, which will diminish its monetary value. If the lands currently owned by the National Park Service are of higher value, less than 70 acres will be transferred to the MacGregor Ranch. If the three parcels owned by the MacGregor ranch are of higher value, the Ranch is willing to accept the unequal value and will only receive a maximum of 70 acres from the National Park Service.

This legislation is needed to authorize the land exchange, and to amend the park boundary to include the new lands to be added to park.

I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 2181

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Rocky Mountain National Park Boundary Adjustment Act of 2004".

#### SEC. 2. DEFINITIONS.

In this Act:

(1) **FEDERAL PARCEL.**—The term "Federal parcel" means the parcel of approximately 70 acres of Federal land near MacGregor Ranch, Larimer County, Colorado, as depicted on the map.

(2) **MAP.**—The term "map" means the map numbered 121/60,467, dated September 12, 2003.

(3) **NON-FEDERAL PARCELS.**—The term "non-Federal parcels" means the 3 parcels of non-Federal land comprising approximately 5.9 acres that are located near MacGregor Ranch, Larimer County, Colorado, as depicted on the map.

(4) **PARK.**—The term "Park" means Rocky Mountain National Park in the State of Colorado.

#### SEC. 3. ROCKY MOUNTAIN NATIONAL PARK BOUNDARY ADJUSTMENT.

(a) **EXCHANGE OF LAND.**—

(1) **IN GENERAL.**—The Secretary shall accept an offer to convey all right, title, and interest in and to the non-Federal parcels to the United States in exchange for the Federal parcel.

(2) **CONVEYANCE.**—Not later than 60 days after the date on which the Secretary receives an offer under paragraph (1), the Secretary shall convey the Federal parcel in exchange for the non-Federal parcels.

(3) **CONSERVATION EASEMENT.**—As a condition of the exchange of land under paragraph (2), the Secretary shall reserve a perpetual easement to the Federal parcel for the purposes of protecting, preserving, and enhancing the conservation values of the Federal parcel.

(b) **BOUNDARY ADJUSTMENT; MANAGEMENT OF LAND.**—On acquisition of the non-Federal

parcels under subsection (a)(2), the Secretary shall—

(1) adjust the boundary of the Park to reflect the acquisition of the non-Federal parcels; and

(2) manage the non-Federal parcels as part of the Park, in accordance with any laws (including regulations) applicable to the Park.

By Mr. BINGAMAN (for himself, Mr. LUGAR, and Mr. DODD):

S. 2183. A bill to amend the Child Nutrition Act of 1966 to create team nutrition networks to promote the nutritional health of school children; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. BINGAMAN. Mr. President, Federal child nutrition programs have long played a critical role in promoting healthy diets for American children. First conceived over 50 years ago in response to concerns about the impacts of the diets of American youth on their fitness for the armed forces, Federal child nutrition programs have since expanded and evolved to meet the needs of a diverse population.

However, alarming increases in obesity rates for children and adolescents indicate that we are not doing enough in terms of nutrition education. The statistics are truly startling. Heart disease, cancer, stroke, and diabetes are responsible for two out of three deaths in the United States, and the major risk factors for those diseases and conditions are established in childhood through unhealthy eating habits, physical inactivity, obesity, and tobacco use. In the last two decades, obesity rates have doubled in children and tripled in adolescents, and today, one in seven young people are obese, and one in three are overweight. Additionally, three out of four high school students in the United States do not eat the recommended five or more servings of fruits and vegetables each day. Finally, a recent report by the Surgeon General estimated that obesity-related costs in the U.S. are close to \$100 billion a year.

Unfortunately, nutrition education programs have been chronically underfunded. We have authorized 50 cents for every child served through Federal child nutrition programs, which is equivalent to over \$24 million. This amount refers not to 50 cents per day, per week, or per month—this is 50 cents per year! However, last year, the only nutrition education program specifically directed at our Nation's school children, Team Nutrition, was funded at \$10 million. This is equivalent to spending 21 cents a year on each child, a woefully inadequate amount. In addition, no funds were appropriated to nutrition education programs specifically designed to help States implement Team Nutrition materials.

The Early Attention to Nutrition (EATN) Act of 2004, which I am introducing today together with Senators Lugar and Dodd, would raise the total amount dedicated to nutrition education to \$50 million a year. The funds would be used by the USDA to develop Team Nutrition materials, and to sup-

port Team Nutrition Networks in the States. Currently, only 21 States receive funding through Team Nutrition. This bill would allow all States to obtain Team Nutrition grants, and would fund a Team Nutrition Network in each State, which would be responsible for disseminating and coordinating nutrition education initiatives. The goal of the Team Nutrition Networks is to: instruct students with regard to the nutritional value of foods and the relationship between food and human health; provide assistance to schools in the adoption and implementation of school policies that promote healthy eating; foster community environments that support healthy eating and physical activities; provide training and technical assistance to teachers and school food service professionals consistent with this section; evaluate State and local nutrition education programs; disseminate educational materials statewide through the use of the Internet, mailings, conferences, and other communication channels; provide subgrants to school and school food authorities for carrying out nutrition education activities at the local level; and provide information to parents and caregivers regarding the nutritional value of food and the relationship between food and health.

Now is the time to take action toward improving the health and well-being of our Nation's youth. The cost of improving the health of our children will be far less than the cost of the health consequences to come if we do nothing.

I ask unanimous consent that the text of the bill and two letters of support be printed in the RECORD.

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

S. 2183

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Early Attention To Nutrition (EATN) Act of 2004".

#### SEC. 2. FINDINGS.

Congress finds that—

(1) heart disease, cancer, stroke, and diabetes are responsible for  $\frac{2}{3}$  of deaths in the United States;

(2) the major risk factors for those diseases and conditions are established in childhood through unhealthy eating habits, physical inactivity, obesity, and tobacco use;

(3) obesity rates have doubled in children and tripled in adolescents over the last 2 decades;

(4) today, 1 in 7 young people are obese, and 1 in 3 are overweight;

(5) obese children are twice as likely as nonobese children to become obese adults;

(6) an overweight condition and obesity can result in physical, psychological, and social consequences, including heart disease, diabetes, cancer, depression, decreased self-esteem, and discrimination;

(7) only 2 percent of children consume a diet that meets the 5 main recommendations for a healthy diet from the Food Guide Pyramid published by the Secretary of Agriculture;

(8) 3 out of 4 high school students in the United States do not eat the recommended 5

or more servings of fruits and vegetables each day; and

(9) 3 out of 4 children in the United States consume more saturated fat than is recommended in the Dietary Guidelines for Americans published by the Secretary of Agriculture.

#### SEC. 3. TEAM NUTRITION NETWORK GRANTS.

Section 19 of the Child Nutrition Act of 1966 (42 U.S.C. 1788) is amended to read as follows:

##### “SEC. 19. TEAM NUTRITION NETWORK GRANTS.

“(a) PURPOSES.—The purposes of this section are—

“(1) to promote the nutritional health of school children through nutrition education and other activities that support healthy lifestyles for children;

“(2) to provide grants to States for the development of statewide, comprehensive, and integrated nutrition education programs; and

“(3) to provide training and technical assistance to States, school and community nutrition programs, and child nutrition food service professionals.

“(b) DEFINITION OF TEAM NUTRITION NETWORK.—In this section, the term ‘team nutrition network’ means a multidisciplinary program to promote healthy eating to children based on scientifically valid information and sound educational, social, and marketing principles.

“(c) GRANTS.—The Secretary is authorized to make grants to State educational agencies to promote the nutritional health of school children through the establishment of team nutrition networks.

“(d) ALLOCATION.—

“(1) IN GENERAL.—Subject to paragraph (2) and subsections (g) and (h), the Secretary shall allocate funds made available for a fiscal year under subsection (i) to make grants to eligible State educational agencies for a fiscal year in an amount determined by the Secretary, based on the ratio that—

“(A) the number of lunches reimbursed through food service programs under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.) in schools, institutions, and service institutions in the State that participate in the food service programs; bears to

“(B) the number of lunches reimbursed through the food service programs in schools, institutions, and service institutions in all States that participate in the food service programs.

“(2) MINIMUM GRANT.—

“(A) IN GENERAL.—The amount of a grant made to a State educational agency for a fiscal year under this section shall not be less than \$500,000.

“(B) INSUFFICIENT FUNDS.—If the amount made available for any fiscal year is insufficient to pay the amount to which each eligible State educational agency is entitled under subparagraph (A), the Secretary shall select, on a competitive basis, eligible State educational agencies that will receive, at least, the minimum amount of grants required under subparagraph (A).

“(e) ELIGIBILITY.—To be eligible to receive a grant under this section, a State educational agency shall submit a State plan to the Secretary for approval, in such manner and at such time as the Secretary determines, that includes information regarding how the grant will be used in accordance with this section.

“(f) USES OF GRANT.—Subject to subsection (g), a grant made under this section may be used to—

“(1) instruct students with regard to the nutritional value of foods and the relationship between food and human health;

“(2) promote healthy eating by children;

“(3) provide assistance to schools in the adoption and implementation of school policies that promote healthy eating;

“(4) foster community environments that support healthy eating and physical activities;

“(5) provide training and technical assistance to teachers and school food service professionals consistent with this section;

“(6) evaluate State and local nutrition education programs;

“(7) disseminate educational materials statewide through the use of the Internet, mailings, conferences, and other communication channels;

“(8) provide subgrants to school and school food authorities for carrying out nutrition education activities at the local level; and

“(9) conduct programs and education for parents and caregivers regarding healthy eating for children.

“(g) STATE COORDINATORS.—

“(1) IN GENERAL.—The Secretary shall ensure that at least 10 percent of a grant made to a State educational agency for each fiscal year is used by the State educational agency to appoint a team nutrition network coordinator for the State.

“(2) ROLE OF STATE COORDINATORS.—A team nutrition network coordinator for a State shall—

“(A) develop and administer the team nutrition network in the State; and

“(B) coordinate the team nutrition network of the State with—

“(i) the Secretary (acting through the Food and Nutrition Service);

“(ii) State agencies responsible for children's health programs (including school-based children's health programs); and

“(iii) other appropriate Federal, State, and local agencies.

“(h) NATIONAL ACTIVITIES.—

“(1) IN GENERAL.—The Secretary shall reserve 20 percent of the amount of funds made available for each fiscal year under subsection (i) to promote team nutrition networks nationally in accordance with this subsection.

“(2) ACTIVITIES.—Of the amount of funds that are reserved for a fiscal year under this section, the Secretary shall use—

“(A) 50 percent of the reserved funds for—

“(i) evaluation of activities funded under this section; and

“(ii) development of a clearinghouse for collecting and disseminating information on best practices for promoting healthy eating in school and community child nutrition programs; and

“(B) 50 percent of the reserved funds to carry out national activities to support team nutrition networks through the Secretary, acting through the Undersecretary of Food and Nutrition Services.

“(i) FUNDING.—

“(1) IN GENERAL.—On October 1, 2004, and on each October 1 thereafter through October 1, 2007, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture to carry out this section \$50,000,000, to remain available until expended.

“(2) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under paragraph (1), without further appropriation.”.

AMERICAN DIETETIC ASSOCIATION,  
Washington, DC.

DEAR SENATOR BINGAMAN: Congratulations on developing the Early Attention to Nutrition Bill (EATN Bill) of 2004. ADA believes that when fully funded this bill will provide American children and their families with better nutrition education, physical activity

education, and an overall more supportive environment that will help them develop healthy eating and activity patterns for life.

The American Dietetic Association is the world's largest food and professional association, and bases its work on evidence-based science to make recommendations that can promote optimal nutritional health and well-being. With that commitment to the public, our members are particularly pleased that this bill give due focus to nutrition education.

ADA supports the legislation's concept of the team Nutrition Network. Once enacted, Congress will need to assure funding for these programs so that they may genuinely contribute to improved health for American children. Your support for a funding level that would ensure that all 50 states receive at least a minimum level of funding is highly commendable and right on target as to what is needed. The nutrition education programs funded by these grants should be made available to both School lunch and breakfast sites as well as the CACFP programs governed by the Child Nutrition Act. Nutrition education and physical activity are key components to promoting healthy lifestyles and must be addressed across programs.

Thank you for introducing this very important legislation. The ADA is pleased to endorse this important step toward improving the health of our children.

Sincerely,

RONALD E. SMITH,  
Director Government Affairs.

CENTER FOR SCIENCE IN THE  
PUBLIC INTEREST,  
March 8, 2004.

Hon. JEFF BINGAMAN,  
Hart Senate Office Building, Washington, DC.

Attention: Dr. Daniela Ligiero.

DEAR SENATOR BINGAMAN: The Center for Science in the Public Interest (CSPI) thank you for your long-standing record of leadership in promoting healthy eating among children. CSPI is a nonprofit health organization specializing in nutrition that has over 800,000 members and subscribers to its Nutrition Action Healthletter. We are pleased to strongly support your “Early Attention to Nutrition Act.”

As obesity rates have doubled in children and tripled in adolescents over the last two decades, the need for effective nutrition education for children has become painfully apparent. Your bill establishes a Team Nutrition Network that would help educate children about the importance of healthy eating to lifelong health. While the U.S. Department of Agriculture's current Team Nutrition education program has been effective in helping states to develop innovative nutrition education programs, it does not provide consistent and reliable funding year-to-year, nor does it include a central mechanism to facilitate information-sharing between states on best practices and innovations. The Team Nutrition Network that your bill would establish is needed as an addition to the existing Team Nutrition program to develop and deliver effective nutrition education programs and activities in schools.

Again, CSPI applauds your efforts to help ensure that schoolchildren are taught valuable skills for lifelong healthy eating. We look forward to continuing to work with you and your staff to promote children's health.

Sincerely,

MARGO G. WOOTAN,  
D. Sc., Director, Nutrition Policy.

By Mr. CHAMBLISS:

S. 2185. A bill to simplify the process for admitting temporary alien agricultural workers under section

101(a)(15)(H)(ii)(a) of the Immigration and Nationality Act, to increase access to such workers, and for other purposes; to the Committee on the Judiciary.

Mr. CHAMBLISS. Mr. President, I introduce the Temporary Agriculture Work Reform Act of 2004.

American farmers are the most efficient farmers in the world. Technologies have allowed farmers to produce higher quality products while increasing yields, and at the same time, reducing pesticide use. I applaud our farmers for their important role in our Nation's economy.

One obstacle that agriculture producers continually grapple with is labor. For many years, migrant workers have been the main source of labor for agriculture. In fact, today migrant workers make up about 56 percent of farm labor. A key issue for our American producers is having an efficient program to provide an agriculture workforce.

Reforms to the H2A program are warranted and needed. The program should be user-friendly for both growers and workers with less bureaucratic hassle. The program should operate in such a way to ensure that American producers can have their crops harvested in a timely fashion and that willing workers can get access to job opportunities. We need a program that is easy to use and provides a stable, reliable workforce for America's farmers.

My guest worker legislation reforms the cumbersome and uncompetitive aspects of the H2A temporary agriculture worker program—without providing amnesty to illegal aliens in the U.S. The bill gives farmers and workers a more functional program by simplifying the application process, providing a prevailing wage rate, and ensuring U.S. workers are not displaced.

The Adverse Effect Wage Rate, known by its acronym AEWR, has consistently failed to provide competitive incentives for farmers to become users of the H2A program. Due to the current need for foreign workers and job protections in place for domestic workers, the AEWR is no longer necessary. By replacing the AEWR with a prevailing wage rate, legal workers will maintain a pay scale that is equal with their counterparts.

The bill provides a labor attestation process to ensure that American workers are not displaced. This labor attestation process replaces the burdensome labor certification process currently in effect, which too often causes delays that have a detrimental effect on the seasonal agricultural industry. A similar labor attestation process has worked well for the H1B visa program, and I believe it can be used effectively for the H2A program. The bill also mandates stiff penalties on employers for misrepresentation and U.S. worker displacement. Bottom line, if a U.S. worker wants the job, under my bill he can have it.

But when foreign workers are needed, the bill encourages workers to come to

the United States through legal channels. A one-time waiver allows foreign workers to apply for the H2A program from their home country if that person is inadmissible to the U.S. due to prior authorized entry—this will deter the cycle of illegal entry that endangers our national security. My bill does not provide amnesty or a new way for illegal aliens to adjust to legal permanent resident status other than in accordance with current law.

Finally, the bill includes a few narrow provisions, including re-establishing language that Congress has repeatedly passed on appropriations bills, to protect against frivolous lawsuits. Our farmers should be providing for America's dinner table, not defending meritless lawsuits.

There are a number of guest worker bills already introduced in the Senate, and in fact, my Subcommittee held the first hearing several weeks ago on the President's guest worker proposal. The bill I am introducing today is a good first step to the kind of overall reform we need. It meets our economic interests, protects U.S. workers, and respects the rule of law without a broad amnesty for illegal aliens.

This legislation establishes a common sense and competitive H2A program so that these employers can continue to produce the highest quality food supply in the world. I look forward to working with my colleagues to pass a much needed reform to the H2A program this year.

By Mr. DASCHLE (for Mr. KERRY):

S. 2186. A bill to temporarily extend the programs under the Small Business Act and the Small Business Investment Act of 1958, through May 15, 2004, and for other purposes; to the Committee on Small Business and Entrepreneurship.

(At the request of Mr. DASCHLE, the following statement was ordered to be printed in the RECORD.)

• Mr. KERRY. Mr. President, today I introduce legislation that keeps the Small Business Administration and its financing and counseling assistance available to small businesses. Small businesses need us to act now to keep critical assistance available to our Nation's biggest job creators.

There should not be any objections to this bill. It has broad support in the small business and the lending communities. The lending provisions of the bill have the support of small borrowers that testified before Congress over the past few weeks and the support of a coalition of small business trade associations, including the trade associations of 504 lenders and of 7(a) lenders, the American Bankers Association and the Independent Community Bankers Association, as well as the National Small Business Alliance and the U.S. Chamber of Commerce, and the women's business center provisions have the support of women's trade associations such as Women Im-

pacting Public Policy and the Association of Women's Business Centers.

This bill authorizes the SBA and most of its programs through the May 15, 2004, which will allow time for the House to complete its work on the SBA's 3-year reauthorization bill, passed by the Senate in September 2003. In addition, this bill addresses several urgent issues that are critical to keep SBA programs operating and helping small businesses across the country.

Let me outline these for you. The first provision authorizes the continued operation of the SBA's 504 loan guarantee program for the rest of fiscal year 2004. Unless we act, the authority to operate this program will expire on March 15, next Monday, and small businesses in need of financing for fixed assets will be turned away. These loans are for growing small businesses that need loans with long repayment terms and fixed interest rates to afford a new building or perhaps land to expand their business and their workforce, or equipment to improve or increase production. The lenders who make these loans serve a unique role in our economy—they develop economic opportunities where conventional lenders are not willing to take a risk. They are not a shy group, and care deeply about the communities where they live. I am sure most, if not all, Senators have received numerous calls and communications from them over the past few weeks. It is my hope that extending authorization will provide some stability to the industry so that they continue to fund our growing businesses, and then in the near future, the House will consider our more comprehensive SBA reauthorization legislation, bill number S. 1375, that we passed in September, to enact other important 504 program improvements that are supported by the small business community. This loan program requires no appropriations because it is funded entirely by fees that borrowers and lenders pay.

The second provision keeps open the doors of our most experienced and successful Women's Business Centers, again without added cost to the Treasury. This bill contains a small adjustment to the Women's Business Center program that updates the current funding formula. The adjustment changes the portion of funding allowed for women's business centers in the sustainability part of the program to keep up with the increasing number of centers that will need funding this fiscal year. In short, this change directs the SBA to reserve 48 percent of the appropriated funds for the sustainability centers, instead of 30 percent, which will give the most experienced centers the greatest opportunity to receive sustainability funding, while still allowing for new centers and protecting existing ones.

Currently there are 88 women's business centers. Of these, 35 are in the initial grant program and 53 will have graduated to the sustainability part of



the program. These sustainability centers make up more than half of the total women's business centers, but under the current funding formula are only allotted 30 percent of the funds. Without the change to 48 percent, all grants to sustainability centers could be cut in half—or worse, 23 experienced centers could lose funding completely. Cutting funding for these, our most efficient and successful centers, would not only be detrimental to the centers themselves, but also to the women they serve, to their local communities, to their states, and to the national economy.

As the author of the Women's Business Centers Sustainability Act of 1999, I can tell you that when the bill was signed into law, it was Congress's intent to protect the established and successful infrastructure of worth, performing centers. The law was designed to allow all graduating Women's Business Centers that meet certain performance standards to receive continued funding under sustainability grants. This approach allows for new centers to be established—but not by penalizing those that have already demonstrated their worth. It was our intention to continue helping the most productive and well-equipped women's business centers, knowing that demand for such services was rapidly growing.

Today, with women-owned businesses opening at one-and-a-half times the rate of all privately held firms, the demand and need for women's business centers is even greater. Until Congress makes permanent the Women's Business Center Sustainability Pilot program, as intended in Senate-passed legislation, an extension of authority and increase in sustainability funds is vital—not only to the centers themselves, but to the women's business community and to the millions of workers employed by women-owned businesses around the country.

The importance of the women's business centers to small business owners in communities across this country cannot be overstated. Take for instance the story of Melanie Marsden and Shannon Lawler, who recently opened A Better Place to Be Day Spa in Charlestown, MA. While working on a business plan last summer, the two hopeful entrepreneurs happened across the website of the Center for Women and Enterprise (CWE), a women's business center in Boston. Having just signed a lease and with a target opening for their spa quickly approaching, Melanie and Shannon were looking for help, and quick. At first, the process seemed overwhelming, but the experts at CWE were able to guide Melanie and Shannon through the complicated process—from business plan to long-term financing and management. CWE helped Melanie and Shannon open A Better Place to Be Day Spa and already see a steady stream of clients pass through their doors. Without CWE, Melanie and Shannon believe that they would not have opened their

business on time, or at all. Last year alone, women's business centers like CWE helped over 100,000 entrepreneurs just like Melanie and Shannon with their small business needs. The majority of these women have few resources and little access to business development assistance, and without the women's business centers, they might have none.

As I have said on more than one occasion, women business owners do not get the recognition they deserve for the contribution to our economy: Eighteen million Americans would be without jobs today if it weren't for these entrepreneurs who had the courage and the vision to strike out on their own. For 19 years, as a member of the Senate Committee on Small Business and Entrepreneurship, I have worked to increase the opportunities for these enterprising women, leading to greater earning power, financial independence and asset accumulation. For these women, in addition to the challenge and experience of running their own business, it means having a bank account, buying a home, sending their children to college, and being in control of their own future.

I want to again express my sincere and continuing support for the growing community of women entrepreneurs across the Nation and for the invaluable programs through which the SBA provides women business owners with the tools they need to succeed. For years, I have fought for increased funding for SBA assistance that helps women entrepreneurs, including measures that have sustained and expanded the Women's Business Centers, and give women entrepreneurs their deserved representation within the Federal procurement process.

The third provision makes temporary changes to the SBA's largest loan program, the so-called 7(a) program, in order to compensate for the administration's budget gimmicks and program mismanagement that caused a substantial shortage in funding. This shortage led to a temporary shutdown of the program in January, followed by lending restrictions that created serious financial hardships for small businesses and reduced access to affordable capital for small businesses in general. For the remainder of fiscal year 2004, a coalition of 7(a) lenders and small business groups have worked with Congress to come up with some limited fees, paid by lenders and not borrowers, that will increase the amount of lending available. That extra funding will increase from \$9.5 billion to more than \$11 billion the amount of loan guarantees available to small businesses. With more funding, Congress expects the SBA to lift the loan cap size of \$750,000 and other restrictions, give priority in processing and approval to eligible small businesses that have been shut out this year, and require the SBA to renew export working capital loans to eligible small businesses.

Of course, these changes would not be necessary if the administration had ei-

ther requested adequate funding in its budget or used its authority to reprogram money to compensate for the shortfall. It also could have sent up a request for supplemental funding. On three different occasions, I wrote to the administration urging these actions, with the support of Senators LEVIN, HARKIN, LIEBERMAN, LANDRIEU, EDWARDS, CANTWELL, BAYH, and PRYOR, urging any of these solutions, but the administration refused to act. Instead, the insufficient funding was compounded by mismanagement and the program was completely shutdown from January 6 to January 14. When the administration reopened the program, it was with extreme restrictions. The restrictions were aimed at keeping the demand for the loans down without regard to their effect on the small businesses the Agency is intended to serve. Small businesses appealed to the administration and our committees for help because they were caught in the middle. For example, one company in Pennsylvania has a \$1 million export working capital loan that needs to be renewed, but it can't because one of SBA's restrictions does not allow loans of more than \$750,000. At risk is the home of one of the owners because it is part of the collateral securing the existing loan. This company is qualified; it's just trapped by the SBA's restrictions. With your help in passing this bill immediately, we can do the right thing for these small business owners and others who played by the rules. There is no cost to the Treasury in enacting these provisions.

Last, the fourth provision, addresses an urgent need for some firms in New York needing disaster loan assistance. Many have said we should wait until we address other SBA legislation in the next 60 days. However, hundreds of jobs are at stake and these businesses do not have 2 months. This language is included at the bipartisan request of the House Small Business Committee leadership. Their staffs worked closely with the SBA to develop this language, which is acceptable to all of them. In addition to the support of House Committee Chairman DON MANZULLO and Ranking Member NYDIA VELÁZQUEZ, this provision is also supported by Congresswoman SUE KELLY and Senator CHARLES SCHUMER.

All four provisions address circumstances that require immediate action. Let me remind everyone: Without this legislation, the SBA's loan program for growing businesses, commonly referred to as the 504 Loan Guarantee Program, would shut down next Monday, March 15, 2004. Without this legislation, the future of counseling and training for women starting and growing their businesses, through the most established SBA's Women's Business Centers, would be compromised. Without this legislation, small businesses with their homes and life savings at stake may face financial and personal devastation because of program mismanagement. Without this



legislation, small business disaster victims may go out of business.

Mr. President, I ask unanimous consent that two letters relating to programs affected by this legislation be printed in the RECORD. I thank my colleagues for their support of small businesses and for considering immediate passage of this important small business bill.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

A BETTER PLACE TO BE DAY SPA,  
Charlestown, MA.

DEAR SENATOR KERRY: This past summer I had the opportunity to work with the Center for Women & Enterprise when I was in the beginning stages of writing a business plan for a small day spa that had long been a dream. My business partner and childhood friend and I were both born to working class families and raised in Charlestown. I was educated in the Boston Public School system and went on to attend Boston University on one of their Boston Scholars full tuition scholarships. While working full time after graduation, I decided to enroll at the Muscular Therapy Institute in Cambridge with the goal in mind of opening my own business someday. My business partner held down a full time job and attended The Elizabeth Grady School of Aesthetics in preparation for our venture. While for many years we talked about our dream, we know that making that dream become the reality it is today, would not have been possible without programs like the Center for Women & Enterprise and the Small Business Administration.

For the last 2 years we had been keeping our eyes and ears open about commercial space in Charlestown, which is not easy to come by and generally not affordable. Our goal was to open by May 2004 (when I will turn 30 and my partner will be 31). We hadn't even begun the business plan writing when the ideal location became available in August. The 1,500 square foot commercial space is located at Mishuam Park Apartments on Maine Street in Charlestown which is an apartment complex funded through the HUD Section 236 program and is managed by Peabody Properties. We had to move quickly on the space and before we knew it we had signed a lease and incorporated in a matter of days. Our target opening date then became November 1st which didn't leave us much time to pull things together but we didn't even know how overwhelming the whole process might have been if we had not found the Center for Women & Enterprise.

After contacting CWE, I received a call back within minutes from Bea Chiem and she would prove to be an invaluable resource to us during the following months. She took what was very complicated and overwhelming for us and made it so much easier to understand. Every time we would come to a part of the financials that we thought we might never figure out, we knew Bea was only a phone call away. I was most impressed by her response time to each and every question I had. Her patience, knowledge and belief in our vision played a major role in us getting the financing we needed. CWE should be proud to have such a caring and knowledgeable woman on the team.

The closing on our loan with Sovereign finally took place last week and we got a \$60,000 term loan and the \$40,000 line of credit we requested from Sovereign through an SBA loan. Shannon and I cannot thank the Center for Women & Enterprise enough for all of their help. We have no doubt that without CWE (and Bea) in our corner the finan-

cial institutions we approached would not have taken us as seriously.

The way in which the center for Women & Enterprise reaches out to help women in business inspired us to do the same. In selecting suppliers and inventory for our gift shop within the spa, we chose to carry products that were made by women or by women owned businesses with a preference given to Massachusetts or New England based businesses.

A Better Place to Be Day Spa, was received well by the Charlestown community, we had 400 people at our grand opening open house on November 1st and have a steady stream of clients coming through our doors each day. And in the short time we have been open we have seen many repeat clients already. Our business got off to a great start because of the Center for Women & Enterprise and as we continue to grow I will be sure to let our clients know that A Better Place to Be Day Spa is here because of the guidance we received from the Center for Women & Enterprise and the support of the Small Business Administration.

In closing I need you to know that what the Center for Women & Enterprise and the SBA do for women in business is truly incredible. I particularly enjoy the frequent newsletters outlining upcoming events as well as educational opportunities and workshops that I will be sure to take advantage of in the future. A Better Place to Be Day Spa will be represented at the upcoming State House Day and we will continue to look for ways that we can give back to other women in business through CWE.

Thank you.

MELANIE MARSDEN,  
SHANNON LAWLER,  
Owners.

NATIONAL ASSOCIATION OF  
WOMEN BUSINESS OWNERS,  
Kansas City MO, March 9, 2004.

Hon. JOHN KERRY,  
Ranking Member, Committee on Small Business  
and Entrepreneurship.

DEAR SENATOR KERRY: On behalf of the Kansas City chapter of the National Assoc. of Women Business Owners (representing 200 members), I would like to request the following actions be taken regarding the SBA 7(a) program.

Absent the SBA asking congress for additional funding, NAWBO supports increasing fees on lenders as an approach to adequately fund the SBA 7(a) program and to lift restrictions.

Specifically, NAWBO would like the program to:

Allow piggyback loans, but charge a 0.50 percent lender fee for each;

Raise lender fees by 0.10 percent; and

For loans that are under \$150,000, have lenders pay the SBA the 0.25 percent fee that lenders currently keep for themselves. This only applies to these small loans.

Thank you.

ELAINE HAMILTON,  
Public Policy Chair.●

#### SUBMITTED RESOLUTIONS

SENATE RESOLUTION 312—COMMENDING THE BRAVERY OF THE INITIAL RESPONDERS IN THE BALTIMORE HARBOR WATER TAXI ACCIDENT OF MARCH 6, 2004

Ms. MIKULSKI (for herself and Mr. SARBANES) submitted the following resolution; which was considered and agreed to:

S. RES. 312

Whereas on Saturday, March 6, 2004, a water taxi overturned in Baltimore Harbor during a sudden and vicious storm;

Whereas 25 passengers were thrown into the Harbor, into frigid 43 degree water, with little chance of survival;

Whereas tragically, 1 person died and 3 people are presumed to be dead;

Whereas if not for the immediate action of the initial responders, more lives would certainly have been lost;

Whereas the initial responders demonstrated extraordinary bravery in their heroic response in rescuing the passengers;

Whereas after noticing the accident, the initial responders rushed to the scene, piloting their vessel to the accident site and immediately diving into the frigid waters in their street clothes and boots to help those clinging for their lives;

Whereas the initial responders not only saved those clinging to the boat for survival but used their exceptional skills and ingenuity to elevate the capsized boat to rescue those passengers trapped beneath;

Whereas the team of initial responders worked together to pull the passengers out of the water, identify those who needed immediate medical attention, turn the Fort McHenry Drill Hall into a triage center to identify the victims who were most in need, and provide all with dry clothing and warm blankets;

Whereas it was a team effort to rescue and save those stranded in the freezing Chesapeake waters that involved rescuers in the water, on the pier, and at Fort McHenry;

Whereas we commend the courage and resolution of Maryland's outstanding initial responders whose quick reaction to this terrible accident saved lives; and

Whereas we praise these initial responders—the Navy Reservists, Coast Guard, Maritime Fire Department, Baltimore Fire Department, Bowleys Quarters Search and Rescue Team, and the emergency medical team—who worked together as a team to rescue people and save lives: Now, therefore, be it

*Resolved*, That the Senate—

(1) pays tribute to the victims of this terrible accident and expresses its condolences to their families;

(2) commends the initial responders in the Baltimore water taxi accident of March 6, 2004, for their bravery, quick thinking, courage, and ingenuity in rescuing the passengers of the water taxi that capsized after a sudden and vicious storm swept over the Baltimore Harbor; and

(3) commends the team of initial responders for this extraordinary demonstration of their ongoing commitment and dedication to saving lives.

SENATE RESOLUTION 313—EXPRESSING THE SENSE OF THE SENATE ENCOURAGING THE ACTIVE ENGAGEMENT OF AMERICANS IN WORLD AFFAIRS AND URGING THE SECRETARY OF STATE TO COORDINATE WITH IMPLEMENTING PARTNERS IN CREATING AN ONLINE DATABASE OF INTERNATIONAL EXCHANGE PROGRAMS AND RELATED OPPORTUNITIES

Mr. FEINGOLD (for himself and Mr. HAGEL) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 313

Whereas many polls and studies have indicated that the United States needs to do a

better job of building personal and institutional relationships with peoples and nations around the world in order to combat anti-American sentiment;

Whereas broad bipartisan consensus in favor of strengthening United States public diplomacy emerged during 2003 in both Houses of Congress and in various reports, including reports of the Council on Foreign Relations, the General Accounting Office, the Advisory Commission on Public Diplomacy, the Heritage Foundation, and the Advisory Group on Public Diplomacy for the Arab and Muslim World;

Whereas in November 2003, NAFSA: Association of International Educators warned that Americans' lack of knowledge of the world represents a national liability in the fight against terrorism;

Whereas international exchange programs, which have assisted in extending American influence in the world by educating the world's leaders, are suffering from a decline in funding and policy priority;

Whereas the number of United States university-level students studying abroad in 2001–2002 was 160,920, representing just over 1 percent of United States students;

Whereas % of United States students studying abroad study in Western Europe (18.7 percent in the United Kingdom alone), although 95 percent of the world population growth in the next 50 years is expected to occur outside Western Europe;

Whereas the number of scholarships for foreign students studying at United States institutions has dropped from 20,000 a year in the 1980s to 900 in 2003;

Whereas there are 29,400,000 retired workers in the United States as of June 2003, meaning that there are many older Americans who have the talent, maturity, and time to volunteer their services abroad;

Whereas the average American college graduate who has studied 1 of the less commonly taught languages reaches no more than an intermediate level of proficiency in the language, which is insufficient to meet national security requirements; and

Whereas there are hundreds of well-established organizations in the United States that implement educational and professional exchanges, international volunteering, and related programs, and the efforts of those organizations could readily be expanded to reach out to more Americans: Now, therefore, be it

*Resolved,*

#### SECTION 1. SHORT TITLE.

This resolution may be cited as the "People-to-People Engagement in World Affairs Resolution".

#### SEC. 2 SENSE OF SENATE.

It is the sense of the Senate—

(1) to urge the Secretary of State to coordinate with implementing partners in creating an online database that provides information on how Americans can take advantage of—

(A) international exchange programs of the Department of State, the Department of Education, and other Federal Government and non-government entities;

(B) volunteer opportunities with organizations that assist refugees and immigrants in the United States;

(C) opportunities to host international students and professionals in the United States;

(D) sister-city organizations in the United States;

(E) international fairs and cultural events in the United States; and

(F) foreign language learning opportunities;

(2) to challenge Americans to become more engaged in international affairs and more aware of peoples and developments outside the United States; and

(3) to encourage Americans to seize 1 or more opportunities toward this end, by such means as—

(A) participating in a professional or cultural exchange;

(B) studying abroad;

(C) volunteering abroad;

(D) working with an immigrant or refugee group;

(E) hosting a foreign student or professional;

(F) participating in a sister-city program; and

(G) learning a foreign language.

Mr. FEINGOLD. Mr. President, I am pleased to submit the People-to-People Engagement in World Affairs resolution with my esteemed colleague, Senator CHUCK HAGEL.

In the 1960s, during a troubled and divisive time for our country, President John F. Kennedy challenged Americans to "ask not what your country can do for you—ask what you can do for your country." Today, the need is even more urgent for Americans to be active participants both in the United States and abroad.

This People-to-People Engagement in World Affairs resolution is a call to Americans to look beyond our borders to engage with the wider world at an individual, human level. It encourages Americans to seize opportunities to engage in the global arena—through participating in a professional or cultural exchange; studying or volunteering abroad; working with an immigrant or refugee group in the United States; hosting a foreign student or professional; participating in a sister-city program; and/or learning a foreign language.

It also asks the Secretary of State to coordinate with implementing partners in creating an online database that lists these opportunities for Americans.

In today's world, our challenges and opportunities are global in nature. Terrorism, the greatest threat to our national security, crosses all national boundaries and feeds off the gaps in intelligence and communication created by borders. Other important issues, such as the proliferation of WMD, human trafficking, poverty, environmental degradation, and diseases from HIV/AIDS to polio also have little regard for borders. These challenges require international cooperation, and Americans at all levels of society are instrumental in finding and achieving meaningful solutions.

This resolution encourages Americans to forge relationships with people outside of the United States to change not only how Americans view and act in the world, but how others view Americans. Presently, anti-Americanism is growing at a startling rate. According to the Pew Research Center, negative views of the United States among Muslims, which were once limited to the Middle East, have spread to populations in places like Nigeria and Indonesia. A growing percentage of Muslims see serious threats to Islam by the United States. Majorities in

seven of eight Muslim populations surveyed express worries that the U.S. might become a military threat to their countries. And these disturbing trends hold strong even beyond the Muslim world.

This is dangerous for a number of reasons. Anti-Americanism undermines our ability to work effectively with other countries on our global problems. In addition, in our fight against terror, anti-Americanism can create a steady supply of recruits for terrorist networks, intent on our destruction. These terrorist networks have unfairly blamed the United States for the unemployment, the poverty and the powerlessness that so many around the world experience on a daily basis. They feed off erroneous perceptions of Americans, distorting our image to achieve their own objectives.

Americans must combat these misperceptions and turn mistrust into understanding. If we don't define ourselves to the people of the world, we run the risk that terrorist will continue to make America a scapegoat for other nation's ills. In order to show the world who Americans really are, diplomacy must occur at all levels of society and not only through U.S. government representatives. Artists, scholars, teachers, nurses, doctors, and business people all have a role in shaping this image and in presenting a different American face to the world.

Many Americans have been engaged for decades. In my own State of Wisconsin, my constituents have demonstrated altruism and curiosity daily. They have worked in the Peace Corps, trained dairy farmers in South America and Eastern Europe, participated in sister-city exchanges with the former Soviet Union, traveled to refugee camps in Thailand and hosted international students. Through these activities, my constituents have fought stereotypes and created openings for greater trust and cooperation. The need is greater now than ever before for more Americans to become involved.

I have been approached by Americans of all ages and all economic backgrounds to ask me how they can become more involved. This resolution is a response to those Americans and a challenge to many more to define our times and to shape our world. The creation of the online database as part of this resolution will assist Americans in finding the best way for them personally to participate. Americans will use their enthusiasm and curiosity to engage in the world where they can—through tutoring children, through assisting refugees who come to our country, through professional training, and through showing concern for the well-being of other outside of the United States.

This resolution is a challenge to Americans to make connections in their own way—to listen and show respect for others and their way of life. Americans can bridge the gap between

this powerful nation and people around the world who feel frustrated and powerless. We can change perceptions, change minds, and change the world we live in.

# SENATE RESOLUTION 314—COMMEMORATING AND HONORING PRESIDENT BORIS TRAJKOVSKI

Mr. VOINOVICH (for himself, Mr. LUGAR, and Mr. BIDEN) submitted the following resolution which was considered and agreed to:

S. RES. 314

Whereas President Boris Trajkovski of the Former Yugoslav Republic of Macedonia played a vital role in efforts to promote peace, stability, and democratic reform in his country and throughout Southeast Europe;

Whereas President Trajkovski was tragically killed on Thursday, February 26, 2004, when a plane carrying the President and 8 others crashed in southern Bosnia;

Whereas the people elected Boris Trajkovski to serve as President in November 1999, and inaugurated him as the second Macedonian President on December 15, 1999;

Whereas President Trajkovski led the country during a tumultuous period in Southeast Europe, working with the international community to accommodate refugees following the crisis in neighboring Kosovo in 1999, and playing a significant role in the signing of the Ohrid Framework Agreement in 2001;

Whereas President Trajkovski promoted the rule of law and respect for human rights, and encouraged economic, judicial, and military reforms necessary to move the country toward membership in the North Atlantic Treaty Organization and the European Union; and

Whereas the Macedonian government continues to work to join Europe's democratic institutions, and peace and stability in the country is critical to the broader region of Southeast Europe: Now, therefore, be it

*Resolved*, That the Senate—

(1) offers its condolences and deepest sympathy to the people of the Former Yugoslav Republic of Macedonia, the family of President Boris Trajkovski, and the families of the other crash victims during this difficult period;

(2) recognizes the courageous leadership and the significant role that President Trajkovski played in efforts to promote peace, stability, and reform, including his work to secure the 2001 Ohrid Framework Agreement; and

(3) encourages the Macedonian government to continue efforts to implement the Ohrid Peace Agreement, and to move forward with reforms necessary to join the North Atlantic Treaty Organization and the European Union.

# SENATE RESOLUTION 315—DESIGNATING MARCH 8, 2004, AS "INTERNATIONAL WOMEN'S DAY"

Mr. BIDEN (for himself, Mr. LUGAR, Ms. STABENOW, Ms. CANTWELL, Mr. LAUTENBERG, Ms. MIKULSKI, Mr. LEVIN, Ms. MURKOWSKI, Mr. GRAHAM of South Carolina, Mr. KOHL, Ms. LANDRIEU, Mrs. FEINSTEIN, Mr. BAYH, Mrs. MURRAY, Mr. JEFFORDS, Mr. HATCH, Mr. CORZINE, Mr. DASCHLE, Mr. CRAPO, Mr. DAYTON, Mr. KENNEDY, Mrs. CLINTON, and Mr. FEINGOLD) submitted the fol-

lowing resolution; which was considered and agreed to:

S. RES. 315

Whereas all over the world women are contributing to the growth of economies, participating in the world of diplomacy and politics, and improving the quality of the lives of their families, communities, and nations;

Whereas discrimination continues to deny women full political and economic equality and is often the basis for violations of women's basic human rights;

Whereas worldwide, the lives and health of women and girls continue to be endangered by violence that is directed at them simply because of their gender;

Whereas worldwide, violence against women includes rape, genital mutilation, sexual assault, domestic violence, dating violence, honor killings, sexual trafficking in women, dowry-related violence, female infanticide, sex-selection abortion, forced pregnancy, forced sterilization, and forced abortion;

Whereas the World Health Organization asserts that domestic violence causes more deaths and disability among women between ages 15 and 44 than cancer, malaria, traffic accidents, and war;

Whereas 130,000,000 girls and young women have been subjected to female genital mutilation, and it is estimated that 10,000 girls are at risk of being subjected to this practice in the United States and more than 160,000 girls and women in immigrant communities in the United States may have been victims of the traditional practice of female genital mutilation or are at risk of being subjected to it;

Whereas worldwide, at least 1 in 3 women has been beaten or sexually abused in her lifetime;

Whereas 1 in 6 women in the United States has experienced an attempted or completed sexual assault and 1 in 5 women reported she had been raped or physically or sexually assaulted in her lifetime;

Whereas in the United States, a woman is battered, usually by her intimate partner, every 15 seconds;

Whereas over 300,000 women each year experience intimate partner violence during their pregnancy;

Whereas more than 3 women are murdered by their husbands or boyfriends in the United States every day;

Whereas nearly 25 percent of American women report being raped or physically assaulted by a current or former spouse, cohabiting partner, or date at some time in their lifetime;

Whereas in the United States, battering is the leading cause of injury to women between ages 15 and 44;

Whereas it is estimated that 1 in 5 adolescent girls in the United States becomes a victim of physical or sexual abuse, or both, in a dating relationship;

Whereas worldwide, 20 to 50 percent of women experience some degree of domestic violence during marriage;

Whereas worldwide, women account for 1/2 of all cases of HIV/AIDS, approximately 42,000,000, and in countries with high HIV prevalence, young women are at a higher risk than young men of contracting HIV;

Whereas worldwide, sexual violence, including marital rape, has been announced as a major cause of the rapid spread of HIV/AIDS among women;

Whereas 1/3 of the world's nearly 1,000,000,000 illiterate individuals are women;

Whereas worldwide, girls are less likely to complete school than boys;

Whereas 1/3 of children denied primary education are girls;

Whereas in most countries, women work approximately twice the unpaid time men do;

Whereas about 3 in 10 households are maintained by women with no husband present;

Whereas rural women produce more than 55 percent of all food grown in developing countries;

Whereas women comprise almost 15 percent of the active duty, reserve, and guard units of the United States Armed Forces;

Whereas it is estimated that women and girls make up more than 70 percent of the 1,300,000,000 poorest people in the world;

Whereas women work 2/3 of the world's working hours, and produce 1/2 of the world's food, yet earn only 1 percent of the world's income, and own less than 1 percent of the world's property;

Whereas worldwide women still earn less, own less property, and have less access to education, employment, and health care than do men;

Whereas between 75 and 80 percent of the world's 27,000,000 refugees are women and children;

Whereas illegal trafficking worldwide for forced labor, domestic servitude, or sexual exploitation involves between 1,000,000 and 2,000,000 women and children each year, of whom 50,000 are transported to the United States;

Whereas as many as 750,000 women and children have been trafficked into the United States over the last decade;

Whereas March 8 has become known as International Women's Day for the last century, and is a day on which people, often divided by ethnicity, language, culture, and income, come together to celebrate a common struggle for women's equality, justice, and peace;

Whereas the dedication and success of those working all over the world to end violence against women and girls and fighting for equality should be recognized; and

Whereas the people of the United States should be encouraged to participate in International Women's Day: Now, therefore, be it

*Resolved*, That the Senate—

(1) designates March 8, 2004, as International Women's Day;

(2) reaffirms its commitment to—

(A) ending discrimination and violence against women;

(B) ensuring the safety and welfare of women; and

(C) pursuing policies that guarantee the basic rights of women both in the United States and in the world; and

(3) requests that the President issue a proclamation calling upon the people of the United States to observe "International Women's Day" with appropriate programs and activities.

# SENATE RESOLUTION 316—DESIGNATING APRIL 2004 AS "FINANCIAL LITERACY MONTH"

Mr. AKAKA (for himself, Mr. ALLEN, Mr. SARBANES, Mr. CORZINE, Mr. SANTORUM, Mr. KOHL, Mr. THOMAS, Mr. JOHNSON, Mr. KENNEDY, Mr. SCHUMER, Mr. LEVIN, Mr. LAUTENBERG, Mrs. MURRAY, Ms. LANDRIEU, Mr. DURBIN, Mr. INOUE and Mr. CRAPO) submitted the following resolution; which was considered and agreed to:

S. RES. 316

Whereas only 26 percent of 13- to 21-year olds reported that their parents actively taught them how to manage money;

Whereas a 2002 survey by the National Council on Economic Education found that a decreasing number of States include personal finance in their education standards

for students in kindergarten through grade 12;

Whereas a 2002 study by the JumpStart Coalition for Personal Financial Literacy found that high school seniors know even less about credit cards, retirement funds, insurance, and other personal finance basics than high school seniors did 5 years ago;

Whereas 55 percent of college students acquire their first credit card during their first year in college, and 83 percent of college students have at least 1 credit card;

Whereas personal savings as a percentage of personal income decreased from 7.5 percent in the early 1980s to 2.3 percent in the first 3 quarters of 2003;

Whereas today more than 42,000,000 people in the United States participate in 401(k) plans;

Whereas a 2002 Retirement Confidence Survey found that only 32 percent of workers surveyed have calculated how much money they will need to save for retirement;

Whereas only 30 percent of those surveyed in a 2003 Employee Benefit Trend Study are confident in their ability to make the right financial decisions for themselves and their families, and 25 percent have done no specific financial planning;

Whereas between 25,000,000 and 56,000,000 adults are unbanked, i.e., not using mainstream, insured financial institutions;

Whereas millions of people in the United States derive great benefits from the wide variety of products and services offered by the financial services industry in the United States, and such financial products and services allow individuals and families to build homes, start businesses, finance educations, buy cars, and meet the everyday needs of everyday life;

Whereas expanding access to the mainstream financial system provides individuals with lower cost, safer options for managing their finances and building wealth;

Whereas a greater understanding and familiarity with financial markets and institutions will lead to increased economic activity and growth;

Whereas financial education has been linked to lower delinquency rates for mortgage borrowers, higher participation and contribution rates in retirement plans, improved spending and saving habits, higher net worth, and positive knowledge, attitude, and behavior changes;

Whereas financial literacy empowers individuals to make wise financial decisions and reduces the confusion of an increasingly complex economy;

Whereas personal financial management skills and life-long habits develop during childhood;

Whereas personal financial education is essential to ensure that individuals are prepared to manage money, credit, and debt, and become responsible workers, heads of households, investors, entrepreneurs, business leaders, and citizens; and

Whereas Congress found it important enough to ensure coordination of Federal financial literacy efforts and formulate a national strategy that it established the Financial Literacy and Education Commission in 2003 and designated the Office of Financial Education of the Department of the Treasury to provide support for the Commission: Now, therefore, be it

*Resolved*, That the Senate—

(1) designates April 2004 as “Financial Literacy Month” to raise public awareness about the importance of financial education in the United States and the serious consequences that may be associated with a lack of understanding about personal finances; and

(2) requests that the President issue a proclamation calling on the Federal Govern-

ment, States, localities, schools, nonprofit organizations, businesses, other entities, and the people of the United States to observe the month with appropriate programs and activities.

#### SENATE CONCURRENT RESOLUTION 97—RECOGNIZING THE 91ST ANNUAL MEETING OF THE GARDEN CLUB OF AMERICA

Mr. SARBANES (for himself and Ms. MIKULSKI) submitted the following concurrent resolution; which was referred to the Committee on the Judiciary:

S. CON. RES. 97

Whereas The Garden Club of America is holding its 91st annual meeting in Washington, D.C. April 24 through 27, 2004;

Whereas The Garden Club of America has 195 member clubs in 40 States and the District of Columbia, representing more than 17,000 members;

Whereas since its founding in 1913, The Garden Club of America has become a recognized leader in the fields of horticulture, conservation, historic preservation, and civic improvement, and an influential organization in the protection of America's environment; and

Whereas in our Nation's Capital, The Garden Club of America was instrumental in the founding of the National Arboretum, the development of the Archives of American Gardens at the Smithsonian Institution, and the creation and installation of the Butterfly Habitat Garden which now graces The National Mall at the National Museum of Natural History: Now, therefore, be it

*Resolved by the Senate (the House of Representatives concurring)*, That Congress commends The Garden Club of America for the many contributions it has made in our Nation's Capital and in communities across the United States, and sends its best wishes on the occasion of its 91st annual meeting in Washington, D.C., April 24 through 27, 2004.

Mr. SARBANES. Mr. President, today I am submitting legislation together with Senator MIKULSKI that would recognize the achievements of The Garden Club of America on the occasion of its 91st annual meeting in Washington, DC, from April 24 through 27, 2004. This meeting in our Nation's Capital is especially significant because it occurs here only once every twenty-five years. This legislation recognizes and honors The Garden Club and the work of its 17,000 members to improve our country.

Since its founding in 1913, The Garden Club of America has grown to include 195 member clubs in 40 States and the District of Columbia. It is a recognized leader in the fields of horticulture, conservation, historic preservation, civic improvement, and has significant influence in the protection of America's environment.

Right here in the District of Columbia we can witness the results of The Garden Club's labor. Indeed it played an instrumental role in the founding of the National Arboretum and the development of the Archives of American Gardens at the Smithsonian Institution.

Perhaps even more importantly, The Garden Club has become a significant impetus for community service across the United States. The scope of The

Garden Club of America goes well beyond its numerous publications, its public plant and flower shows, and its national medalists. It is a source for the exchange of ideas and a platform for the betterment of our communities across this great country. The purpose of The Garden Club of America is to stimulate the knowledge and love of gardening, but also to share the advantages of association through educational meetings, conferences, correspondence, and publications, and to improve the quality of the environment through conservation and civic improvement.

As a Marylander I know first hand of the contributions The Garden Club of America has made to our State. Ladew Topiary Gardens is a prime example of the edification and enjoyment that stems from the support of The Garden Club of America. Since 1971, Ladew Gardens has used its 22 acres of gardens to educate children, entertain families, and promote the importance of beautiful landscapes within our communities. Every spring and summer, hundreds of families congregate in the gardens to enjoy the Sunday concerts, afternoon picnics, and self-guided educational nature walks. And every year, hundreds of families leave the gardens with an exhilarated appreciation for America's outdoors, and an enriched desire to conserve that beauty.

The Garden Club of America has asked for very little in return for its dedication to America's beautiful landscapes. I am submitting this legislation today in the hope that we in the Congress can recognize this significant contribution as The Garden Club of America holds its annual meeting here in our Nation's Capital. I urge my colleagues in the Senate to join me in supporting this legislation.

#### AMENDMENTS SUBMITTED AND PROPOSED

SA 2703. Mr. LAUTENBERG (for himself, Mrs. BOXER, Mr. JEFFORDS, and Mr. CORZINE) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; which was ordered to lie on the table.

SA 2704. Mr. CONRAD proposed an amendment to the concurrent resolution S. Con. Res. 95, supra.

SA 2705. Mr. VOINOVICH submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, supra; which was ordered to lie on the table.

SA 2706. Mr. BIDEN (for himself, Mr. LEAHY, Mrs. FEINSTEIN, and Mr. SCHUMER) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, supra; which was ordered to lie on the table.

SA 2707. Mr. SANTORUM submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, supra; which was ordered to lie on the table.

SA 2708. Mr. LUGAR submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, supra; which was ordered to lie on the table.

SA 2709. Mr. PRYOR submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, supra; which was ordered to lie on the table.

SA 2710. Mr. DASCHLE (for himself, Mr. ROCKEFELLER, Mr. SARBANES, Mr. BINGAMAN, Mrs. CLINTON, Ms. CANTWELL, Mrs. BOXER, Mr. FEINGOLD, Mr. REID, Mrs. LINCOLN, Mr. DORGAN, Mr. GRAHAM of Florida, Mr. LEAHY, Mr. JOHNSON, Mr. KERRY, Mr. LIEBERMAN, and Mr. CORZINE) proposed an amendment to the concurrent resolution S. Con. Res. 95, supra.

SA 2711. Mr. SMITH (for himself, Mr. ROCKEFELLER, Mrs. LINCOLN, and Mr. WYDEN) submitted an amendment intended to be proposed by him to the bill H.R. 4, to reauthorize and improve the program of block grants to States for temporary assistance for needy families, improve access to quality child care, and for other purposes; which was ordered to lie on the table.

SA 2712. Mr. DORGAN submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; which was ordered to lie on the table.

SA 2713. Ms. CANTWELL submitted an amendment intended to be proposed by her to the concurrent resolution S. Con. Res. 95, supra; which was ordered to lie on the table.

SA 2714. Mr. VOINOVICH submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, supra; which was ordered to lie on the table.

SA 2715. Mr. DEWINE (for himself, Mr. NELSON of Florida, and Mr. COLEMAN) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, supra; which was ordered to lie on the table.

SA 2716. Mr. SANTORUM submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, supra; which was ordered to lie on the table.

SA 2717. Mr. WYDEN (for himself, Mr. JOHNSON, Mrs. FEINSTEIN, Mr. DASCHLE, Mr. BINGAMAN, and Mr. DORGAN) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, supra; which was ordered to lie on the table.

SA 2718. Mr. SCHUMER (for himself, Mr. GRAHAM of South Carolina, Mr. DURBIN, Mr. SPECTER, Ms. STABENOW, Mr. DASCHLE, Mr. KOHL, Mr. LEVIN, and Mrs. CLINTON) submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table.

#### TEXT OF AMENDMENTS

**SA 2703.** Mr. LAUTENBERG (for himself, Mrs. BOXER, Mr. JEFFORDS, and Mr. CORZINE) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; which was ordered to lie on the table; as follows:

On page 3, line 9, increase the amount by \$1,501,000,000.

On page 3, line 10, increase the amount by \$1,629,000,000.

On page 3, line 11, increase the amount by \$1,696,000,000.

On page 3, line 12, increase the amount by \$1,735,000,000.

On page 3, line 13, increase the amount by \$1,754,000,000.

On page 3, line 17, increase the amount by \$1,501,000,000.

On page 3, line 18, increase the amount by \$1,629,000,000.

On page 3, line 19, increase the amount by \$1,696,000,000.

On page 3, line 20, increase the amount by \$1,735,000,000.

On page 3, line 21, increase the amount by \$1,754,000,000.

On page 4, line 20, increase the amount by \$1,501,000,000.

On page 4, line 21, increase the amount by \$1,629,000,000.

On page 4, line 22, increase the amount by \$1,696,000,000.

On page 4, line 23, increase the amount by \$1,735,000,000.

On page 4, line 24, increase the amount by \$1,754,000,000.

On page 5, line 3, decrease the amount by \$1,501,000,000.

On page 5, line 4, decrease the amount by \$3,130,000,000.

On page 5, line 5, decrease the amount by \$4,826,000,000.

On page 5, line 6, decrease the amount by \$6,561,000,000.

On page 5, line 7, decrease the amount by \$8,315,000,000.

On page 5, line 11, decrease the amount by \$1,501,000,000.

On page 5, line 12, decrease the amount by \$3,130,000,000.

On page 5, line 13, decrease the amount by \$4,826,000,000.

On page 5, line 14, decrease the amount by \$6,561,000,000.

On page 5, line 15, decrease the amount by \$8,315,000,000.

On page 25, line 8, decrease the amount by \$1,501,000,000.

**SA 2704.** Mr. CONRAD proposed an amendment to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; as follows:

At the end of title IV, insert the following:  
**SEC. \_\_\_\_ . POINT OF ORDER TO PROTECT SOCIAL SECURITY FIRST.**

(a) **POINT OF ORDER IN THE SENATE.**—It shall not be in order in the Senate to consider any direct spending or revenue legislation that would increase the on-budget deficit in any fiscal year until the budget is balanced without Social Security.

(b) **SUPERMAJORITY WAIVER AND APPEAL.**—This section may be waived or suspended in the Senate only by an affirmative vote of three-fifths of the Members, duly chosen and sworn. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

**SA 2705.** Mr. VOINOVICH submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

#### **SEC. \_\_\_\_ . BALANCED BUDGET POINT OF ORDER.**

(a) **IN GENERAL.**—Except as provided in subsection (b), it shall not be in order in the Senate to consider any bill or resolution (or any amendment, motion, or conference report on that bill or resolution) that would result in an on budget deficit larger than—

- (1) in fiscal year 2004, \$639,000,000,000;
- (2) in fiscal year 2005, \$575,000,000,000;
- (3) in fiscal year 2006, \$511,000,000,000;
- (4) in fiscal year 2007, \$447,000,000,000;
- (5) in fiscal year 2008, \$383,000,000,000;
- (6) in fiscal year 2009, \$319,000,000,000;
- (7) in fiscal year 2010, \$255,000,000,000;
- (8) in fiscal year 2011, \$191,000,000,000;
- (9) in fiscal year 2012, \$127,000,000,000;
- (10) in fiscal year 2013, \$63,000,000,000; and
- (11) in fiscal year 2015, \$0.

(b) **EXCEPTION.**—Subsection (a) shall not apply if—(1) the President has declared a state of national emergency; or (2) the economy is in recession, defined as 3 consecutive quarters of negative growth in Gross Domestic Product.

(c) **SUPERMAJORITY.**—(1) **WAIVER.**—This section may be waived or suspended in the Senate only by the affirmative vote of three-fifths of the Members, duly chosen and sworn.

(2) **APPEALS.**—Appeals in the Senate from the decisions of the Chair relating to any provision of this section shall be limited to 1 hour, to be equally divided between, and controlled by, the appellant and the manager of the bill or joint resolution, as the case may be. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

(d) **EXERCISE OF RULEMAKING POWERS.**—Congress adopts the provisions of this section—(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each house, or of that house to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and (2) with full recognition of the constitutional right of either house to change those rules (so far as they relate to that house) at any time, in the same manner, and to the same extent as in the case of any other rule of that house.

**SA 2706.** Mr. BIDEN (for himself, Mr. LEAHY, Mrs. FEINSTEIN, and Mr. SCHUMER) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; which was ordered to lie on the table; as follows:

On page 3, line 9, increase the amount by \$300,000,000.

On page 3, line 10, increase the amount by \$572,000,000.

On page 3, line 11, increase the amount by \$470,000,000.

On page 3, line 12, increase the amount by \$580,000,000.

On page 3, line 13, increase the amount by \$78,000,000.

On page 3, line 17, increase the amount by \$300,000,000.

On page 3, line 18, increase the amount by \$572,000,000.

On page 3, line 19, increase the amount by \$470,000,000.

On page 3, line 20, increase the amount by \$580,000,000.

On page 3, line 21, increase the amount by \$78,000,000.

On page 4, line 4, increase the amount by \$1,000,000,000.

On page 4, line 12, increase the amount by \$150,000,000.

On page 4, line 13, increase the amount by \$286,000,000.

On page 4, line 14, increase the amount by \$235,000,000.

On page 4, line 15, increase the amount by \$290,000,000.

On page 4, line 16, increase the amount by \$39,000,000.

On page 4, line 2, increase the amount by \$150,000,000.

On page 4, line 21, increase the amount by \$286,000,000.

On page 4, line 22, increase the amount by \$235,000,000.

On page 4, line 23, increase the amount by \$290,000,000.

On page 4, line 24, increase the amount by \$39,000,000.

On page 5, line 3, decrease the amount by \$150,000,000.

On page 5, line 4, decrease the amount by \$436,000,000.

On page 5, line 5, decrease the amount by \$671,000,000.

On page 5, line 6, decrease the amount by \$961,000,000.

On page 5, line 7, decrease the amount by \$1,000,000,000.

On page 5, line 11, decrease the amount by \$150,000,000.

On page 5, line 12, decrease the amount by \$436,000,000.

On page 5, line 13, decrease the amount by \$671,000,000.

On page 5, line 14, decrease the amount by \$961,000,000.

On page 5, line 15, decrease the amount by \$1,000,000,000.

On page 20, line 17, increase the amount by \$1,000,000,000.

On page 20, line 18, increase the amount by \$150,000,000.

On page 20, line 22, increase the amount by \$286,000,000.

On page 21, line 1, increase the amount by \$235,000,000.

On page 21, line 5, increase the amount by \$290,000,000.

On page 21, line 6, increase the amount by \$39,000,000.

On page 39, line 18, increase the amount by \$1,000,000,000.

On page 39, line 19, increase the amount by \$150,000,000.

On page 40, line 2, increase the amount by \$286,000,000.

**SA 2707.** Mr. SANTORUM submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; which was ordered to lie on the table; as follows:

On page 54, after line 22, insert the following:

**SEC. \_\_\_\_ . SENSE OF THE SENATE REGARDING CONTRIBUTIONS TO GLOBAL FUND TO FIGHT AIDS, TUBERCULOSIS, AND MALARIA.**

It is the sense of the Senate that the levels in this concurrent resolution assume that new budget authority and outlays for fiscal year 2005 within the major functional category entitled "International Affairs (150)" have been modified—

(1) by increasing the amount budgeted for the Global Fund to Fight AIDS, Tuberculosis, and Malaria by \$300,000,000; and

(2) by decreasing the amount budgeted for bilateral international assistance for HIV/AIDS, tuberculosis, and malaria by \$300,000,000.

**SA 2708.** Mr. LUGAR submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; which was ordered to lie on the table; as follows:

On page 8, line 21, increase the amount by \$1,100,000,000.

On page 8, line 22, increase the amount by \$123,000,000.

On page 8, line 25, increase the amount by \$97,000,000.

On page 9, line 1, increase the amount by \$456,000,000.

On page 9, line 4, increase the amount by \$98,000,000.

On page 9, line 5, increase the amount by \$302,000,000.

On page 9, line 8, increase the amount by \$98,000,000.

On page 9, line 9, increase the amount by \$210,000,000.

On page 9, line 12, increase the amount by \$98,000,000.

On page 9, line 13, increase the amount by \$142,000,000.

On page 23, line 5, decrease the amount by \$1,100,000,000.

On page 23, line 6, decrease the amount by \$123,000,000.

On page 23, line 9, decrease the amount by \$97,000,000.

On page 23, line 10, decrease the amount by \$456,000,000.

On page 23, line 13, decrease the amount by \$98,000,000.

On page 23, line 14, decrease the amount by \$302,000,000.

On page 23, line 17, decrease the amount by \$98,000,000.

On page 23, line 18, decrease the amount by \$210,000,000.

On page 23, line 21, decrease the amount by \$98,000,000.

On page 23, line 22, decrease the amount by \$142,000,000.

**SA 2709.** Mr. PRYOR submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

**SEC. \_\_\_\_ . SENSE OF THE SENATE RELATING TO IRA TAX AND PENALTY HOLIDAY.**

It is the sense of the Senate that this resolution assumes that individuals, within 1 year after exhausting unemployment benefits, be allowed to withdraw up to \$15,000 from their individual retirement accounts tax free and without penalty.

**SA 2710.** Mr. DASCHLE (for himself, Mr. ROCKEFELLER, Mr. SARBANES, Mr. BINGAMAN, Mrs. CLINTON, Ms. CANTWELL, Mrs. BOXER, Mr. FEINGOLD, Mr. REID, Mrs. LINCOLN, Mr. DORGAN, Mr. GRAHAM of Florida, Mr. LEAHY, Mr. JOHNSON, Mr. KERRY, Mr. LIEBERMAN,

and Mr. CORZINE) proposed an amendment to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; as follows:

On page 3, line 9, increase the amount by \$4,860,000,000.

On page 3, line 10, increase the amount by \$486,000,000.

On page 3, line 11, increase the amount by \$22,000,000.

On page 3, line 12, increase the amount by \$5,000,000.

On page 3, line 17, increase the amount by \$4,860,000,000.

On page 3, line 18, increase the amount by \$486,000,000.

On page 3, line 19, increase the amount by \$22,000,000.

On page 3, line 20, increase the amount by \$5,000,000.

On page 4, line 20, increase the amount by \$4,860,000,000.

On page 4, line 21, increase the amount by \$486,000,000.

On page 4, line 22, increase the amount by \$22,000,000.

On page 4, line 23, increase the amount by \$5,000,000.

On page 5, line 3, decrease the amount by \$4,860,000,000.

On page 5, line 4, decrease the amount by \$5,346,000,000.

On page 5, line 5, decrease the amount by \$5,368,000,000.

On page 5, line 6, decrease the amount by \$5,373,000,000.

On page 5, line 7, decrease the amount by \$5,373,000,000.

On page 5, line 11, decrease the amount by \$4,860,000,000.

On page 5, line 12, decrease the amount by \$5,346,000,000.

On page 5, line 13, decrease the amount by \$5,368,000,000.

On page 5, line 14, decrease the amount by \$5,373,000,000.

On page 5, line 15, decrease the amount by \$5,373,000,000.

At the end of title III, insert the following:

**SEC. \_\_\_\_ . Reserve Fund for Veterans' Medical Care.** The Chairman of the Committee on the Budget of the Senate shall revise the aggregates, functional totals, allocations to the Committee on Appropriations of the Senate, discretionary spending limits, and other appropriate levels and limits in this resolution by up to \$2,700,000,000 in budget authority for fiscal year 2005, and by the amount of outlays flowing therefrom in 2005 and subsequent years, for a bill, joint resolution, motion, amendment, or conference report that provides additional fiscal year 2005 discretionary appropriations, in excess of levels provided in this resolution, for veterans' medical programs, excluding construction projects and a program that provides grants to states to build long-term care facilities, included in this resolution for the Department of Veterans Affairs.

**SA 2711.** Mr. SMITH (for himself, Mr. ROCKEFELLER, Mrs. LINCOLN, and Mr. WYDEN) submitted an amendment intended to be proposed by him to the bill H.R. 4, to reauthorize and improve the program of block grants to States for temporary assistance for needy families, improve access to quality child care, and for other purposes; which was ordered to lie on the table; as follows:

On page 230, between lines 22 and 23, insert the following:

(b) LIMITATION ON PENALTY FOR FAILURE TO SATISFY MINIMUM PARTICIPATION RATES FOR IMPROVING STATES.—Section 409(a)(3) (42 U.S.C. 609(a)(3)), as amended by section 110(a)(2)(B), is amended—

(1) in subparagraph (A), by striking “If the Secretary” and inserting “Subject to subparagraphs (C) and (D), if the Secretary”; and

(2) by adding at the end the following:

“(D) LIMITATION ON APPLICATION OF PENALTY FOR FAILURE TO SATISFY MINIMUM PARTICIPATION RATE TO AN IMPROVING STATE.—Notwithstanding the preceding subparagraphs of this paragraph, in the case of a State that has a minimum participation rate under section 407(a) for the fiscal year that is at least 5 percentage points more than the participation rate determined (taking into account the application of any credit against such rate) under section 407(a) for the State for the preceding fiscal year, the Secretary shall not reduce the grant payable to a State under section 403(a)(1) for the immediately succeeding fiscal year based on the failure of the State to comply with section 407(a).”.

**SA 2712.** Mr. DORGAN submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; which was ordered to lie on the table; as follows:

On page 4 line 4, decrease the amount by \$70,000,000

On page 4 line 12, decrease the amount by \$74,000,000

On page 4 line 13, decrease the amount by \$129,000,000

On page 4 line 14, decrease the amount by \$14,000,000

On page 4 line 15, increase the amount by \$200,000,000

On page 4 line 16, increase the amount by \$17,000,000

On page 4 line 20, increase the amount by \$74,000,000

On page 4 line 21, increase the amount by \$129,000,000

On page 4 line 22, increase the amount by \$14,000,000

On page 4 line 23, decrease the amount by \$200,000,000

On page 4 line 24, decrease the amount by \$17,000,000

On page 5 line 3, decrease the amount by \$74,000,000

On page 5 line 4, decrease the amount by \$203,000,000

On page 5 line 5, decrease the amount by \$217,000,000

On page 5 line 6, decrease the amount by \$17,000,000

On page 5 line 11, decrease the amount by \$74,000,000

On page 5 line 12, decrease the amount by \$203,000,000

On page 5 line 13, decrease the amount by \$217,000,000

On page 5 line 14, decrease the amount by \$17,000,000

On page 8 line 21, decrease the amount by \$1,170,000,000

On page 8 line 22, decrease the amount by \$246,000,000

On page 9 line 1, decrease the amount by \$445,000,000

On page 9 line 5, decrease the amount by \$269,000,000

On page 9 line 9, decrease the amount by \$105,000,000

On page 9 line 13, decrease the amount by \$35,000,000

On page 20 line 17, increase the amount by \$1,100,000,000

On page 20 line 18, increase the amount by \$172,000,000

On page 20 line 22, increase the amount by \$316,000,000

On page 21 line 1, increase the amount by \$255,000,000

On page 21 line 5, increase the amount by \$305,000,000

On page 21 line 6, increase the amount by \$52,000,000

On page 39 line 18, increase the amount by \$1,100,000,000

On page 39 line 19, increase the amount by \$172,000,000

On page 40 line 2, increase the amount by \$316,000,000

**SA 2713.** Ms. CANTWELL submitted an amendment intended to be proposed by her to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; which was ordered to lie on the table; as follows:

On page 3, line 9, increase the amount by \$192,000,000.

On page 3, line 10, increase the amount by \$991,000,000.

On page 3, line 11, increase the amount by \$261,000,000.

On page 3, line 12, increase the amount by \$31,000,000.

On page 3, line 13, increase the amount by \$15,000,000.

On page 3, line 17, increase the amount by \$192,000,000.

On page 3, line 18, increase the amount by \$991,000,000.

On page 3, line 19, increase the amount by \$261,000,000.

On page 3, line 20, increase the amount by \$31,000,000.

On page 3, line 21, increase the amount by \$15,000,000.

On page 4, line 4, increase the amount by \$745,000,000.

On page 4, line 12, increase the amount by \$96,000,000.

On page 4, line 13, increase the amount by \$495,000,000.

On page 4, line 14, increase the amount by \$130,000,000.

On page 4, line 15, increase the amount by \$16,000,000.

On page 4, line 16, increase the amount by \$7,000,000.

On page 4, line 20, increase the amount by \$96,000,000.

On page 4, line 21, increase the amount by \$495,000,000.

On page 4, line 22, increase the amount by \$130,000,000.

On page 4, line 23, increase the amount by \$16,000,000.

On page 4, line 24, increase the amount by \$7,000,000.

On page 5, line 3, decrease the amount by \$96,000,000.

On page 5, line 4, decrease the amount by \$592,000,000.

On page 5, line 5, decrease the amount by \$722,000,000.

On page 5, line 6, decrease the amount by \$738,000,000.

On page 5, line 7, decrease the amount by \$745,000,000.

On page 5, line 11, decrease the amount by \$96,000,000.

On page 5, line 12, decrease the amount by \$592,000,000.

On page 5, line 13, decrease the amount by \$722,000,000.

On page 5, line 14, decrease the amount by \$738,000,000.

On page 5, line 15, decrease the amount by \$745,000,000.

On page 15, line 16, increase the amount by \$745,000,000.

On page 15, line 17, increase the amount by \$96,000,000.

On page 15, line 21, increase the amount by \$495,000,000.

On page 15, line 25, increase the amount by \$130,000,000.

On page 16, line 4, increase the amount by \$16,000,000.

On page 16, line 8, increase the amount by \$7,000,000.

On page 39, line 18, increase the amount by \$745,000,000.

On page 39, line 19, increase the amount by \$96,000,000.

On page 40, line 2, increase the amount by \$495,000,000.

**SA 2714.** Mr. VOINOVICH submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

**SEC.—BALANCED BUDGET POINT OF ORDER.**

(a) IN GENERAL.—Except as provided in subsection (b), it shall not be in order in the Senate to consider any bill or resolution (or any amendment, motion, or conference report on that bill or resolution) that would result in an on budget deficit larger than—

(1) in fiscal year 2004, \$639,000,000,000;

(2) in fiscal year 2005, \$575,000,000,000;

(3) in fiscal year 2006, \$511,000,000,000;

(4) in fiscal year 2007, \$447,000,000,000;

(5) in fiscal year 2008, \$383,000,000,000;

(6) in fiscal year 2009, \$319,000,000,000;

(b) EXCEPTION.—Subsection (a) shall not apply if—(1) the President has declared a state of national emergency; or (2) the economy is in recession, defined as 3 consecutive quarters of negative growth in Gross Domestic Product.

(c) SUPERMAJORITY.—(1) WAIVER.—This section may be waived or suspended in the Senate only by the affirmative vote of three-fifths of the Members, duly chosen and sworn. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

**SA 2715.** Mr. DEWINE (for himself, Mr. NELSON of Florida, and Mr. COLEMAN) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; which was ordered to lie on the table; as follows:

On page 8, line 21, increase the amount by \$100,000,000.

On page 8, line 22, increase the amount by \$100,000,000.

On page 8, line 25, increase the amount by \$100,000,000.

On page 9, line 1, increase the amount by \$100,000,000.



On page 9, line 4, increase the amount by \$100,000,000.

On page 9, line 5, increase the amount by \$100,000,000.

On page 9, line 8, increase the amount by \$100,000,000.

On page 9, line 9, increase the amount by \$100,000,000.

On page 9, line 12, increase the amount by \$100,000,000.

On page 9, line 13, increase the amount by \$100,000,000.

On page 23, line 5, decrease the amount by \$100,000,000.

On page 23, line 6, decrease the amount by \$100,000,000.

On page 23, line 9, decrease the amount by \$100,000,000.

On page 23, line 10, decrease the amount by \$100,000,000.

On page 23, line 13, decrease the amount by \$100,000,000.

On page 23, line 14, decrease the amount by \$100,000,000.

On page 23, line 17, decrease the amount by \$100,000,000.

On page 23, line 18, decrease the amount by \$100,000,000.

On page 23, line 21, decrease the amount by \$100,000,000.

On page 23, line 22, decrease the amount by \$100,000,000.

**SA 2716.** Mr. SANTORUM submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; which was ordered to lie on the table; as follows:

At the end of title V, add the following:

**SEC. \_\_\_\_ SENSE OF THE SENATE ON THE IMPORTANCE OF FREEING THE CARE ACT OF 2003 IN ORDER TO HELP THOSE IN NEED.**

(a) FINDINGS.—The Senate finds that—

(1) the CARE Act of 2003, the Charity Aid, Recovery, and Empowerment Act of 2003 (S. 272/S. 476 of the 108th Congress), will help people in need by encouraging giving, saving, and fairness;

(2) the CARE Act of 2003 is important unfinished business since the charity crisis continues as a result of increased social needs and lower charitable giving;

(3) representing part of the President's Faith-based Initiative, the CARE Act of 2003 will spur charitable giving and assist faith-based organizations which serve the needy;

(4) more than 1,600 small and large organizations from around the country have endorsed the CARE Act of 2003 and 23 bipartisan Senators are cosponsors;

(5) the CARE Act of 2003 passed the Senate on April 9, 2003, by a vote of 95-5;

(6) the House of Representatives passed companion legislation, the Charitable Giving Act (H.R. 7 of the 108th Congress) on September 17, 2003, by a vote of 408-13;

(7) charities around the country have been struggling for several years; and

(8) the CARE Act of 2003 provides—

(A) 86,000,000 Americans who do not itemize deductions on their Federal tax returns (representing more than two-thirds of American taxpayers, mostly lower and middle income taxpayers), the opportunity to deduct a portion of their charitable contributions;

(B) incentives for individuals to give tax free contributions from their Individual Retirement Accounts for charitable purposes, which will help a wide range of charities including educational institutions;

(C) incentives for an estimated \$2,000,000,000 worth of food donations from farmers, restaurants, and corporations to help those in need which is estimated to be the equivalent of 878,000,000 meals for hungry Americans over 10 years;

(D) 300,000 low-income, working Americans the opportunity to build assets through matched savings accounts (IDAs) to purchase a home, expand educational opportunity, or start a small business;

(E) \$150,000,000 a year for a Compassion Capital Fund to assist small community and faith-based organizations with technical assistance and expand their capacity to serve; and

(F) more than \$1,300,000,000 of additional finding for the Social Services Block Grant.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) the CARE Act of 2003 has been bipartisan from the very beginning;

(2) it is inexcusable that 11 months have passed since the Senate overwhelmingly passed the CARE Act of 2003 and nearly 5 months have passed without this bipartisan bill being allowed to go to conference; and

(3) the Senate should immediately send the bill to a bipartisan conference in order to help those in need.

**SA 2717.** Mr. WYDEN (for himself, Mr. JOHNSON, Mrs. FEINSTEIN, Mr. DASCHLE, Mr. BINGAMAN, and Mr. DORGAN) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 95, setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009; which was ordered to lie on the table; as follows:

On page 11, line 9, increase the amount by \$343,000,000.

On page 11, line 10, increase the amount by \$84,000,000.

On page 11, line 14, increase the amount by \$84,000,000.

On page 11, line 18, increase the amount by \$84,000,000.

On page 11, line 22, increase the amount by \$53,000,000.

On page 12, line 1, increase the amount by \$38,000,000.

On page 23, line 5, decrease the amount by \$343,000,000.

On page 23, line 6, decrease the amount by \$84,000,000.

On page 23, line 10, decrease the amount by \$84,000,000.

On page 23, line 14, decrease the amount by \$84,000,000.

On page 23, line 18, decrease the amount by \$53,000,000.

On page 23, line 22, decrease the amount by \$38,000,000.

**SA 2718.** Mr. SCHUMER (for himself, Mr. GRAHAM of South Carolina, Mr. DURBIN, Mr. SPECTER, Ms. STABENOW, Mr. DASCHLE, Mr. KOHL, Mr. LEVIN, and Mrs. CLINTON) submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table; as follows:

At the end of the bill, add the following:

**TITLE V—MISCELLANEOUS PROVISIONS**

**SEC. 501. NEGOTIATIONS REGARDING CURRENCY VALUATION.**

(a) FINDINGS.—Congress makes the following findings:

(1) The currency of the People's Republic of China, known as the yuan or renminbi, is artificially pegged at a level significantly below its market value. Economists estimate the yuan to be undervalued by between 15 percent and 40 percent or an average of 27.5 percent.

(2) The undervaluation of the yuan provides the People's Republic of China with a significant trade advantage by making exports less expensive for foreign consumers and by making foreign products more expensive for Chinese consumers. The effective result is a significant subsidization of China's exports and a virtual tariff on foreign imports.

(3) The Government of the People's Republic of China has intervened in the foreign exchange markets to hold the value of the yuan within an artificial trading range. China's foreign reserves are estimated to be over \$350,000,000,000 as of September 2003, and have increased by over \$110,000,000,000 in the last 12 months.

(4) China's undervalued currency, China's trade advantage from that undervaluation, and the Chinese Government's intervention in the value of its currency violates the spirit and letter of the world trading system of which the People's Republic of China is now a member.

(5) The Government of the People's Republic of China has failed to promptly address concerns or to provide a definitive timetable for resolution of these concerns raised by the United States and the international community regarding the value of its currency.

(6) Article XXI of the GATT 1994 (as defined in section 2(1)(B) of the Uruguay Round Agreements Act (19 U.S.C. 3501(1)(B))) allows a member of the World Trade Organization to take any action which it considers necessary for the protection of its essential security interests. Protecting the United States manufacturing sector is essential to the interests of the United States.

(b) NEGOTIATIONS AND CERTIFICATION REGARDING THE CURRENCY VALUATION POLICY OF THE PEOPLE'S REPUBLIC OF CHINA.—

(1) IN GENERAL.—Notwithstanding the provisions of title I of Public Law 106-286 (19 U.S.C. 2431 note), on and after the date that is 180 days after the date of enactment of this Act, unless a certification described in paragraph (2) has been made to Congress, in addition to any other duty, there shall be imposed a rate of duty of 27.5 percent ad valorem on any article that is the growth, product, or manufacture of the People's Republic of China, imported directly or indirectly into the United States.

(2) CERTIFICATION.—The certification described in this paragraph means a certification by the President to Congress that the People's Republic of China is no longer acquiring foreign exchange reserves to prevent the appreciation of the rate of exchange between its currency and the United States dollar for purposes of gaining an unfair competitive advantage in international trade. The certification shall also include a determination that the currency of the People's Republic of China has undergone a substantial upward revaluation placing it at or near its fair market value.

(3) ALTERNATIVE CERTIFICATION.—If the President certifies to Congress 180 days after the date of enactment of this Act that the People's Republic of China has made a good faith effort to revalue its currency upward placing it at or near its fair market value,

the President may delay the imposition of the tariffs described in paragraph (1) for an additional 180 days. If at the end of the 180-day period the President determines that China has developed and started actual implementation of a plan to revalue its currency, the President may delay imposition of the tariffs for an additional 12 months, so that the People's Republic of China shall have time to implement the plan.

(4) **NEGOTIATIONS.**—Beginning on the date of enactment of this Act, the Secretary of the Treasury, in consultation with the United States Trade Representative, shall begin negotiations with the People's Republic of China to ensure that the People's Republic of China adopts a process that leads to a substantial upward currency revaluation within 180 days after the date of enactment of this Act. Because various Asian governments have also been acquiring substantial foreign exchange reserves in an effort to prevent appreciation of their currencies for purposes of gaining an unfair competitive advantage in international trade, and because the People's Republic of China has concerns about the value of those currencies, the Secretary shall also seek to convene a multilateral summit to discuss exchange rates with representatives of various Asian governments and other interested parties, including representatives of other G-7 nations.

#### AUTHORITY FOR COMMITTEES TO MEET

##### COMMITTEE ON ARMED SERVICES

Mr. CRAPO. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on March 9, 2004, at 9:30 a.m., in open and closed session to receive testimony on current and future worldwide threats to the national security of the United States.

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

##### COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. CRAPO. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet on Tuesday, March 9, 2004, at 9:30 a.m., on pending Committee business.

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

##### COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. CRAPO. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Tuesday, March 9, 2004, at 10 a.m., in room SD-366 of the Dirksen Senate Office Building.

The purpose of the hearing is to receive testimony regarding water supply issues in the arid west.

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

##### COMMITTEE ON FINANCE

Mr. CRAPO. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session on Tuesday, March 9, 2004, at 10 a.m., in 215 Dirksen Senate Office Building, to hear testimony on "The Administration's International Trade Agenda."

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

##### COMMITTEE ON FOREIGN RELATIONS

Mr. CRAPO. Mr. President I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, March 9, 2004, at 2:30 p.m. to hold a Members Briefing on Iraq Post Conflict Reconstruction.

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

##### COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. CRAPO. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet on Tuesday, March 9, 2004, at 10 a.m. for a hearing titled "Postal Reform: Sustaining the 9 Million Jobs in the \$900 Billion Mailing Industry (Day One)."

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

##### COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSION

Mr. CRAPO. Mr. President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions be authorized to meet for a hearing on A Year Round College Calendar: Advantages and Impediments during the session of the Senate on Tuesday, March 9, 2004 at 9:30 a.m. in SD-430.

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

##### COMMITTEE ON VETERANS' AFFAIRS

Mr. CRAPO. Mr. President, I ask unanimous consent that the Committee on Veterans' Affairs be authorized to meet during the session of the Senate on Tuesday, March 9, 2004, for a hearing on S. 1509, the "Eric and Brian Simon Act of 2003", to amend title 38, United States Code, to provide a gratuity to veterans, their spouses, and children who contract HIV or AIDS as a result of a blood transfusion relating to a service-connected disability, and for other purposes.

The hearing will take place in room 418 of the Russell Senate Office Building at 2:30 p.m.

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

##### SELECT COMMITTEE ON INTELLIGENCE

Mr. CRAPO. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on March 9, 2004 at 2:30 p.m. to hold a closed hearing on intelligence matters.

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

##### SPECIAL COMMITTEE ON AGING

Mr. CRAPO. Mr. President, I ask unanimous consent that the Special Committee on Aging be authorized to meet Tuesday, March 9, 2004 from 10 a.m.-12 p.m. in Dirksen 628 for the purpose of conducting a hearing.

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

##### SUBCOMMITTEE ON NATIONAL PARKS

Mr. CRAPO. Mr. President, I ask unanimous consent that the Sub-

committee on National Parks of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Tuesday, March 9, 2004 at 2:30 p.m.

The purpose of the hearing is to receive testimony on the following bills: H.R. 1446 and S. 1306, to support the efforts of the California Missions Foundation to restore and repair the Spanish colonial and mission-era missions in the State of California and to preserve the artworks and artifacts of these missions, and for other purposes; and H.R. 1521, to provide for additional lands to be included within the boundary of the Johnstown Flood National Memorial in the State of Pennsylvania, and for other purposes.

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

##### SUBCOMMITTEE ON READINESS AND MANAGEMENT

Mr. CRAPO. Mr. President, I ask unanimous consent that the Subcommittee on Readiness and Management Support of the Committee on Armed Services be authorized to meet during the session of the Senate on March 9, 2004, at 2:30 p.m., in open session to receive testimony on military readiness programs in review of the defense authorization request for fiscal year 2005.

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

#### PRIVILEGES OF THE FLOOR

Mr. MCCONNELL. Mr. President, I ask unanimous consent that Trenton Norman, Jarret Heil, and Jill Gotts from Senator GRASSLEY's office be allowed on the floor for the duration of the debate on S. Con. Res. 95.

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

Mr. DURBIN. I ask unanimous consent Vin Moscardelli, a fellow on my staff, be granted floor privileges for the remainder of this debate and for the 108th Congress.

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

#### HONORING PRESIDENT BORIS TRAJKOVSKI

Mr. NICKLES. Mr. President, I ask unanimous consent the Senate now proceed to the consideration of S. Res. 314, submitted by Senator VOINOVICH today.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 314) commemorating and honoring President Boris Trajkovski.

There being no objection, the Senate proceeded to consider the resolution.

Mr. VOINOVICH. Mr. President, on Thursday, February 26, 2004, President Boris Trajkovski of Macedonia, whom I have known for many years, was tragically killed when a plane carrying him and eight others crashed in southern

Bosnia. His death is a tragic loss not only for his family and those who knew him well, but for the people of Macedonia, the broader region of Southeast Europe, and, I believe the world at large.

I rise today to express my condolences and deep sympathy to the people of Macedonia, the family of President Trajkovski, and the families of the eight others who were killed. I submit a resolution, cosponsored by Senator LUGAR and Senator BIDEN, which honors the memory of President Boris Trajkovski and recognizes the significant contributions he made as President of Macedonia.

President Trajkovski was a principled man, a courageous leader, and someone that I have come to call a friend since I first met him during a visit to Stankovic refugee camp in Macedonia in 1999. His leadership was instrumental following the crisis in Kosovo in 1999, as Macedonia worked with the international community to meet the needs of thousands of refugees fleeing the neighboring province. President Trajkovski's deep respect for human rights and commitment to the rule of law played a significant role in the signing of the Ohrid Framework Agreement in 2001, which successfully secured peace in the country following an outbreak of violence earlier that year. Following the signing of the peace accord, he remained committed to the implementation of the agreement—a process that continues today.

I have had the privilege of visiting with President Trajkovski regularly during the last several years, when I traveled to Macedonia in May 1999, February 2000, and again in May 2002, and on several occasions when he traveled to Washington, DC—often in conjunction with the National Prayer Breakfast. An ordained minister in the Methodist Church, President Trajkovski was a man of faith, principle, and character, and his leadership will be greatly missed as Macedonia continues to move toward membership in Europe's democratic institutions.

I extend my heartfelt condolences to President Trajkovski's wife, Vilma, his children, Sara and Stefan, and the people of Macedonia. While Boris Trajkovski will be sorely missed, he leaves a legacy of courageous and principled leadership, progress, and commitment to democratic reform that put Macedonia on a path toward membership in NATO and the European Union. That legacy lives on.

I urge my colleagues to join me in supporting this resolution, which honors the life of a man deeply committed to working toward a peaceful and prosperous future for the people of Macedonia and Southeast Europe.

Mr. NICKLES. I ask unanimous consent the resolution be agreed to, the preamble be agreed to, the motions to reconsider be laid upon the table en bloc, and any statements relating to the resolution be printed in the RECORD.

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

The resolution (S. Res. 314) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

#### S. RES. 314

Whereas President Boris Trajkovski of the Former Yugoslav Republic of Macedonia played a vital role in efforts to promote peace, stability, and democratic reform in his country and throughout Southeast Europe;

Whereas President Trajkovski was tragically killed on Thursday, February 26, 2004, when a plane carrying the President and 8 others crashed in southern Bosnia;

Whereas the people elected Boris Trajkovski to serve as President in November 1999, and inaugurated him as the second Macedonian President on December 15, 1999;

Whereas President Trajkovski led the country during a tumultuous period in Southeast Europe, working with the international community to accommodate refugees following the crisis in neighboring Kosovo in 1999, and playing a significant role in the signing of the Ohrid Framework Agreement in 2001;

Whereas President Trajkovski promoted the rule of law and respect for human rights, and encouraged economic, judicial, and military reforms necessary to move the country toward membership in the North Atlantic Treaty Organization and the European Union; and

Whereas the Macedonian government continues to work to join Europe's democratic institutions, and peace and stability in the country is critical to the broader region of Southeast Europe: Now, therefore, be it

*Resolved*, That the Senate—

(1) offers its condolences and deepest sympathy to the people of the Former Yugoslav Republic of Macedonia, the family of President Boris Trajkovski, and the families of the other crash victims during this difficult period;

(2) recognizes the courageous leadership and the significant role that President Trajkovski played in efforts to promote peace, stability, and reform, including his work to secure the 2001 Ohrid Framework Agreement; and

(3) encourages the Macedonian government to continue efforts to implement the Ohrid Peace Agreement, and to move forward with reforms necessary to join the North Atlantic Treaty Organization and the European Union.

#### INTERNATIONAL WOMEN'S DAY

Mr. NICKLES. Mr. President, I ask unanimous consent the Senate proceed to the immediate consideration of S. Res. 315, submitted earlier in the day by Senators BIDEN, LUGAR, and others.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 315) designating March 8, 2004, as "International Women's Day."

There being no objection, the Senate proceed to consider the resolution.

Mr. BIDEN. Mr. President, I support this resolution commemorating an extraordinary holiday, International Women's Day; a day that is celebrated around the globe to mark women's

achievements and to recognize pressing gender inequities still to be erased.

There is no doubt that women have made tremendous strides toward equality and justice in the last century. International Women's Day provides an important chance to acknowledge women who have pioneered change and paved the way for millions of women and girls to access equal education, employment and opportunity. On the other side of the coin, International Women's Day provides an opportunity for us to make a new "to-do" list and highlight what remains to be done, both at home and abroad.

Women's rights, or lack thereof, in the Middle East and South Asia assumed special prominence in the days and weeks after the tragic events of September 11. Americans became familiar with the Taliban's horrendous repression of Afghan women and girls. Two years after the United States removed the Taliban from power, Americans watched as the Afghan *loya jirga*, or grand council, met to adopt a new constitution—an opportunity to debate and create enforceable women's rights. Yet it remains to be seen whether the country's constitution establishes tangible improvements to the plight of Afghan women. In a similar vein, the fall of Saddam Hussein has given Iraqi women an opportunity to engage in public life and seek equal rights. Indeed, the interim Iraqi constitution sets aside 25 percent female participation in the interim government. But the challenges to women's rights in that region of the world abound, ranging from engrained religious and cultural norms to poverty from years of strife. I am convinced, however, that lasting stability and representational government depends upon the emancipation and full participation of women in the Middle East and South Asia. International Women's Day is a chance for us to reiterate that message, in those regions and around the world, that empowering women is the key to lasting peace and prosperity. And to that end, the United States should provide critical resources to help support and empower women and girls around the globe—an articulated priority to this administration, but as of yet an unmet goal.

A fitting tribute to International Women's Day would be ratification of the United Nations Convention on the Elimination of Discrimination Against Women, also known as the International Women's Rights treaty. It sets out basic women's rights—such as the right to an equal education and the right to own and inherit property. These rights are well settled in the United States, but unfortunately, they are not the norm in too many places around the globe. The treaty is stalled because of the administration's interminable treaty "review." After first telling the Committee on Foreign Relations that it supported the treaty, it has commenced a review of the treaty that has now lasted nearly 2 years. To

date, 174 countries have become party to the treaty. The United States stands with the likes of Iran, Afghanistan, Syria and Sudan as those few countries that have yet to become a party. This is not the company that our country—the place where the women's movement began—should keep. An administration that cares about the promotion of women's human rights should declare its unwavering support for the International Women's Rights treaty.

International Women's Day is also a perfect time for my Senate colleagues to recognize and address the plight of refugee women. I urge them to show their support for the Women and Children in Armed Conflict Protection Act of 2003, the "Protection Act", S. 1001. There are nearly 20 million people homeless today because of war and internal conflict—and the majority of them are women and children. A tragic irony is that women and kids who find their way into refugee camps sometimes face abuse and exploitation in the very place that is supposed to provide security and safety. The Protection Act of 2003 requires the United States government to develop a comprehensive strategy to protect women and children in all stages of conflicts, and sets out specific codes of conduct for agencies running refugee camps. In addition, the bill supports a variety of programs that are providing help to women in war-torn countries, programs that range from tracing lost relatives to providing legal aid for rape survivors. Most importantly, the bill backs up all of its directives with money—\$45 million per year—money that can make a real difference to women in such extreme crisis.

According to Government reports, some 800,000 to 900,000 people are trafficked across international borders worldwide to be enslaved as sweatshop workers, prostitutes, agricultural workers, or domestic servants—up to 20,000 of them are trafficked into the United States. A recent New York Times Magazine article profiled the gory details of sex trafficking in America's towns and suburbs. The Trafficking Victims Protection Act is the first Federal legislation that attacked head-on the very serious crime and aftermath of human trafficking. The legislation is wide in scope, tackling among other items, Federal penalties for trafficking, international ramifications for trafficking and the immigration needs of trafficking victims. But there remains much to be done. I want to make sure that we have provided law enforcement all of the legal tools and financial resources they need to go after criminals who engage in trafficking. I want to find out if criminal penalties—both here and abroad—are sufficient to deter traffickers. I want to explore if there are innovative things which can be done with extradition and witness protection to encourage fearful victims and witnesses to come forward to help make these cases. Women and girls are overwhelm-

ingly the victims of trafficking. Stepping up our attention to this crime means speaking up for international women's rights—a perfect endeavor on International Women's day.

I will close my remarks on International Women's Day with a topic that my fellow Senators know animates me—ending violence against women. One in three—that is how many women worldwide are raped, beaten or sexually abused in their lifetime. Violence against women is the quintessential global issue. It strikes in wealthy and poor countries, ravages war-torn countries and peaceful ones alike, and plagues disparate cultures. In a nationwide poll, women in the United States recently named domestic violence as their number one concern—number one. Guaranteeing women safety and immediate accountability for violence is the first step towards creating equal opportunities in the public realm—it is the sock that must go on before the shoes. Our attention and efforts to eradicate violence against women must not wane, and indeed, we need to redouble our efforts. Our International Women's Day and every other day, women all over the world deserve nothing less.

Mrs. MURRAY. Mr. President, this year marks the 95th anniversary of National Women's Day and the 93rd anniversary of International Women's Day. Since the first decades of the 20th century, when women in the United States, Western Europe, and Russia fought for the right to vote, tremendous progress has been made in advancing women's rights. Unfortunately, many women here at home and abroad still suffer.

In the last year, through America's increased involvement in foreign countries, our attention has been drawn to both the gains and shortcomings in the advancement of women's rights. In Afghanistan, although more girls are attending school than ever before in the country's history, tremendous security concerns remain. In rural areas especially, many women and girls choose to remain indoors because they are frequently targeted by armed warlords. This makes it impossible for them to attend school, go to work, or actively participate in the country's reconstruction.

Afghan women are also concerned with the widespread prevalence of forced marriage, and rape. In some cases, girls as young as 8 years old are forced into marriage with much older men. Although I am glad to see that the new Afghan constitution guarantees equal rights for all, I recognize the difference between putting high ideals down on paper and putting them into practice. Women's programs in Afghanistan have not been funded at proposed levels and it is unacceptable.

As a member of the Senate Appropriations Committee, I have been a strong supporter of Afghan aid, especially for women. I worked very hard to include an amendment to provide \$60

million for Afghan women's programs in the fiscal year 2004 Iraq/Afghanistan supplemental appropriations bill, because it is of the utmost importance that women play an active role in the country's political and economic reconstruction.

In Iraq as well, we must demand that the promises made to women become a reality. The interim constitution sets a 25 percent quota for women in the transitional assembly, and the preamble of the document makes clear that Iraqis are equal without regard to sex, sect, religion or other considerations. However, this is far removed from what women's groups initially asked for. The 25-member Iraqi Governing Council has only three women members, only one woman sits in the Iraqi Cabinet, and of the 18 provincial governors, none are women. This has resulted in a vast shortage of women from all the decision-making bodies in the new Iraq.

In addition to following through with our commitment to women in Iraq and Afghanistan, we must also do a better job of drawing attention to the other millions of women around the globe who suffer from legal and political discrimination, domestic violence, inadequate medical care, illiteracy, and other social injustices.

The worldwide theme for International Women's Day this year is "Women and HIV/AIDS." This is because the disease is having an increasingly devastating impact on females. Throughout the world, girls and young women now make up nearly two thirds of those below the age of 24 living with HIV, and new infections are rising fastest among married women infected by their husbands.

In order to stem this trend, women must be involved in the solution. This will involve providing women with better education and better healthcare. The U.N. properly recognizes that no enduring solution to any of society's social, economic and political ills can be found without the full participation, and the full empowerment of women.

In Africa alone, poor healthcare and poor education among women is one of the greatest challenges to development. Because women are the primary caretakers of children and the elderly, families face an additional burden when mothers are in poor health and poorly educated. Unfortunately, it has taken a global pandemic to remind us how important it is to support education and healthcare improvements for women.

Domestic violence is another enormous problem facing women. Not only abroad, but here at home as well, countless women are the targets of brutality simply because of their gender. The impact of domestic violence toward women is profound and it is often overlooked.

The World Health Organization asserts that domestic violence causes more deaths and disabilities among women between ages 15 and 44 than cancer, malaria, traffic accidents, and

war. Every day, thousands of women are made to be victims of rape, genital mutilation, sexual assault, honor killings, sexual trafficking, female infanticide, forced sterilization, and forced abortion. These things are very unpleasant to talk about, and for most of us, their occurrence is hard to comprehend. Many ask, how is it possible that in this age of technology and global communication, so many still suffer from the barbaric practices of the past?

As a global leader, the United States has a responsibility to bring attention to these types of questions, because progress can only be made by recognizing and addressing the unfortunate realities that still exist. In the upcoming year, as the international community seeks to rebuild Iraq and Afghanistan, as well as bring stability to other tenuous parts of the world, let us renew our focus on the importance of advancing the causes of women.

Today, as we recognize International Women's day, I am reminded of the inscription on the Women's Suffrage Monument in the Capital Rotunda. The inscription reads:

Principle not policy, Justice not Favor, Men, their rights and nothing more. Women, their rights and nothing less.

Mr. NICKLES. I ask unanimous consent the resolution and preamble be agreed to en bloc, the motion to reconsider be laid on the table, and any statements be printed in the RECORD without intervening action or debate.

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

The resolution (S. Res. 315) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

#### S. RES. 315

Whereas all over the world women are contributing to the growth of economies, participating in the world of diplomacy and politics, and improving the quality of the lives of their families, communities, and nations;

Whereas discrimination continues to deny women full political and economic equality and is often the basis for violations of women's basic human rights;

Whereas worldwide, the lives and health of women and girls continue to be endangered by violence that is directed at them simply because of their gender;

Whereas worldwide, violence against women includes rape, genital mutilation, sexual assault, domestic violence, dating violence, honor killings, sexual trafficking in women, dowry-related violence, female infanticide, sex-selection abortion, forced pregnancy, forced sterilization, and forced abortion;

Whereas the World Health Organization asserts that domestic violence causes more deaths and disability among women between ages 15 and 44 than cancer, malaria, traffic accidents, and war;

Whereas 130,000,000 girls and young women have been subjected to female genital mutilation, and it is estimated that 10,000 girls are at risk of being subjected to this practice in the United States and more than 160,000 girls and women in immigrant communities in the United States may have been victims of the traditional practice of female genital mutilation or are at risk of being subjected to it;

Whereas worldwide, at least 1 in 3 women has been beaten or sexually abused in her lifetime;

Whereas 1 in 6 women in the United States has experienced an attempted or completed sexual assault and 1 in 5 women reported she had been raped or physically or sexually assaulted in her lifetime;

Whereas in the United States, a woman is battered, usually by her intimate partner, every 15 seconds;

Whereas over 300,000 women each year experience intimate partner violence during their pregnancy;

Whereas more than 3 women are murdered by their husbands or boyfriends in the United States every day;

Whereas nearly 25 percent of American women report being raped or physically assaulted by a current or former spouse, cohabiting partner, or date at some time in their lifetime;

Whereas in the United States, battering is the leading cause of injury to women between ages 15 and 44;

Whereas it is estimated that 1 in 5 adolescent girls in the United States becomes a victim of physical or sexual abuse, or both, in a dating relationship;

Whereas worldwide, 20 to 50 percent of women experience some degree of domestic violence during marriage;

Whereas worldwide, women account for 1/2 of all cases of HIV/AIDS, approximately 42,000,000, and in countries with high HIV prevalence, young women are at a higher risk than young men of contracting HIV;

Whereas worldwide, sexual violence, including marital rape, has been announced as a major cause of the rapid spread of HIV/AIDS among women;

Whereas 2/3 of the world's nearly 1,000,000,000 illiterate individuals are women;

Whereas worldwide, girls are less likely to complete school than boys;

Whereas 2/3 of children denied primary education are girls;

Whereas in most countries, women work approximately twice the unpaid time men do;

Whereas about 3 in 10 households are maintained by women with no husband present;

Whereas rural women produce more than 55 percent of all food grown in developing countries;

Whereas women comprise almost 15 percent of the active duty, reserve, and guard units of the United States Armed Forces;

Whereas it is estimated that women and girls make up more than 70 percent of the 1,300,000,000 poorest people in the world;

Whereas women work 2/3 of the world's working hours, and produce 1/2 of the world's food, yet earn only 1 percent of the world's income, and own less than 1 percent of the world's property;

Whereas worldwide women still earn less, own less property, and have less access to education, employment, and health care than do men;

Whereas between 75 and 80 percent of the world's 27,000,000 refugees are women and children;

Whereas illegal trafficking worldwide for forced labor, domestic servitude, or sexual exploitation involves between 1,000,000 and 2,000,000 women and children each year, of whom 50,000 are transported to the United States;

Whereas as many as 750,000 women and children have been trafficked into the United States over the last decade;

Whereas March 8 has become known as International Women's Day for the last century, and is a day on which people, often divided by ethnicity, language, culture, and income, come together to celebrate a common

struggle for women's equality, justice, and peace;

Whereas the dedication and success of those working all over the world to end violence against women and girls and fighting for equality should be recognized; and

Whereas the people of the United States should be encouraged to participate in International Women's Day: Now, therefore, be it *Resolved*, That the Senate—

(1) designates March 8, 2004, as International Women's Day;

(2) reaffirms its commitment to—

(A) ending discrimination and violence against women;

(B) ensuring the safety and welfare of women; and

(C) pursuing policies that guarantee the basic rights of women both in the United States and in the world; and

(3) requests that the President issue a proclamation calling upon the people of the United States to observe "International Women's Day" with appropriate programs and activities.

#### FINANCIAL LITERACY MONTH

Mr. NICKLES. I ask unanimous consent the Senate proceed to the immediate consideration of S. Res. 316, submitted earlier in the day by Senators AKAKA, ALLEN, SARBANES, CORZINE, and others.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 316) designating April 2004 as "Financial Literacy Month."

There being no objection, the Senate proceeded to consider the resolution.

Mr. AKAKA. Mr. President, I am in support of this resolution designating April, 2004, as Financial Literacy Month, and asking the President to issue a proclamation calling on the Federal Government, States, localities, schools, nonprofit organizations, businesses, other entities, and the American people to observe the month with appropriate programs and activities. I thank Senators ALLEN, SARBANES, CORZINE, SANTORUM, KOHL, THOMAS, JOHNSON, KENNEDY, SCHUMER, LEVIN, LAUTENBERG, MURRAY, LANDRIEU, DURBIN, INOUE, and CRAPO for standing with me in advancing financial and economic literacy for our entire citizenry.

Last year, the Senate designated April, 2003, as Financial Literacy for Youth Month by adopting my resolution, S.Res. 48, to highlight the need for increased financial and economic literacy and education in our country. Since then, there has been wider recognition that we need to broaden the spotlight to include problems resulting from pervasive financial illiteracy among adults of all ages as well, no matter in which region of the country they live, in which sector of the economy they work, or for which side of the aisle they vote. All of us know at least one person in our lives who has suffered the sometimes tragic and often unavoidable results of not knowing how to create and stick to a budget,

not understanding the merits of maintaining good credit history, or not having the analytical skills to make decisions based on factors in the economy.

We are witness to the cumulative results of these individual decisions. Consumer debt rose at a greater rate than was expected in 2003, increasing to nearly \$2 trillion in September, 2003, as noted by the Federal Reserve. The rate of foreclosures for FHA loans was the highest ever recorded in the third quarter of 2003, according to the Mortgage Bankers Association National Delinquency Survey. The Congressional Research Service reports that the percentage of income used for household debt payments, including mortgages, credit cards, and student loans, rose to the highest level in more than a decade in 2001 and remained above 13 percent in 2003. Also, that personal savings as a percentage of personal income decreased from 7.5 percent in the early 1980s to 2.3 percent in the first three-quarters of 2003. As reported in the Associated Press, personal bankruptcies nearly doubled in the past decade, including more than 1.6 million people who filed for personal bankruptcy in fiscal year 2003. And a final sign of our times, despite technological advances that make it even more convenient and less costly to manage our money through accounts at banks and credit unions, Fannie Mae reports that between 25 million and 56 million adults are 'unbanked', or not using mainstream, insured financial institutions. All of this tells me that we cannot overlook our adult population and their need for financial literacy and education.

Even so, prevention remains key, and education lies at the heart of prevention. We must continue to work in our schools to convey important and practical lessons personal finance and economics, so that our students may leave secondary and postsecondary, and even elementary education, with age-appropriate tools and skills that they may continue to hone throughout their lives. In addition to learning and practicing the essential basics in reading, writing, and arithmetic, they should understand how they can do their part toward helping their families stick to the budget constructed on the kitchen table, saving toward their college tuition, or helping to identify future opportunities that will benefit everyone in their families in the long run.

As an example, the Hawaii Council on Economic Education, with assistance from the Securities Education Division within the Hawaii Department of Commerce and Consumer Affairs, is sponsoring the Hawaii Stock Market Simulation, which is an interactive tool to help students learn about how the U.S. financial market system works. By gaining an understanding of the securities markets, students in third grade through twelfth grade can learn about the importance of saving and investing to help provide a sound economic and financial base for their

own future. Student teams invest a hypothetical \$100,000 in stocks, bonds, and mutual funds and compete statewide. Last year, I met with some of the winning teams who, in the short 10-week period, raised the value of their portfolio to as much as \$130,273.49—an amount accomplished by a team from Kalani High School. In the Fall 2003 competition, a team from Keaau High School achieved a portfolio value of \$129,930.42. Even in the elementary division in the most recent competition, a team from Moanalua Middle School invested successfully for a portfolio of \$117,877.73. This is just one example of the types of competitions held around the country that gets kids excited in investing and saving while cautioning them about speculation, pulling their parents and other family members into the exercise, and give them the tools to analyze their own personal finance decisions, well into their adult years.

Support for economic and financial literacy efforts in our schools is a worthwhile investment for our country to make in our future generations. I am highlighting this point in this resolution, as well as working to provide more resources through the Excellence in Economic Education Act for K-12 education—rather than terminating this program as President George W. Bush recommended in his fiscal year 2005 budget, and working with my colleague from Wyoming, Senator ENZI, to strengthen this investment in our students in colleges and universities through our bill, S. 1968, the Financial Literacy in Higher Education Act.

And once again, economic and financial literacy must reach adults in this country, particularly to help those who are heads of households, workers, and business owners plan for short- and long-term investment, savings, and retirement, as well as avoid the grasp of predatory lenders that peddle products such as high-interest Refund Anticipation Loans, high-cost remittances, payday lending, and abusive financial marketing practices. I call to the attention of my colleagues the establishment of the Financial Literacy and Education Commission, and look forward to its development of a national strategy that will coordinate Federal efforts in financial and economic literacy. I also recognize the efforts of organizations such as the JumpStart Coalition for Personal Financial Literacy, the National Council on Economic Education, and others on the forefront of this movement for their parallel endeavors.

I urge my colleagues in the Senate to join me in commemorating all of these efforts to forward financial and economic literacy in this country by recognizing April 2004 as Financial Literacy Month, and I urge that they support this resolution.

Mr. NICKLES. I ask unanimous consent the resolution and preamble be agreed to en bloc, the motion to reconsider be laid on the table, and any statements be printed in the RECORD without intervening action or debate.

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

The resolution (S. Res. 316) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

#### S. RES. 316

Whereas only 26 percent of 13- to 21-year olds reported that their parents actively taught them how to manage money;

Whereas a 2002 survey by the National Council on Economic Education found that a decreasing number of States include personal finance in their education standards for students in kindergarten through grade 12;

Whereas a 2002 study by the JumpStart Coalition for Personal Financial Literacy found that high school seniors know even less about credit cards, retirement funds, insurance, and other personal finance basics than high school seniors did 5 years ago;

Whereas 55 percent of college students acquire their first credit card during their first year in college, and 83 percent of college students have at least 1 credit card;

Whereas personal savings as a percentage of personal income decreased from 7.5 percent in the early 1980s to 2.3 percent in the first 3 quarters of 2003;

Whereas today more than 42,000,000 people in the United States participate in 401(k) plans;

Whereas a 2002 Retirement Confidence Survey found that only 32 percent of workers surveyed have calculated how much money they will need to save for retirement;

Whereas only 30 percent of those surveyed in a 2003 Employee Benefit Trend Study are confident in their ability to make the right financial decisions for themselves and their families, and 25 percent have done no specific financial planning;

Whereas between 25,000,000 and 56,000,000 adults are unbanked, i.e., not using mainstream, insured financial institutions;

Whereas millions of people in the United States derive great benefits from the wide variety of products and services offered by the financial services industry in the United States, and such financial products and services allow individuals and families to build homes, start businesses, finance educations, buy cars, and meet the everyday needs of everyday life;

Whereas expanding access to the mainstream financial system provides individuals with lower cost, safer options for managing their finances and building wealth;

Whereas a greater understanding and familiarity with financial markets and institutions will lead to increased economic activity and growth;

Whereas financial education has been linked to lower delinquency rates for mortgage borrowers, higher participation and contribution rates in retirement plans, improved spending and saving habits, higher net worth, and positive knowledge, attitude, and behavior changes;

Whereas financial literacy empowers individuals to make wise financial decisions and reduces the confusion of an increasingly complex economy;

Whereas personal financial management skills and life-long habits develop during childhood;

Whereas personal financial education is essential to ensure that individuals are prepared to manage money, credit, and debt, and become responsible workers, heads of households, investors, entrepreneurs, business leaders, and citizens; and



Whereas Congress found it important enough to ensure coordination of Federal financial literacy efforts and formulate a national strategy that it established the Financial Literacy and Education Commission in 2003 and designated the Office of Financial Education of the Department of the Treasury to provide support for the Commission: Now, therefore, be it

*Resolved*, That the Senate—

(1) designates April 2004 as "Financial Literacy Month" to raise public awareness about the importance of financial education in the United States and the serious consequences that may be associated with a lack of understanding about personal finances; and

(2) requests that the President issue a proclamation calling on the Federal Government, States, localities, schools, nonprofit organizations, businesses, other entities, and the people of the United States to observe the month with appropriate programs and activities.

#### ENHANCING PUBLIC AWARENESS OF THE SOCIAL PROBLEM OF CHILD ABUSE AND NEGLECT

Mr. NICKLES. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further action on S. Res. 299, and the Senate now proceed to its consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 299) recognizing, and supporting efforts to enhance the public awareness of the social problem of child abuse and neglect.

There being no objection, the Senate proceeded to consider the resolution.

Mr. NICKLES. I ask unanimous consent the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid on the table en bloc, and any statements be printed in the RECORD.

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

The resolution (S. Res. 299) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

#### S. RES. 299

Whereas each year in the United States approximately 3,000,000 reports of suspected or known child abuse and neglect, involving 5,000,000 children, are made to child protective service agencies;

Whereas 588,000 children are unable to live safely with their families and are placed in foster homes and institutions;

Whereas it is estimated that every year in the United States more than 1,200 children, 85 percent of whom are under the age of 6 years, of whom 44 percent are under the age of 1 year, lose their lives as a direct result of abuse and neglect;

Whereas this tragic social problem results in human and economic costs through crime and delinquency, drug and alcohol abuse, domestic violence, and welfare dependency; and

Whereas Childhelp USA has initiated a Day of Hope to be observed on Wednesday, April 7, 2004, during Child Abuse Prevention Month, to focus public awareness on child abuse and neglect: Now, therefore, be it

*Resolved*, That—

(1) it is the sense of the Senate that—

(A) all Americans should keep the victims of child abuse and neglect in their thoughts and prayers;

(B) all Americans should seek to break the cycle of child abuse and neglect and to give victimized children hope for the future; and

(C) the faith community, nonprofit organizations, and volunteers across America should recommit themselves and mobilize their resources to assist abused and neglected children; and

(2) the Senate—

(A) supports the goals and ideas of the Day of Hope, which will be observed on April 7, 2004, as part of Child Abuse Prevention Month; and

(B) commends the individuals working on behalf of abused and neglected children throughout the United States.

#### GREEK INDEPENDENCE DAY

Mr. NICKLES. Mr. President, I ask unanimous consent the Judiciary Committee be discharged from further action on S. Res. 308, and the Senate now proceed to its consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 308) designating March 25, 2004, as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy."

There being no objection, the Senate proceeded to consider the resolution.

Mr. NICKLES. I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motions to reconsider be laid on the table en bloc, and any statements be printed in the RECORD.

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

The resolution (S. Res. 308) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

#### S. RES. 308

Whereas the ancient Greeks developed the concept of democracy, in which the supreme power to govern was vested in the people;

Whereas the Founding Fathers of the United States drew heavily on the political experience and philosophy of ancient Greece in forming our representative democracy;

Whereas Greek Commander in Chief Petros Mavromichalis, a founder of the modern Greek state, said to the citizens of the United States in 1821, "it is in your land that liberty has fixed her abode and . . . in imitating you, we shall imitate our ancestors and be thought worthy of them if we succeed in resembling you";

Whereas Greece is one of only three nations in the world, beyond the former British Empire, that has been allied with the United States in every major international conflict for more than 100 years;

Whereas Greece played a major role in the World War II struggle to protect freedom and democracy through such bravery as was shown in the historic Battle of Crete that presented the Axis land war with its first major setback, setting off a chain of events that significantly affected the outcome of World War II;

Whereas the price for Greece in holding our common values in their region was high, as hundreds of thousands of civilians were killed in Greece during the World War II period;

Whereas President George W. Bush, in recognizing Greek Independence Day, said, "Greece and America have been firm allies in the great struggles for liberty. Americans will always remember Greek heroism and

Greek sacrifice for the sake of freedom . . . [and] as the 21st Century dawns, Greece and America once again stand united; this time in the fight against terrorism. The United States deeply appreciates the role Greece is playing in the war against terror. . . . America and Greece are strong allies, and we're strategic partners.";

Whereas Greece is a stabilizing force by virtue of its political and economic power in the volatile Balkan region and is one of the fastest growing economies in Europe;

Whereas Greece, through excellent work and cooperation with United States and international law enforcement agencies, arrested and convicted key members of the November 17 terrorist organization;

Whereas President Bush stated that Greece's successful "law enforcement operations against a terrorist organization [November 17] responsible for three decades of terrorist attacks underscore the important contributions Greece is making to the global war on terrorism";

Whereas the Olympic Games will be coming home in August 2004 to Athens, Greece, the land of their ancient birthplace 2,500 years ago and the city of their modern revival in 1896;

Whereas the unprecedented Olympic security effort in Greece, including a record-setting expenditure of over \$850,000,000 and assignment of over 50,000 security personnel, as well as the utilization of a 7-country Olympic Security Advisory Group which includes the United States, will contribute to a safe and secure environment for staging the 2004 Olympic Games in Athens, Greece;

Whereas Greece, geographically located in a region where Christianity meets Islam and Judaism, maintains excellent relations with Muslim nations and Israel;

Whereas Greece has had extraordinary success in recent years in furthering cross-cultural understanding and reducing tensions between Greece and Turkey;

Whereas Greece and the United States are at the forefront of the effort for freedom, democracy, peace, stability, and human rights;

Whereas those and other ideals have forged a close bond between our two nations and their peoples;

Whereas March 25, 2004, marks the 183d anniversary of the beginning of the revolution that freed the Greek people from the Ottoman Empire; and

Whereas it is proper and desirable to celebrate with the Greek people and to reaffirm the democratic principles from which our two great nations were born: Now, therefore, be it

*Resolved*, That the Senate—

(1) designates March 25, 2004, as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy"; and

(2) requests that the President issue a proclamation calling on the people of the United States to observe the day with appropriate ceremonies and activities.

#### EXECUTIVE SESSION

#### TAXATION CONVENTION WITH JAPAN

Mr. NICKLES. Mr. President, I ask unanimous consent the Senate proceed to executive session to consider Calendar No. 12, treaty document 108-14 on today's Executive Calendar. I further ask unanimous consent the treaty be



considered as having passed through its various parliamentary stages up to and including the presentation of the resolution of ratification, that any statements be printed in the RECORD, and the Senate immediately proceed to a vote on the resolution of ratification; further, that when the resolution of ratification is voted upon, the motion to reconsider be laid on the table, the President be notified of the Senate's action, and that following the disposition of the treaty the Senate return to legislative session.

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

The resolution of ratification reads as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention between the Government of the United States of America and the Government of Japan for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, together with a Protocol and an Exchange of Notes, signed at Washington on November 6, 2003 (Treaty Doc. 108-14).

Mr. NICKLES. I ask for consideration of the resolution before the Senate by a division vote.

The PRESIDING OFFICER. A division is requested. Senators in favor of the resolution of ratification will please stand and be counted.

Those opposed will please stand and be counted.

On a division vote, two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

#### LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

#### ORDERS FOR WEDNESDAY, MARCH 10, 2004

Mr. NICKLES. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until 9:30 a.m., Wednesday, March 10. I further ask unanimous consent that following the prayer and pledge the morning hour be deemed expired and the Journal of proceedings be approved to date, the time for the two leaders be reserved for their use later in the day, and the Senate then resume consideration of S. Con. Res. 95, the budget resolution; provided that when the Senate resumes consideration of the resolution tomorrow morning there be 27 hours equally divided remaining for debate under the statutory limit.

I further ask unanimous consent that upon proceeding to the resolution, Senator ENSIGN be recognized for up to 30 minutes to make a statement on the resolution; provided that following his remarks Senator MURRAY be recognized to offer an amendment, with the next amendment in order to be an amendment to be offered by Senator

GRAHAM of South Carolina or his designee.

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

#### PROGRAM

Mr. NICKLES. Mr. President, tomorrow the Senate will resume consideration of S. Con. Res. 95, the budget resolution. When the Senate resumes debate tomorrow morning, there will be 27 hours remaining under the statutory time limit for debate.

I believe we made good progress today on the resolution. We were able to dispose of two very challenging amendments. The ranking member and I will return to the floor tomorrow morning to continue to work through amendments during the day. It is my hope that Members who wish to offer amendments will do so as early as possible, present their amendments to both my colleague, Senator CONRAD, and myself early so we can have a chance to examine and understand those amendments, and we may be able to dispose of them in a very intelligent and favorable way.

I also would like to inform my colleagues that we expect several rollcall votes throughout the day. Senators will be notified when we jointly agree upon having the first rollcall vote or two.

#### ORDER FOR ADJOURNMENT

Mr. NICKLES. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in adjournment under the previous order following the remarks of my colleague and friend, Senator CONRAD.

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

#### ORDER OF PROCEDURE

Mr. CONRAD. Mr. President, I would like to clarify that under the unanimous consent agreement Members are limited to 10 minutes under morning business, I believe. I ask unanimous consent that I be permitted to speak until I have completed my response to Senator BENNETT. I am sure it will be somewhat over 10 minutes.

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

Mr. CONRAD. Mr. President, I also thank the chairman for the tone and the demeanor that he has exhibited throughout the day as we have disposed of the two fairly contentious amendments. Certainly, given our colleagues' significant opportunity to express their views on the budget, the economy and the state of the economy, I look forward to working with him again tomorrow. Hopefully we can dispose of many more amendments tomorrow and do our level best to avoid the vote-arama that has typically plagued us in budget resolutions and dispose of

this debate in a way that gives the Senate the dignity it deserves.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

#### VIEWING THE ECONOMY

Mr. CONRAD. Mr. President, Senator BENNETT provided a view of the economy and the status of the jobs recovery. Let me give an alternative view as to what he discussed.

In looking at the jobs record of this President, what I see is that he is the first President who has lost private sector jobs in the last 70 years. I know it disturbs our colleagues to refer to the last President who lost private sector jobs, who was Herbert Hoover.

In making that statement, we are not saying the economy is in the same status as during the Great Depression. Obviously, that is not the case. Joblessness in the Hoover administration was approaching 25 percent of the workforce. That is not the case today. But it is an accurate statement to say this is the first President in 70 years who has lost private sector jobs. It is also true that something is happening in this recovery unlike anything we have seen in recoveries since World War II.

If we look at the average of the nine recessions since World War II, that is the dotted red line on this chart. This chart shows months after business-cycle peak on the bottom. What this shows is on average after 17 months, after the business-cycle peak, you start to see very strong job recovery. Here we are in this recession, 36 months past the business-cycle peak, and we are still not seeing meaningful job recovery. Something very different is happening. In fact, we are 5.4 million jobs short of a typical recovery. Something is wrong. Something is not working.

This shows the private sector job decline, and it shows 3 million jobs have been lost since January of 2001 when this President came into office. That is a fact.

This chart shows that we are also facing the longest average duration of unemployment in over 20 years; that is, when someone loses their job, it is taking them longer to find a new job than at any time in the last 20 years. Again, I think it is telling us this recovery is fundamentally different, and there is something wrong in the economy.

We also see we have the smallest share of the population at work since 1994. It is true we have millions of people at work. It is also true it is the smallest share of the population in a decade. Again, this is a recovery that is very unlike previous recoveries.

When we look at real wages, we go back to 1996, the last 4 years of the Clinton administration. We saw real wages increasing substantially. Since President Bush has taken office, we have seen real wages basically flat.

The President in his economic report in February of this year told us we could expect 2.6 million more jobs in

2004 than in 2003. For that prediction to come true, 520,000 jobs would have to be created per month. In the most recent month of February, only 21,000 were created. That is 500,000 jobs short of meeting the projection that was made on February 9 by the President's Council of Economic Advisers. Again, something is radically wrong.

I might say every one of those 21,000 jobs was in Government. They were Government jobs, and not a single job was created in the private sector in the month of February.

If we look historically—this is from the New York Times of today, "Promises, Promises," an article by Paul Krugman, a noted economist who went back and looked at what the administration has said would happen with jobs—these are administration forecasts. In 2002, the administration said we could expect 138.3 million jobs by 2005. In 2003, they said, whoops, that 138 million jobs is not going to come true. Instead, we are predicting 135.2 million jobs by January of 2005. In this year, they said, whoops again. Forget about not only 138 million jobs but forget about 135 million jobs as well. Instead, we are projecting 132.7 million jobs by January of 2005.

You can see where we are. We are at 130.2 million jobs. That is 8 million jobs below what the administration said would happen. They have been wrong. It is simple fact. They have been wrong, and they have been wrong by a big margin.

Senator BENNETT talked about the deficit. He acknowledged the deficit is now the largest it has been in dollar terms in our history. That is obviously the case. The deficit this year is expected to be \$477 billion. That is \$100 billion more than last year and last year was a record. He is right, in dollar terms, this is the biggest deficit we have ever had.

But then Senator BENNETT said as a percentage of gross domestic production, this deficit is lower than others we have seen—at least some of the others we have seen. That is where he and I would have a disagreement.

He showed the unified deficit as a share of GDP. That is very misleading. We have to look at the deficit and exclude Social Security from the calculation. When we do that, what we see is this deficit as a share of GDP is nearly equal to what we had in 1983 and it is the biggest deficit we have had going back all the way to World War II as a percentage of GDP.

Why the difference between my interpretation, my analysis of deficit as a share of the economy, and his? Very simply, he includes Social Security; I exclude it. Why? Go back to 1983. There was virtually no Social Security surplus. It was several hundred million dollars. It was between \$200 and \$300 million—million with an "M." This year, the Social Security surplus is \$160 billion. If we are analyzing our fiscal condition, if we are analyzing where we are on an operating basis the

way any company would, we do not throw the retirement funds of the employees into the pot. Those are excluded. That gives the real operating deficit. As I say, as a percentage of GDP that is the second biggest since World War II, only exceeded by the very substantial deficits we had in 1983.

Going forward, the President says, yes, these deficits have been very large. But, he said, do not worry; they will get better. He said, we will cut the deficits in half in the next 5 years.

No, we are not. The only way he gets to that conclusion is he leaves out things. He leaves out the cost of the war. He has no cost for the war past September 30 of this year. No cost for the war in Iraq, no cost for the war in Afghanistan, no cost for the war against terror. Does any person believe the right answer to those costs past September 30 of this year, which is the end of the Federal fiscal year, is zero? The Congressional Budget Office says that is not the right answer. They say the right answer is \$280 billion, the cost of the war, residual cost over the next 10 years.

When we add ongoing war costs and take out Social Security, we are looking at an operating basis for the Federal Government, and we include the need to fix the alternative minimum tax, the old millionaires' tax that is swiftly becoming a middle-class tax trap, we see virtually no progress, virtually none is being made at reducing the operating deficit of the United States, not only for the next 5 years under the President's plan but over the next 10 years. This is what to me is by far the biggest concern.

Yes, we ought to be worried about the biggest deficit in our history this year. Frankly, deficits after a period of our being attacked, after a period of economic downturn, should not be too surprising. What is alarming, what should worry us, are the massive sustained deficits on an operating basis for as far as the eye can see with no improvement even when the President is forecasting strong economic recovery. All of this is happening at the worst possible time, right before the baby boomers retire.

If we look at the debt of the United States, not just focus on the deficits—that is the annual difference between what is spent and what is taken in, that is the deficit, the debt is the accumulation of those deficits—what we see with the gross debt of the United States under the President's plans with his tax cuts, with the additional war cost the CBO tells us we will face, and the need to take on this alternative minimum tax crisis because it is becoming a middle-class tax trap, we see what is happening. It is taking off like a scalded cat. This is reality talking. This is facts. This is where this is all headed. It does not add up.

What about the disappearance of that surplus, what is responsible for it? The Senator from Utah put up a chart that said 24 percent or 25 percent of the dis-

appearance of the surplus is tax cuts. That is not what we find. When we look at the period of 2002 to 2011, which is the period when we had the first of the President's tax cuts, for that 10-year-period, 33 percent of the disappearance of the surplus—remember, they were projecting a \$5.6 trillion surplus for that period and that has now turned into a \$3.5 trillion deficit—there is a turnaround, in a negative sense, of \$9.1 trillion. Our fiscal condition deteriorated by \$9.1 trillion in the flash of an eye, in 3 years. Thirty-three percent of that disappearance is due to tax cuts.

The difference may be between the chart he showed and the chart I show that I have included the debt service, the effect of the additional interest we will have to pay because of the tax cuts and, appropriately, that cost ought to be assigned to the tax cuts. Obviously, if we have less revenue, we have more debt, and that means we have more interest payments. Mr. President, 30 percent of the disappearance is technical changes. Eight percent is economic downturn. Senator BENNETT put these two categories together and called it weakness in the economy and technical changes and then attributed—in his chart it was 40 percent—it to weakness in the economy.

No, no, no, no. No, no, that is not right. Eight percent of the disappearance of the surplus is weakness in the economy. Thirty percent is technical changes, mostly lower revenue, not as a result of tax cuts but as a result of the mechanical devices that are used to project deficits, that are used to project revenue being wrong.

The various models, the econometric models that are used to predict revenue, have been wrong. They have overestimated revenue, not because of tax cuts but because the models were wrong. That has accounted for 30 percent of the disappearance of the surplus.

Again, Senator BENNETT put up a chart that put these two together—weakness in the economy and technical changes—and then attributed the 40 percent to weakness in the economy. That is five times the result of weakness in the economy. Weakness in the economy only accounted for 8 percent of the downturn.

Other legislation is 29 percent; that is, increased spending. His analysis and ours is pretty close on increased spending.

But where did the increases occur? Ninety-one percent of the increase in spending occurred in three areas: national defense, homeland security, and the response to the attacks of September 11—rebuilding New York, the airline bailout. Those three categories—defense, homeland security, and the response to the attacks of September 11—account for 91 percent of the increase in spending, and the increase in spending accounts for 29 percent of the disappearance of the surplus.

So the fact is, the tax cuts are the biggest single reason, for the 10-year

period, for the disappearance of the surplus.

Again, what is most alarming is where this is all headed. This is not my chart. This is from the President's own budget analysis. What it shows is that the next 10 years is really the budget "sweet spot." It is the budget "sweet spot" even though we are running record budget deficits, the biggest in our history. But the President says if you adopt his spending plan and his tax plan, these are the good times, that it is going to get much more serious when the baby boomers start to retire and the full effects of the President's tax cuts are phased in. Then you can see the President's policies are going to take us right over the cliff into massive deficits and debt, unlike anything we have seen before. That is his projection of where his policies are leading.

Well, we do not just have to rely on his projections because they have been wrong repeatedly. The Congressional Budget Office is telling us exactly the same thing. This is their long-term forecast of what happens under the President's policies—his tax cuts, fixing the alternative minimum tax, his spending policies. This is what they say is going to happen.

This is where we are now. These are records: the biggest deficits, in dollar terms, we have ever had. This is where we are headed, according to the Congressional Budget Office, if we adopt his policies—a sea of red ink. That is what we face as a nation under the President's policies.

Now we look at Federal spending and Federal revenue because it is that relationship that determines what happens to deficits.

This chart shows what has happened to Federal spending as a percentage of gross domestic product. Senator BENNETT referred to using a percentage of gross domestic product as an appropriate measure of looking at debt and deficits. I agree because it takes out the effect of inflation so you can see real comparisons over time for Federal spending and Federal revenue.

What this shows us is, by 2001, we had gotten down to 18 percent of gross domestic product going for Federal spending, down sharply from where we were in the 1980s and the 1990s. In fact, you can see, in the Clinton administration, President Clinton came in right here, and every year thereafter spending, as a percentage of GDP, went down. I think this is counterintuitive to many people, but under a Democratic President, Federal spending went down each and every year of his administration measured against the national income.

President Bush came in, and we have had a spike up in spending. Again, 91 percent of that increase has gone for defense, homeland security, and a response to the attacks of September 11.

Still, if you project out this level of spending, what you see is we are still well below the spending of the 1980s and 1990s.

But let's look at the revenue side for the other side of this coin. That is where we see a fairly stark picture. You can see that the revenue side is where the whole Federal fiscal condition has collapsed. Revenues, as a percent of GDP for this year, are projected to be at the lowest level since 1950. Now look at that.

When President Bush came into office, we were at a high level of revenue as a share of GDP. In fact, he used that as a reason to cut taxes. He said, revenue is at a record level as a share of GDP, and that told him we ought to cut taxes. But look at where we are now. We are now at a record low, the lowest revenue has been since 1950. And his answer: Cut taxes some more.

It does not matter what the question is, his answer is the same. And I think any rational person, looking at this objectively, would say: What do we have to do to dig out of this? We have to restrain spending. We have to get more revenue to balance this budget. Balancing this budget is critically important before the baby boomers start to retire and increase the spending even more, and, unfortunately, under the President's plan, before the revenue dips even more because he is proposing deep tax cuts that explode in cost at the same time the baby boomers' cost to the Government increases.

Finally, Senator BENNETT talked about the tax cuts as being the reason the economy is in recovery. I don't agree that that is the correct analysis. There are two things Government can do to affect the economy. One is monetary policy. That is money supply, interest rates; that is under the purview of the Federal Reserve. The other element of economic policy that can be affected by the Federal Government is fiscal policy, the taxing and spending decisions by the Congress and the President.

First of all, I would say the biggest reason for the economic comeback is monetary policy. The Federal Reserve Board has adopted a very accommodative monetary policy, the lowest interest rates in 40 years. That gives enormous lift to the economy. That is, I believe, reason No. 1 for the economic comeback.

No. 2 would be the business cycle. We have seen for a very extended period the economic history of the country. When you have a slowdown, you have an automatic recovery as the business cycle proceeds. We have seen typically 17 months after a business cycle peak, when you have a recession, you start to see very strong job growth and recovery. In this particular recovery, we have seen very weak job growth, even though we are 36 months past the busi-

ness cycle peak. Nonetheless, business cycle is clearly the key reason for the rebound and stimulus.

Certainly, stimulus through tax cuts and Government spending has also given lift to this economy. After all, we have run nearly a trillion dollars in deficits in just the last 2 years. So we are spending more. In fact, spending from 2000 to 2003 was up 20 percent. That is stimulative, that is more money moving in the economy. That is more goods and purchases by the Government. That stimulates the economy. In addition, the tax cuts, without question, also provided stimulus. I would say the rebate checks and the lower rates helped stimulate consumer spending in the short run, but the tax cuts for the affluent were largely saved. So the part of the tax cuts that were especially stimulative were those tax cuts that led people to spend money.

The problem with the President's tax cuts is he weighted them too heavily to the upper income who are the very least likely to spend the money and stimulate the economy.

Finally, there is the sinking dollar. The dollar has gone down now nearly 30 percent against the euro since 2002, making U.S. exports cheaper abroad, making it easier for others to buy our goods.

Those are the factors I believe have contributed to economic recovery, not just the tax cuts. Certainly the tax cuts have played a role, but they are just one factor in the five factors I have mentioned.

With that, I take this opportunity to thank my colleagues for the good day we had today, the productive debate and discussion we had. I welcome this opportunity to respond to Senator BENNETT and his alternative view of what is happening with deficits and debt, what is happening to the job circumstance in our country, and to give my view of what is occurring. I find people across the country are increasingly troubled by a sense that something is wrong, something is amiss, something is not happening as it has happened in the past.

All of us have a responsibility to try to diagnose why that is happening and come up with solutions that will make things better for the future.

I yield the floor.

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ADJOURNMENT UNTIL 9:30 A.M.  
TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands adjourned until 9:30 a.m., Wednesday, March 10, 2004.

Thereupon, the Senate, at 8:16 p.m., adjourned until Wednesday, March 10, 2004, at 9:30 a.m.